

Mr. McGRAW. Yes, sir.

I have with me Mr. Matthew Broderick.

Senator NELSON. All right.

Go ahead, Mr. McGraw. You may present your testimony however you desire.

STATEMENT OF ISAAC R. McGRAW, PRESIDENT, PHARMACEUTICAL DIVISION OF PENNWALT CORP., ACCOMPANIED BY MATTHEW BRODERICK

Mr. BRODERICK. Mr. Chairman, I would like to state at the start that Mr. McGraw will be Pennwalt's witness.

Mr. Head will not testify. I think I have so advised Mr. Gordon.

Senator NELSON. All right.

Mr. McGRAW. Mr. Chairman, at the request of your committee, I am appearing on behalf of Pennwalt Corp. pharmaceutical division in order to provide the committee with our comments on the subject of antiobesity drugs.

As an introduction, in my appearance today on behalf of Pennwalt and its pharmaceutical division, I will review those major considerations which we believe to be responsive to this committee's invitation.

In order that you may readily comprehend our views, I should like to summarize them at the outset and then deal with them more fully by major category.

As part of Pennwalt Corp., a 126-year-old firm founded and still headquartered in Philadelphia, Pa., with annual sales of approximately \$750 million, we share its pride in our collective integrity.

I should note that our division represents less than 10 percent of the company's total sales, and that our antiobesity products represent less than 3 percent of total sales, with less than 1 percent in anorectic amphetamine products.

Senator NELSON. Gross sales?

Mr. McGRAW. Net sales.

Senator NELSON. How do you define net sales?

Mr. McGRAW. Sale less cash discount and shipping cost to the customer.

Antiobesity prescription medicine is the only federally recognized effective medicinal aid available in a course of medically supervised antiobesity treatment available to the 30 to 40 million Americans who are obese, namely, those who are at least 20 percent overweight.

Obesity is a recognized illness, in medical terms, as well as an emotional burden. It also complicates other quite serious medical problems.

Our pharmaceutical division clearly recognizes that its anorectic products should not be used unless prescribed by a physician. We firmly believe that our marketing program fully reflects this recognition and contains no suggestion that we seek to sell the patient *any* use of our anorectic products.

As this committee is aware, the Food and Drug Administration has found our anorectic products to be safe and effective and, in our judgment, we have continued to achieve very satisfactory compliance with the regulatory standards and programs which are the responsibility of the Drug Enforcement Administration.