

I know Senator Hatfield, as you have questions, you will interrupt. Dr. Apple is perfectly agreeable to having his testimony interrupted at any time.

Dr. APPLE. Quite honestly we regret that some individual firms in the pharmaceutical industry as a whole are again being exposed to public scrutiny, lay press headlines and uncomplimentary discussions. We would far prefer to see such changes as are needed accomplished voluntarily, out of the public spotlight. Unfortunately for all of us, the industry generally has refused to take appropriate action. Prodding and protests from our association over the past decade, from individual pharmacists and from the profession as a whole have been to little avail.

Senator NELSON. What kind of prodding and protests are you referring to, or do you get specific about that at a later place in your statement?

Dr. APPLE. Well, we do generally throughout our testimony, Mr. Chairman, but basically here I have reference to the meetings that we have had with individual firms, with industry spokesmen, with the committee reports presented at our annual meetings over the years, where specific issues were discussed and our recommendations and pleas to industry were outlined in detail; resolutions adopted by our Association on price discrimination, on nomenclature, on samples, and other subjects in which we have a mutual interest.

Senator NELSON. Have you had any success with the major issues that you have raised with the industry?

Dr. APPLE. We have copies of our committee reports here which we will be glad to file with the committee so that they can see the specific comments we have made to industry.

Senator NELSON. The committee would like to have those reports for the files, and if it seems appropriate we will incorporate them into the record of the hearings.¹

Dr. APPLE. We are surprised and shocked that industry spokesmen would now accuse us of being political opportunists or insincere for saying publicly what we and other pharmacists have been saying in industry-profession meetings for many years. We suppose that the industry's complaint is designed to rally its forces and create doubt in the minds of pharmacists who have not studied the issues.

For years we have heard attempted justifications for the large price differentials and discriminatory pricing practices. None of them rings true, though there is some substance of truth in the many rationalizations that have been offered. We fully understand that research costs must be recovered, that quality-control costs must be included, that premarketing testing and promotion and all other operational and administrative costs must be covered by sales income. This is elementary business economics.

Senator NELSON. You surmise that the industry's complaint is designed to rally its forces and create doubt in the minds of pharmacists. Do you have any specific evidence other than the publicity that appears in various professional journals and publications that there have been specific attempts by the industry to appeal to the pharmacist with respect to the issues that you have been raising for years?

¹ Retained in committee files.