

Down in the next paragraph it tends to be, on the surface at least, a bit contradictory:

For years we have heard attempted justifications for the large rise differentials and discriminatory practices. None of them rings true, though there is some substance of truth.

Well, what ratio of truth to untruth is there in this statement that you make? How is this committee to interpret your comments here; is there a 60-40 differential or ratio, or is there a 50-50 or a 70-30? How much truth and how much untruth?

Dr. APPLE. Senator, I think if I am allowed to proceed with my statement you can make your own evaluation where I have tried to point out the specifics and certainly you can judge on that basis.

Now, when an industry representative says that he can't sit in a room and explain why his price is different than someone else's price, there is an element of truth. Perhaps the antitrust laws won't permit such a gathering. But it doesn't explain away the price differences.

Mr. STEEVES. It is also the case in the area of quantity prices, Senator. Of course, there is some economy in bulk purchases and prices, so when an industry spokesman explains the disparity in prices based on the quantities, there is some substance of truth to that. However, that is not a complete explanation for some of the wide price differentials that we have seen. This is what we mean by saying there is some substance of truth. There is some promotional value, there are some economic savings through quantity purchases but, of course, it is only part of the story. I don't know that we could evaluate it in terms of 60-40 or any percentage.

Senator HATFIELD. Then, actually, the phraseology here should have been perhaps a little differently stated. "None of them rings true" is pretty categorical.

Mr. STEEVES. That is right.

Senator HATFIELD. If you had started the sentence as if there is some substance of truth and then qualify that—but when you start out by saying "none of them rings true" and then try to qualify something as categorical as that, I think it is a little misleading.

On this price point, I gather from your testimony and from others representing your viewpoint, there is a feeling that the pharmacist has a greater understanding of the price problem in the new drugs coming on to the market, and the changing price picture and structure than the physician has. The pharmacist is dealing with this day in and day out and, therefore, he has a better comprehension of the overall price problem, is this not the essence of your thinking—

Dr. APPLE. Yes, sir.

Senator HATFIELD (continuing). Than the practicing physician?

Dr. APPLE. Yes, sir.

Senator HATFIELD. Yes, all right. Then let me ask you this: Do you have any knowledge of pharmacists who seek to keep doctors informed? Let's say, here is a pharmacist who has a continuing relationship with certain physicians through prescriptions that are sent by the physician, and over a period of time this pharmacist realizes that this doctor is prescribing a certain and particular drug, and that there are some new changes in this drug picture or new prices that are involved and perhaps other drugs that are equally good. Does the phar-