

Senator HATFIELD. Prescription drugs. All right. If he gets 500 he get 500 or whatever it is. Are there any such price breaks given to the pharmacists running a drugstore, a pharmacy?

Mr. STEEVES. Yes.

Senator HATFIELD. From the pharmaceutical house for nonprescription drugs?

Mr. STEEVES. Yes.

Senator HATFIELD. So in other words, you then can get the same kind of price breaks if you push certain drugs under this same basic arrangement?

Mr. STEEVES. This is correct. If you pick up the pharmaceutical literature you will see an extra 10 percent if you buy a case of this cough syrup or that cough syrup; yes.

Senator HATFIELD. But, it is wrong for the physician, and it is right for you?

Mr. STEEVES. No.

Dr. APPLE. No, Senator, I think the analogy is between pharmaceuticals and nonprescription drugs or any other commodity that might be available in a drugstore. In the latter case, you will find that the manufacturer publicly offers a deal, a quantity discount, a promotion which is available to anybody who wants to buy it. Now—

Senator HATFIELD. To any pharmacies who want to buy it?

Dr. APPLE. It can be to grocery stores. It can be supermarkets. It can be any type of retail outlet.

Mr. STEEVES. Dispensing physicians?

Dr. APPLE. It can be physician himself if he wants to buy it.

Senator HATFIELD. I see.

How do they make this selective list then with physicians? I suppose you are inferring that this broad type of price deal is not given to every physician as it is to every druggist?

Mr. STEEVES. Generally, I think it would be available to any physician.

Dr. APPLE. I think it would be.

Senator HATFIELD. In other words, it is the same broad base proposition, so to speak, professional proposition.

Mr. STEEVES. For those in the medical profession; yes.

Senator NELSON. But not to the pharmacist at that stage.

Mr. STEEVES. There is another factor, Senator. You mention these price breaks and so on. Our journal policy will not accept these ads emphasizing the profit or the deal promotion. This has been our policy for a number of years. We would like to have the drugs promoted and sold to our members and sold to the public on the basis of intrinsic merit, not on the basis of an extra 10 percent, and if—we could go through our journal over the last several years and you will see some of the ads that have been modified at our request. Some of the ads which appear in the general trade press have not run in our journal.

Senator NELSON. Does this philosophy prevail within the profession of pharmacy?

Mr. STEEVES. I think it is growing. I don't know whether I could say it prevails at the present time.

Senator NELSON. Let me ask you another question on this pricing.