

Dr. APPLE. I think I explained it, sir. Certainly the public interest in the quality and cost of drugs has been effectively rekindled since your subcommittee initiated its hearings several months ago. In addition to focusing attention on specific issues, these hearings have stimulated examination of policies and positions by most of the parties involved. The unrest of the public, organized labor, the aged and other groups in our society, as well as the Government, reflects their concern about the cost of drugs and the large price differentials to various buyers, between "brands" and "generics" and among various "brands" and "generics." This restiveness originally spared the physician and the pharmacist, but it now has taken hold among all of the health practitioners.

The interest of the American Medical Association in the cost of drugs is evidenced by its own surveys conducted earlier this year in Chicago. Mr. Chairman, you have very timely and cogently exposed these surveys for what they are, but the very fact, for whatever reason, that the National Professional Society of Physicians chose to involve itself directly in drug costs to patients is conclusive evidence of the growing public impatience.

Senator NELSON. As you are aware, some weeks ago, the Peoples Drug chain and the Gray's Drug chain representing over 400 retail outlets announced that they were going to stock a complete line of generic drugs from reliable manufacturers. Is this the kind of thing you are referring to when you say that the brand-name era in pharmaceuticals is coming to an end?

Dr. APPLE. It certainly is, Mr. Chairman.

One of the questions that the pharmacist has had over the past decade is, Where do I get a quality generic? He always has been in doubt about the use of the drug, and we see evidence now where many manufacturers have come forward and offered the pharmacist a line of generics certainly he can feel confident about.

Mr. Chairman, you mentioned one of them just now, and I think you would be interested in seeing what we are talking about.

This is the line of generics offered by Alliance, and I don't mean to imply that there aren't others that are available by equally competent manufacturers.

Senator NELSON. How broad a spectrum of different drugs do they offer?

Dr. APPLE. These are the drugs that they are currently offering. Alliance is a group of wholesalers and, apparently, the wholesalers must feel that the pharmacist needs such drugs or they wouldn't go to the extent of arranging to pool their interests to have one of the pharmaceutical manufacturers in this country who is well known, produce this line for them.

Now, historically speaking, of course, there have been companies that have made generic products to specifications of other manufacturers, or other agencies interested in purchasing large quantities of drugs. Many of them cater directly only to large institutional purchasers. They aren't interested in putting up a batch of 50 bottles or 100 bottles of a hundred tablets. The mechanism, of course, is now available through the change that has taken place in the marketplace and this is one of the reasons why we think the brand-name era is coming to an end. Articles have been printed, and we have a number of them here we would be glad to submit—