do anything other drugs do not do. You are aware of that assertion, are you not?

Mr. STETLER. Very definitely. And actually Dr. Sheele, who is here to testify today, when he talks about research, wants to deal in some little detail with molecular modification, and to show the other side of this situation. He will mention some of the very fine products and cures that have resulted from this research which I assure you is not fallacious or flimsy.

Senator NELSON. We have had testimony, as you know, that there have been fruitful results from what is sometimes called molecular manipulation and modification. On the other hand, we have had testimony that there is a considerable amount of research which is really aiming at getting another combination of molecules to develop a drug which is not more effective than a drug that is already on the market. But the new version can be identified with a brand name, and then promoted.

Mr. STETLER. Of course, the mere existence of multiple drugs on the market that have a similar effect is not necessarily bad. I suppose if we were to outlaw that, we would eliminate a lot of very healthy competition. So that there is an economic and a medical aspect to this question, both of which are complex.

Senator NELSON. I have not suggested that it be outlawed. But I think there ought to be some attempt to understand this.

Mr. STETLER. I really think that the statement that Dr. Scheele has submitted, which we will comment on later will help to clarify that.

Of the U.S. discoveries, the laboratories of American manufacturers were responsible for 87 percent. The others came from university, nonprofit, or Government sources.

The issue of generic prescribing and dispensing—and that certainly has been one of the major issues discussed—a great deal has been said during these hearings about prescribing by the generic name of the drug. I would like the record to be perfectly clear that the prescription drug industry and the PMA do not oppose the physicians' freedom to prescribe in this way. We believe a physician should be entirely free to prescribe as he wishes, whether by a manufacturer's brand name, by the generic name with the manufacturer identified, or by the generic name alone.

Senator NELSON. I do not think we have had any witness before us who has testified that the physician should be deprived of his right to prescribe by trade name?

Mr. STETLER. Well, there has been legislation introduced which—at least with respect to governmental programs, like medicare—would involve compulsory generic prescribing or compulsory substitution if a doctor prescribed by brand name. Obviously, that legislation has not been before this committee. But there has been a close tie-in in some of the discussion by people who have advocated that, and some of the theories I think lap over. There also has been a misunderstanding that our association is strictly brand oriented, and that we are advocates of a compulsory or exclusive brand prescription posture for doctors. And that is really the point I wanted to make here—that we recognize all three are completely legitimate depending on the circumstances and the doctor's wish.