

time—to get back to the same issues we were talking about then, with regard to price differentials—you were talking I think at that time that a great deal of the reason for price differentials was the quality controls. I have been talking and I think he was talking about improving minimum standards, pushing up minimum standards.

Now, if we did push up minimum standards, could I assume or could we assume that the prices of the less expensive drugs would also go up to reach towards your quality control drugs? Is that fair to say?

Mr. STETLER. Yes; that is fair to say. That would be a demonstrable fact, I am sure. As the quality increased and the expense of providing that quality increased, it would have to be reflected in price.

Mr. GROSSMAN. Is there any evidence this has happened in the past when standards have been tightened or anything like that?

Mr. STETLER. I believe there is. I am not prepared to really document that fully today. But I think when our people testify about trends in generic and brand name prices, which might be as close as you can come to that, I think we will find that as the requirements of the Food and Drug Administration increased, there was more of an increase in price in the generic products than in the brand name products, which I think would be an index to the sort of thing you are talking about.

Mr. GROSSMAN. If you have any such information, could you supply it for the record?

Mr. STETLER. Yes; I will check to make sure—if it is going to be supplied by our group of witnesses, we will do it at that time. If it is not there, I will make sure I get it in connection with this day's hearings.

Mr. GROSSMAN. Yesterday the APhA testified as to a suggestion I think that has been made by other witnesses that generic patents be maintained, but that no trade names be attached. And I wondered if the PMA has any position on this. That is to say, that a doctor would just prescribe a generic, and if you wanted Schering or Upjohn, he could just put "Upjohn."

Mr. STETLER. I would like to make a brief comment on that, and let Mr. Cutler expand on it a little.

We definitely have a belief about that. We are not in agreement with the statement or the concept that the brand name era is dead. It certainly is not dead, should not be dead, and we hope we will not live to see the day when it is. As far as the drug products are concerned, when we are faced with the reality—and it is one—that doctors prescribe by brand names 95 percent of the time, obviously these names have utility to physicians. It is easier by the use of a brand name for a doctor to identify the source of the product than it is to use a generic name and indicate the manufacturer.

Now, this does not disparage a statement I made earlier—that we feel sincerely that doctors should have a right to prescribe any way they want to. But still the fact is that in the prescribing habits, and this has gone on for many years, they find it better and easier to use the brand name. Unless and until that situation is different, we cannot mandate different prescribing habits.

Mr. GROSSMAN. Do you think your position would be different if we had some kind of upgrading of minimum standards?

Mr. STETLER. I doubt that upgrading of minimum standards would affect significantly that problem but it might. Now, just on the brand