The language of the 1963 advertising regulations is difficult to comply with. It is easy to see where there might be questions raised. But when you talk about ad violations you get down to a relatively small number.

Mr. GORDON. Mr. Stetler, I shall put into the record at this point some material that we have received from the Department of Justice—complaints of the Government in these nine cases you mentioned.

One criminal case closed—now there are two criminal closed—and three criminal cases pending, I think; four civil cases closed, and one civil case pending.[7]

Mr. STETLER. I think it should be clear many of these cases are still under consideration. Actually in terms of violations adjudicated, it is something like three, and nothing close to one-third of PMA membership involvement as was originally indicated.

Mr. GORDON. I shall also put into the record a large number of "Dear Doctor" letters which have been sent from 1961 to date.[8]

I notice that every one of these are from members of PMA.

Mr. STETLER. I think if we do 95 percent of the production and 95 percent of the drugs come from our firms, it is obvious that the good deeds and few mistakes will be dominant from those sources, too.

Mr. GROSSMAN. I have a question.

Talking about good deeds in the industry—yesterday we had testimony from Dr. Apple about the concept which he called the community formulary. Are you familiar with that concept?

Mr. STETLER. I have not read his statement. I am not familiar with how he used that terminology.

Mr. GROSSMAN. If I may, I will just read something.

"The local medical pharmaceutical societies would establish a pharmacy and therapeutic committee to develop a list of drugs to be utilized."

This might be in a community such as a disadvantaged area in New York or in Chicago, Watts in Los Angeles. In other words, what I am getting at here is what is the industry doing in areas like this? Has the industry made any contribution in disadvantaged areas?

Mr. STETLER. They have made significant contributions, but not of the type that would fall in the category of a formulary.

Mr. GROSSMAN. I am aware Smith, Klein & French has been helpful in Philadelphia in housing. What about in the particular field of drugs and lower cost to people in these areas?

Mr. STETLER. Well, I think it is probably spelled out pretty well in some of those blue books attached to my statement. But there are a great number of price concessions that have been made by firms to certain categories of beneficiaries under State, local, and Federal programs that would, I am sure, be pretty specific answers to your question.

Mr. GROSSMAN. What about this idea of a community formulary in an area such as Harlem or Bedford-Stuyvesant in New York?

Mr. STETLER. I think if you are going to talk in terms of a community formulary, it really would make no more sense or as much sense

[7] See p. 1427, infra.
[8] See p. 1450, infra.