

The stated purpose of the Foundation is "to promote the betterment of public health through support of scientific and medical research with particular reference to the study and development of the science of therapeutics."

In its operations, the Foundation has very deliberately avoided duplicating or competing with the federal programs of research and other research already being supported by private sources, including industry contributions of various kinds. Its concentration is currently in two areas of interest—fundamental research in drug toxicology, and research and training of personnel in the field of clinical pharmacology and drug evaluation.

The Foundation has already authorized grants of more than \$1,000,000 from funds derived from PMA firms, plus added support from organizations related to the drug industry and individuals. There will not be a dime of monetary return to the contributors. No product research is involved.

What will be returned is new scientific knowledge, better methodology in the field of drug testing, and trained scientists who have had the opportunity to study drug toxicity and pharmacology. The PMA Foundation represents an effort by the members of our Association to solve pressing problems in the public interest. We are confident of its future and look for it to become an outstanding force for progress in the medical and scientific community.

These have been merely the highlights of a wide range of activities of the pharmaceutical industry which are not generally known or appreciated outside the industry and the scientific community. Yet we believe they are important in the consideration of the role of responsible drug manufacturers in modern society. Their direct contribution to the common good through the medicines they discover and produce simply cannot be questioned. Interestingly, these same discoverers—the innovators, or originators of new drugs—have been the ones who have made the extra efforts I have outlined to extend the frontiers of knowledge and contribute to the health and well-being of society here and abroad.

In order that you might have the full details, too voluminous to recite here, of the vast array of these activities, the PMA commissioned the management consultant firm of Klein and Saks, Inc. to make studies of several fields of particular interest and compile their findings in convenient form. I have their reports here and would like at this time to introduce them in the record.²

Conclusion

Mr. Chairman, in conclusion I would like to say that in our continuing activities the pharmaceutical industry is pursuing the following aims, aims with which I believe this Subcommittee would agree:

—First, to provide doctors and their patients with drug products having the highest degree of safety, effectiveness and quality we can achieve for the lowest price at which these standards can be attained.

—Second, to provide the doctor with a choice among such drug products as varied as the human idiosyncracies among the patients he treats and as divergent theories of medical therapy may require.

—Third, to cooperate with the government in assuming that these objectives are achieved at a reasonable cost.

We respectfully and urgently submit, however, that the way to attain these objectives is not to *force* physicians into generic prescribing or into prescribing the lowest priced product regardless of the doctor's medical judgment as to its comparative quality and therapeutic effect.

Instead, we submit that the wise course for government policy is to assure:

(1) that physicians are provided with as much reliable information about the comparative effectiveness, quality and price of drug products as our society can provide;

(2) that physicians are left free to prescribe the particular product and manufacturing source they think best for particular patients; and

(3) that patients are provided with reliable information about comparative retail prices for that product.

In short, we urge that government policy be aimed not at eliminating competition, but at making competition work as effectively as possible at all levels of

² (a) Contributions of American Prescription Drug Manufacturers in the United States—Klein and Saks, Inc.—March 1967.

(b) Contributions to Medical Education by American Prescription Drug Manufacturers—Klein and Saks, Inc.—August 1967.

(c) Contributions of American Prescription Drug Manufacturers in International Development—Klein and Saks, Inc.—November 1966.