

A similar close look must be given to the costs of advertising and product promotion outside the detail man. Criticism of the industry in these areas has been mostly concerned recently with the quality of the advertising material in terms of full disclosure and balanced presentation of product information. The results of these regulatory efforts will be, of course, of real significance to the industry, but the question of the effect of advertising on prices is the consideration here. Again we have a difficult problem of balance for the pharmaceutical manager to solve. As always he has a special responsibility to avoid waste, to keep within generally acceptable limits, and to persuade his potential customers that his advertising efforts are useful. To the degree he fails to do these things, and parenthetically he thinks that this is going on, they are failing to do these things today to some extent, to too great an extent, these expenses will be deemed an unnecessary force and contributor to the upward trend of prices.

Advertising in an industry is vulnerable to critics who see in it many sinister implications contrary to the public interest, but especially in the drug industry is it suspect of exerting influences which are not only productive of undesirable medical practice, but actually harmful to the health of the Nation both in a physical and an economic sense. The pharmaceutical advertising manager finds himself in the same sort of position we have seen before in relation to his counterparts in other industries. His rules should be different, his responsibilities for careful, accurate, and nonprejudicial work are greater, his field of activity is more restricted by regulation and by public policy, and any deviation will not only be measured in terms of communicative quality, but also in economic effect.

Senator NELSON. A week or 10 days ago the representatives of the Pharmaceutical Manufacturers Association appeared before the committee. We showed them an example of a drug for which the Food and Drug Administration in this country requires in all the advertising of the firm who makes the drug a very specific warning to the physician that fatal blood dyscrasias have resulted from the use of this drug and that it should not be used for minor diseases or illnesses.

In February of this year the company ran an ad in the AMA Journal in this country, February 20 I believe, in which they made a full disclosure as required, in a paragraph with a black line drawn around it. It mentioned all the dangers and warnings very specifically.

Within the same month, in fact a few days earlier, they ran an ad for the same drug in the British Medical Journal in which they did not include a single word of warning. When I asked them why, they said they simply comply with the laws of the country in which they advertise. I said, "Aren't you worried, concerned about the British people?" I said, "What about the underdeveloped countries where there are no standards, no laws defining required quality. They do not have doctors who are qualified or do not have enough doctors to set up any testing procedures."

Well, their only response to that was "We comply with the laws of the country we are in." So what they were saying was that their standard of quality in advertising here is as high as it is required to be by law and they really aren't worried if some doctor is misled in England or in some other country where the law does not require full disclosure.