evidence of widespread and shocking price differences paid by public agencies, with taxpayers' funds, for prescription drugs. The differences cannot be explained by the quantity of the purchase because in some instances the highest price is paid by the largest purchaser and in others the difference in quantity is not sufficient to justify the huge price differential. Neither does the source of the drug explain the differences since the same supplier frequently charges different prices to different buyers of the same drug. In the main, I think the obvious conclusion to be drawn is that the price charged to public agencies is whatever the traffic will bear in each particular instance. For example, while Grand Rapids, Mich. (Kent County), was paying $160 for reserpine, .25 milligram, 5,000's, Chicago (Cook County) was purchasing the same drug for $2.09. That is $160 versus $2.09, a difference of 7,655 percent. Grand Rapids was buying on a trade-name basis, while Cook County's order was for a generic product supplied by a generic house. The quantity purchased does not explain the difference since the Chicago purchase was $338.58 worth and Grand Rapids $160 worth. Another dramatic comparison is the Chicago price of $2.09 for 5,000 tablets as compared with the Defense Supply Agency price of $4.50 for 5,000 tablets—while DSA paid more than twice as much per unit for reserpine, its purchase totaled $31,410 compared to only $338 for Chicago.[1]

In the case of dextroamphetamine sulfate tablets—5 milligrams, 1,000's—while Des Moines and Newark were paying $22.60 for this drug on a trade name basis, the city of Los Angeles was purchasing the drug generically for $0.53, a striking differential of 4,264 percent.

And although the price paid for phenazopyridine—0.1 gram, 1,000's—by the cities of Erie, Indianapolis, and Winston-Salem was $48, Phoenix, Ariz., purchased the drug for only $4.13, less than one-tenth the price.

Further, the survey generally indicates that the total dollar value of the contract involved is not a significant factor in price differentials.

For example, in the case of chlordiazepoxide—25 milligrams, 5,000's—although Los Angeles bought quantities amounting to $32,625.86, they were paying $25.50 per unit while Philadelphia, which bought only $12,210.11, or one-third the quantity, was paying only $18.50.

It is interesting to note, in this case, that both cities were supplied by the same firm.

In the case of chloramphenicol—250 milligrams, 100's—the high-quantity purchasers are not the cities buying at the lowest prices. Albuquerque paid $13.50 per unit and bought quantities amounting to only $718.20, while Cleveland, Ohio, paid $24.99—almost 50 percent more—and bought $2,249 worth, which is over three times the dollar value of Albuquerque's purchase. Both cities again purchased from the same firm.

An even more shocking example is the case of phenazopyridine tablets—0.1 gram, 1,000's. The Veterans' Administration, a large Federal purchaser, while buying 80 times the quantity of Phoenix—that is,

[1] See charts beginning at p. 1745, infra.