

small part. The point is that we have responsibilities now to keep advertising honest. And we put up with a lot of puffing, and so on, but there are already safeguards in this respect.

But I am here simply to try to help identify the problem in this industry, and I am not at all in disagreement with you that advertising can play and has played an extremely important role in many industries in the American economy. But recognizing this, I can't bind myself to the possibility that in certain areas it creates problems.

Senator SCOTT. What kind of problems does advertising create?

Dr. MUELLER. I think it mutes the voice of competition. The fact that it has prevented the purchase of drugs on the basis of their inherent qualities. It has prevented the purchase on this basis, and the advertising has prevented, in effect, competition from working as we ordinarily hope it would. It has gone far beyond the informational aspects that we are most interested in.

Senator SCOTT. Let us see if the corollary of your argument holds water—I do not know whether a corollary is intended to hold water—if you are arguing that advertising in the drug industry is so used as to muffle competition, and to muffle the opportunity for the public to have more information on the nature of the drugs it is buying, would it therefore follow that if you would advertise less the public would know more?

That is a hard one to answer.

Senator NELSON. May I interrupt?

I have an answer for that. It is not a question of the public knowing more or less. The public, in fact, knows nothing, and advertisements in this industry are not addressed to the public; they are addressed to the man in the medical profession exclusively.

I have an example which I think explains the point and may be helpful to the Senator.

We have a case with regard to the drug prednisone where advertising very clearly was not helpful to the public at all, nor to the doctor himself, in terms of his patient's welfare. The company that discovered prednisone and got it patented is the Schering Corp., which gave it the trade name "Meticorten."

A large number of companies went into the marketplace with the drug under license from Schering. The prices on prednisone, according to the Medical Letter of June 2, 1967, ranged from 59 cents for 100 tablets to the pharmacist by one company to \$17.90 a 100 to the pharmacist by another company. The latter is the highest priced prednisone on the market. The Medical Letter stated that these drugs were of comparable therapeutic value, and advised the doctors to prescribe the lower priced generic named drug.

Now, here is a case where tremendous advertising by one company convinced the doctor—not the public, because the public had no notion about it—convinced the doctor that he ought to continue to prescribe Meticorten even though there were 21 other drugs in the marketplace that the Medical Letter said were of equal therapeutic value, one selling for 59 cents a 100, one for 72 or 73 cents a 100, Deltra for \$2.20 a 100, Meticorten for \$17.90 a 100, and Paracort for \$17.88 a 100.

So, here is a case where the advertising is to the medical profession and not to the public and has not enlightened anybody, but rather