Again, it should be emphasized that this is a risk to which the industry intensively contributes, and in fact fosters, by its policy of imitative research and product development programs, sales promotion strategies, and the like. And very little of this is likely to be socially productive.

B. Specific comments

(1) The summary section of the report bristles with unsupported "plugs" for the drug industry. On page 4 it is stated that "the development of effective products with fewer and less severe side effects" is one of the most outstanding features of the market. This is a more sanguine opinion than was stated by many doctors during the Kefauver hearings, particularly those whose statements are contained in part 18 of those published hearings. L. Meyler's book, "Side Effects of Drugs," is highly educational in regard to the general failure of later modified drugs to have side effects much different from the earlier drugs.

(2) The summary section also contends that combination products are improvements. Again, there is much medical opinion to the contrary. The U.S. Pharmacopeia does not list combination drugs; the National Formulary has only a few. Dr. Maxwell Finland stated during the Kefauver hearings that combination drugs lacked flexibility and compounded the problems of dosage and toxicity.

The summary refers to "combination products in which the ingredients provide synergistic effects." Dr. Finland referred to synergism claims as "incorrect and misleading," observing that such activity "is a highly specialized property related to individual strains of bacteria and is recognizable only after special tests. Thus, so-called synergistic drug combinations can only be tailormade to an individual strain of bacterium after such tests" (p. 13928).

(3) It is also contended that there are "obvious economies" in producing and distributing combination products, but no evidence of this is given. But even if economies are realized, of what value are they to the consumer? If drug prices are based on the "value" of the medication—that is, what the market will bear—then costs are irrelevant, and cost savings simply contribute to larger profit margins.

V. COMMENTS ON THE STATEMENT OF PROFESSOR FIRESTONE

A. General comments

(1) Much of this paper is similar in style and approach to that of Professor Cootner: It is a straightforward pedagogical exercise in which some of the rudiments of index number measurement methods and problems are discussed.

(2) But it differs from Cootner's statement, and resembles the "Trends in Market Share" study in that Firestone has a tendency to compliment the drug industry for alleged advances which have been regarded somewhat more skeptically by medical men. For example, on page 7 and again on page 20, he refers with approval to sustained-release medications despite the fact that Dr. R. W. Burack previously stated before this subcommittee that such a preparation "remains unpredictable at best" (part 1, p. 330). And on page 21 he speaks with approval of combination drugs, the criticism with regard to which