forced, keep off the market a certain number of useless but harmless drugs which presently encumber it. To the extent that drug firms are tempted to patent and push such inefficacious drugs in order to take advantage of the susceptibility of physicians to massive advertising, refusal to certify them will prevent further market confusion and reduce the amount of research devoted solely to pro viding vehicles for sales promotion.[46] But most research is probably not aimed at pure sales promotion of useless compounds; far more resources are wasted in duplicating existing drugs via molecular manipulation, and the failure of this part of S. 1552 to be enacted keeps incentives for such "research" as great as ever.

Competition between generic and brand name products usually exists only where the drug is not patented, *i.e.*, in only a small part of the prescription drugs market. The ability of generic drug firms to compete with brand name firms is slightly increased by the provisions for registration and inspection of plants. This should give physicians more confidence in the quality of generic name products and increase their willingness to prescribe by generic name, but in view of the demonstrated ability of drug firm detailment to disparage generic producers, it is doubtful if the fact of more adequate FDA inspection, in itself, will eliminate the cultivated distrust of generic drugs on the part of physicians. In the past, detailmen have also disparaged the scope and the adequacy of FDA inspection, and it remains to be seen if they will have similar success even under the new program. The only sure way of eliminating disparagement is to eliminate the army of over 15,000 detailmen; eliminating monopoly profits will largely bring this about. The provisions giving the Secretary of HEW authority to establish generic names supplies the basis for sweeping reforms resulting in shorter and simpler names physicians can remember, spell, and hence can prescribe. But much depends upon the aggressiveness with which the Secretary carries out this mandate. At present, few generic names do not need reforming, but a universal housecleaning in nomenclature is probably not to be expected. Yet it would be most disappointing if the Secretary were only to exercise his power in those relatively few cases where no name exists, or more than one.

The remaining reforms of advertising also proceed in the right direction, but not far enough. The requirements for summaries of side effects and efficacy in all advertisements will make for a more enlightened practice of medicine, but will not have direct effects on drug economics. The requirement that generic names be included in all copy will help, but the more such names are simplified, the more it will help.

To an economist concerned with questions of public policy, the congressional performance in regard to S. 1552 is discouraging, but not entirely so. The Act effected significant medical, if not economic, reforms. It now seems appropriate that renewed efforts be applied on the part of the public to induce congress to pass a more adequate act abolishing drug product patents and requiring generic name labeling. But the obstacles should not be underestimated. The influence of opposing groups is considerable, and the performance of several of these at the Hearings left much to be desired from the standpoint of concern for the public interest in health. Congress was apparently more sensitive to the need of protecting the consumer's physical health than his economic well-being; in fact the prime reason that any action was taken on the bill may have been its coincidence in time with the Thalidomide tragedy in late 1961, with the great publicity given the embryo-deforming effects of a new sedative drug. But it would seem preferable for the public to conduct a continuing campaign for more effective drug industry legislation, rather than to have such reform legislation come about piecemeal as a by-product of a series of tragic and avoidable blunders on the part of pharmaceuticals makers.

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[46] Hearings on administered prices, op. cit., pt. 18, p. k0379 contains interesting testimony by Dr. A. D. Console, former medical director of Squibb, who in reply to Senator Kefauver's question as to how much drug firm research produces nothing worthwhile and is not intended to, answered: "I think the majority of it is in that category . . . with many of these products, it is clear while they are on the drawing board that they promise no utility; they promise sales."