versity of Utah, College of Medicine; Dr. Lasagnia, associate professor of medicine, director of the Division of Clinical Pharmacology, Johns Hopkins Medical School; Dr. Lavietes, associate clinical professor of medicine, Yale University Medical School; Dr. Mark Lepper, professor of preventive medicine, University of Illinois Medical School; Dr. George E. Moore, clinical professor of surgery, State University of New York at Buffalo, director of Roswell Park Memorial Institute; Maxwell Wintrobe, professor and head of Department of Medicine, University of Utah, College of Medicine; Dr. Robert Wise, professor and head of Department of Medicine, Jefferson Medical College. They use other consultants. They consult with people who are in the field using this particular drug; then with the benefit of their chemical analysis and their consulting with clinicians, they come to a conclusion about the drug.

Now, nobody has refuted this, including the company. The company testified. They have not refuted this. No one has refuted it.

What I am saying to you is—certainly, you want to be sure that your drug is employed. But this committee, as one part of the hearings, is concerned about the pricing structure of the drug industry and the fact that in the retail marketing place by their brand name identification, they are able to charge an excessively high price which they cannot get from a general hospital or Defense Supply or Veterans' Administration. It is just a clear cut case of gouging the public. Incredible gouging.

They could not answer why they charged one-fourth as much in Berne, Switzerland, for their drug, after shipping it over, as they charged here. They said that the standard of living is lower over there. Then I pointed out that the standard of living is much lower in Mexico City and they charge three times as much in Mexico City. He said he would ask the comptroller of the company to look into that and write me. That was over a year ago. We have not heard yet.

But in my view, this is a case of gouging the public by the drug companies, with the support of a lot of the medical profession who say, "Stick to the brand name."

Now, it would seem to me that if I were practicing medicine, I would go get the best formulary from the nearest hospital, in other words, rely upon the judgment of the distinguished doctors at that hospital, and prescribe from their formulary. That would answer a lot of these questions.

Dr. ALFANO. I do not believe you would want that, Senator. You want your physicians then to be herded into one group. Physicians are individuals. They will decide what they feel is proper for their particular patients. I do not believe—you use the word "gouging". I am not going to try to justify variations in pricing, but I believe there are reasons why trade name drugs cost more than generic drugs. Trade name or ethical pharmaceutical firms provide services that we do not get from generic companies. In fact, most physicians do not know the generic companies. I believe I have in here in this statement some of the services rendered by the pharmaceutical firms.

For example, the medical department of the drug company. You certainly would not want the American public and the medical profession to go without the services of the medical department of a drug firm. We do not have medical departments in generic firms. Certainly,