

the physician a list of the generic drugs and a price comparison then this could be done by a supplement to the AMA drug evaluations.

However, if the intent of the compendium is to change the prescribing habits of the medical profession then I don't believe that this can be accomplished by the compendium.

The chairman of the Monopoly Subcommittee stated in invitation to speak before the committee that some witnesses have expressed concern about the dependence of medical organizations upon funds derived from the drug industry. I can speak for the American Society of Abominal Surgeons and state that the society does not depend upon funds from the drug industry. The society can function without any outside help.

In 1961 drug advertising accounted for 7 percent of the cost of publishing the Journal of Abdominal Surgery. In 1962 it was 8 percent; 1963, 17 percent; 1964, 21 percent; 1965, 28 percent; 1966, 49 percent; 1967, 61 percent; 1968, 41 percent.

Senator NELSON. May I ask a question at this point?

Dr. ALFANO. Yes.

Senator NELSON. When was the journal founded?

Dr. ALFANO. The first issue was February of 1959.

Senator NELSON. We have the percentage figures here supplied by the Legislative Reference Division of the Library of Congress.¹ Do you have the dollar figures?

Dr. ALFANO. Yes.

Senator NELSON. That is, the dollar figures of advertising?

Dr. ALFANO. I have the net advertising income.

Senator NELSON. What does that mean?

Dr. ALFANO. That means the advertising income—for example, in 1961, it was \$5,533 of advertising income. Subtracted was the commissions that went to the advertising agency plus our own space representative who gets a commission.

Senator NELSON. So the figures you are going to give us now are the net, not the gross?

Dr. ALFANO. Not the gross, billing, yes. For example, 1961, it was \$5,533 as a gross. The net was \$2,846.

Senator NELSON. Could you give them to us for each year?

Dr. ALFANO. Yes. 1961, \$2,646; 1962, \$3,520; 1963, \$8,657; 1964, \$10,592; 1965, \$15,214; 1966, \$41,941; 1967, \$55,734; 1968, \$42,138.

Senator NELSON. What was the figure for 1967?

Dr. ALFANO. \$55,734.

Senator NELSON. Now, were these all net figures?

Dr. ALFANO. Those are the net figures, yes.

Senator NELSON. I see.

Mr. GORDON. What percentage of your total income would that be?

Dr. ALFANO. That is what I have over here—no, that was the percentage of the cost of publishing the journal. I do not have the percentage of the total income that I can give you. I gave you—these figures are the percentage of the total cost of publishing the journal. For example, 1968, the cost of publishing the journal was \$103,850; that \$41,000 represents 41 percent.

¹ See Appendix XIII, "A Study of Pharmaceutical Advertising in Selected Medical Journals," pp. 4863-4998, *infra*.