

4734 COMPETITIVE PROBLEMS IN THE DRUG INDUSTRY

(The subsequent supplemental information submitted by Dr. Rose-n
now follows:)

THE AMERICAN COLLEGE OF PHYSICIANS,
Philadelphia, Pa., April 7, 1969.

MONOPOLY SUBCOMMITTEE OF THE SENATE SMALL BUSINESS COMMITTEE,
U.S. Senate,
Washington, D.C.

(Attention of Mr. Gordon) :

This letter is to give you additional information in response to Senator Nel-
son's questions asked of Dr. Pollard and me recently.

First of all the following is a breakdown of Exhibit B of our report to show
what percentage of Advertising Revenue was represented by pharmaceutical
advertising in the annals.

	1967		1968	
	Amount	Percent	Amount	Percent
Pharmaceutical.....	\$823,738	95.5	\$898,019	94.41
Instruments.....	21,296	2.5	34,470	3.62
Books.....	13,250	1.5	13,020	1.37
Other (miscellaneous).....	4,160	.5	5,670	.6
Breakdown for exhibit revenue:				
Pharmaceutical.....	58,011	60.0	65,350	53
Instruments.....	15,795	16.0	27,950	23
Books.....	11,391	13.0	11,325	10
Other.....	11,091	11.0	19,100	14

A second question concerned our endowment fund and whether we had any
stock in a pharmaceutical company. At the present time our total portfolio in
invested capital is as follows:

	Cost	Market, as of Feb. 28, 1969
Operating fund.....	\$307,912	\$426,416
Endowment.....	3,524,830	3,945,303
Building fund.....	889,835	1,051,064
Total.....	4,722,577	5,422,783
Holdings in pharmaceutical stock:		
Baxter Laboratories convertible 4 percent, Mar. 1, 1987.....	49,688	56,400
Rorer-Amchem.....	60,788	54,000
Total.....	110,476	110,400
Percent.....	2.3	2.0

It can be seen that 2% of the total invested capital is in pharmaceutical com-
panies. I remind you that we invest our funds upon advice of Drexel, Harriman
and Ripley.

I have checked with our Editors and we have not commented on the AMA
journal article November 18, 1968 on Generic Inequivalence of Drugs by Alan B.
Varley, M.D.

During the past couple of years we have rejected a number of ads which were
so totally unsuited to a journal devoted to Internal Medicine that we did not
circulate to the committee. The following represent those we would have re-
jected if the agency did not comply with our request to make certain changes.

1. Stuart Company—Ad submitted by Sudler & Hennessey Company for Myli-
con (brand of simethicone). We asked that the statement "This liberating action
of Mylicon is unlikely to mask organic disease—And side effects and seldom re-
ported—even during prolonged use." They dropped this and the ad appeared in
the August, 1967 issue of *Annals of Internal Medicine*.

2. Rowell Laboratories—Agency Barickman & Shelders Advertising, Inc.
Product—Cortenema! Attached is copy of our letter dated October 4, 1967. The
company did not submit further ads for this product.