

EXHIBIT B

UNIVERSITY OF CALIFORNIA
SAN FRANCISCO MEDICAL CENTER,
June 5, 1969.

To: Charles Payton.

From: Raymond Ward.

Subject: Complimentary merchandise given to medical students by various pharmaceutical houses.

Lilly Pharmaceutical:	
Freshmen, 1 Littmann stethoscope-----	\$24.00
Sophomore, 1 tape measure-----	4.00
Sophomore, 1 percussion hammer-----	2.70
Sophomore, 1 black bag-----	7.00
Sophomore, 1 tuning fork-----	6.00
Junior, 1 notebook-----	2.00
Senior, 1 black leather bag-----	20.00
Warner Chilcott: Junior: 1 covered clip board-----	2.00
CIBA: One pocket size medical tables and calculator-----	4.00
Hard bound text on the interpretation of the EKG.	

EXHIBIT C

CONCERNED STUDENTS OF THE SOPHOMORE MEDICAL CLASS,
UNIVERSITY OF CALIFORNIA MEDICAL CENTER,
San Francisco, Calif., January 10, 1969.

LILLY PHARMACEUTICAL CO.

DEAR SIR: The pharmaceutical companies' policy of providing gifts to medical students creates two moral dilemmas for the students. One of the future physician's first responsibilities is to his own integrity; yet, the acceptance of gifts may incur a definite, albeit subtle, sense of obligation, thus threatening the physician's integrity. The physician should in no way be made to feel some kind of loyalty to a company, because it has given him some instruments. This gift-giving policy, then, appears to be thinly-disguised advertising. Yet the fact that drug companies continue to distribute gifts would seem to indicate that this subtle form of advertising does pay off.

The second moral dilemma involves our ultimate primary concern—our responsibility to our patients. While initially grateful and happy to receive your gifts, upon more rational examination, we've had unsettling thoughts as to who ultimately bears the cost of these gifts. It can be none other than the drug-consumer, our patient. For, the drug company, spending a great deal of money on these good-will programs, must ultimately raise the price of their drugs to absorb promotional expense. And while medical school is a financial struggle for many of us, considering our potential earning power in the future, we should be better able to afford the cost of our instruments than can the major drug consumers—the aged and the chronically ill, who have exhausted their earning power.

To those who insist the drug company is serving a worthwhile function by improving the education of medical students, we would readily agree. We appreciate the books, scholarships, research grants and travel fellowships provided by the drug companies and acknowledge their value in our education. We feel, however, that gifts such as black bags, stethoscopes and reflex hammers, do little to improve our education.

Perhaps our main complaint, then, is priorities. In our opinion, money spent by drug companies which directly affects the quality of our education, such as the grants, etc., mentioned above, is money well invested. Money spent on instruments, etc., on the other hand, could be used so much more wisely—and where it is so much more urgently needed. Having stated our moral obligations, we would hope the drug industry would demonstrate a comparable sense of responsibility. We offer the following suggestion for the use of money now spent in supplying medical students with gifts. Those of us endorsing this letter consider this the most admirable form of advertising imaginable:

A special fund should be created by drug companies for the purpose of distributing drugs to neighborhood health centers. We recognize that some firms