

for drugs, descriptions of State laws affecting the sale of drugs, and so on. Thus, most, if not all, of our exposure in this course was to documentary information.

Prior to our exposure to such information, most of us were almost completely unaware of issues involving prescription drugs. The drug industry and the medical profession both are such large, familiar presences on the American scene, with records of such outstanding service, that it had scarcely occurred to most of us that anything could be amiss in their relationship.

As a result of what we heard during the elective course, and the reading we were stimulated to do, many of us came to feel that doctors were at fault for allowing an intimate, unbusinesslike relationship to develop with the drug industry. We felt that many doctors accept gifts, contracts, literature, and financial support for journals and meetings with an uncritical attitude, placing themselves in a position of gratitude and even financial dependence which may detract from their objectivity.

Mr. DUFFY. May I interrupt for a moment at this point?

I am curious as to how you would consider a doctor who is teaching with a Government grant. As I understand, many doctors and professors are across the country. He falls in very much the same category. What is your reaction to this?

Mr. NATHAN. I do not see what category you are referring to.

Mr. DUFFY. Well, he certainly is in a position of gratitude and financial dependence with respect to the Government, which may detract from his objectivity.

Mr. NATHAN. Well, this is true except the Government does not sell drugs. And another point is—

Mr. DUFFY. Is this the nub of it? I mean, we are selling drugs and this is bad?

Mr. NATHAN. Well, the point is that the man who is receiving money from the drug companies, if that were the source of his funds, is the same man who is sending customers to the drug company, whereas no one sends customers to the Government.

I think that is a poor distinction. In one case there is a conflict of interest which is potential, although I am sure very rarely actually realized. In the other case, I do not think there is any conflict of interest, or if it is, it is very subtle, hard to discern.

Mr. DUFFY. Thank you.

Mr. NATHAN. Two points in our course made an especially sharp impression on us. First, the prescription drug industry is founded on an economic relationship unique in American business; namely, the man who selects a product for purchase is not the man who pays for it. Second, since the man who selects the product is likely to have less concern for its price than if he also had to pay for it. Advertising practices have developed which are also unique: the price of the product is almost never mentioned in advertisements. Indeed, a very unusual price structure has developed without much comment from physicians.

This information caused a great deal of debate in our class. Many students, not present at Dr. Burack's talks, simply could not believe what they heard he had reported. Others thought the facts were correct but felt that anyone with any strength of character could easily maintain his objectivity without being influenced by advertising or