

Once there the student and his wife are put up in a hotel where food and lodging bills are paid by Lederle, which also provides free tickets to some nightclub or show.

Some years ago the whole graduating class would be taken on such a weekend and some schools still participate in this program.

This year, after the returning of gifts by the second-year class the practice at CWRU has changed. No longer are drug companies allowed to use the medical school as an intermediary in the giving of gifts. As of November 1968 all gifts must be made on an individual basis, and not involve the school, similar to the way Lilly gives the 4th-year bag, as has been mentioned previously.

I would like to comment on the question brought up before about whether we accepted gifts or not. Mr. Payton was questioned on that. At Reserve it was slightly different and it might be interesting to hear how.

When you come into the laboratory the gifts are on your desks. Since you have to work there you have to handle them in some way. In a spontaneous move we began giving them back and that precipitated the action I will describe now.

Those of us at Reserve who have spoken out against the giving and accepting of gifts have stated our reasons in the following quote from our letter to the *New England Journal of Medicine*:

We are returning these gifts because we feel they are not gifts but rather are inappropriate advertisements. Although many of these gifts are useful, all but the most naive realize that your motivation in giving them to us is to influence our future choice of drugs.

We are struck by the fact that ultimately it is the consumer who pays for these gifts in the form of higher prices.

Returning these gifts demonstrates our disapproval of the relationship which they foster. This relationship is one which has as its goal the mutual benefit of both the doctor and the drug company, with consideration of the patient relegated to a place of secondary importance. In so failing to consider the patient, both the drug company and the doctor are not properly serving the public to whom they are responsible.

This letter appeared in November, and you have heard testimony about a similar letter appearing from Harvard later on and about medical schools taking similar action across the country.

I would like to take this opportunity to elaborate on some of the points in the letter and comment on some of the criticism against it that we have heard today.

Many doctors have argued that accepting the gifts does not influence their choice of drugs. Although this may be true for some doctors, it is irrelevant. This discussion should not start at the question of whether or not the advertising works. The answer is in. Advertising works. Drug companies would not spend \$750 million a year advertising to doctors year after year if it were not effective.¹ The pharmaceutical industry is highest or second highest in returns on investment, and makes almost two times the rate of profit when compared to industry as a whole.² Of the 300 to 400 companies making prescription drugs, 20 accounted for two-thirds of the prescription sales in 1958.³ These same companies are the ones involved in medical school gift programs. It is our belief that there is a relationship here; that companies big

¹ Kefauver, E. "In a Few Hands," Pantheon, 1965.

² "Fortune's 500," Fortune, May 15, 1969, p. 186.

³ Harris, R., "Real Voice," Macmillan, 1964, p. 84.