ducing and distributing pharmaceutical products, on the one hand, and market prices on the other.

Mr. GORDON. May I interrupt you there?

Dr. STEINFELD. Certainly.

Mr. GORDON. How are you going to get these costs? Do you have mandatory powers to get it? Do you ask the manufacturers to give it to you? As I understand it, this is rather sensitive information which the drug firms would be very reluctant to give.

Dr. STEINFELD. You are absolutely correct, but we believe that a number of the smaller drug firms which have just gotten into the business of manufacturing generic products will cooperate with us. From the information we obtain on these products, we think we can extrapolate to some extent to some of the larger manufacturers and brand name products. It will be a difficult problem, however.

Mr. GORDON. But you can get a general idea of the manufacturing costs?

Dr. STEINFELD. We think we can from some of the smaller manufacturers producing generic products, yes, sir.

One report, Prescription Drug Data Summary, was published last year. I have just supplied a copy for the committee's information. The 1971 edition will go to press in April. Two other studies are being developed for publication: These reports cover Profits in the Drug Industry, 1959–69 and Comparison of Domestic and Foreign Prescription Drug Prices. We expect another report, Techniques and Problems in Federal Drug Procurement, to become available later this year.

Recommendation No. 4 called for the enactment of legislation requiring that the containers of dispensed prescription drugs be labeled with the identity, strength, and quantity of the product unless the prescriber waived this requirement. The Department's proposed Drug Identification Act of 1969 (S. 3297 in the 91st Congress) included amendments to the Federal Food, Drug, and Cosmetic Act which would have implemented this recommendation fully.

Hearings were held on S. 3297 and related bills on April 28 and 29, 1970, by the Subcommittee on Health of the Senate Committee on Labor and Public Welfare. No further action was taken on this legislation in the 91st Congress. This legislation was last week resubmitted to the Congress by the President.

Encouragement of the wider use of prepackaged dispensing was suggested in recommendation 5. Our Department subscribes wholeheartedly to this recommendation.

The Health Services and Mental Health Administration Supply Service Center has requested bids on both prepackaged and bulk sizes of drugs when purchasing. Most bid solicitations are returned with no bid on the prepackaged sizes, or the cost differentials between the prepackaged and bulk sizes are too great for the prepackaged forms to be economical. The Supply Service, however, purchases 60 items prepackaged, where it is economical.

The National Center for Health Services Research and Development is currently supporting six grants designed to improve the efficiency and effectiveness of community and hospital pharmacist operations in accordance with the 6th recommendation.