

This has been the testimony of a number of experts over the past years. As a matter of fact, the only massive test I am aware of was for potency, and included 4,600 drugs. About 2,600 drugs were sold by generic name and 2,000 were sold under brand names. I think these are the figures—7.8 percent of the generic name drugs were not of acceptable potency and about 8.8 percent of the brand names flunked the test of potency. That is, they were above or below.

Now, I know of no other large test on potency. So I am interested in what evidence there is because we have been told that there isn't any difference between the quality of drugs sold by brand or generic name in the marketplace.

Now, this might be the basis of your statement—let me read it to you. I think it is a rather interesting, if not shocking, statement by Col. W. V. Breyfogle, USA, former Chief, Division of Medical Materiel, Defense Personnel Support Center, Defense Supply Agency, 1968. This is in a speech he gave at the 21st Annual Meeting of the Defense Supply Association and it was reprinted in "The Review," November-December 1968.

Listen to what he says. Now, if this is the basis of your statement, then it is a good explanation because you have the brand name people supplying you the specifications and, of course, they are the only ones that can meet them:

The first problem that has been bothering us for some time is our inability to procure competitively. The policy of the Department of Defense as it has been for many years is that we will obtain competition on our procurements to the maximum extent possible.

The major problem in our failure to procure competitively is the nature of the specifications that we are using. It has been said in the past that our specifications are too restrictive in nature and thereby restrict competition. There is some validity in this statement.

However, before you can understand why we have a problem in procuring competitively, you must understand how items are selected for standardization and stockage in our Defense Supply Depot system. Items that are standardized by the Defense Medical Materiel Board and stocked in the DSA Depot system were for the most part developed by industry or independent research for use by the civilian medical profession and for sale in the market place.

These items were presented to the Board for study and the determination was that they would be stocked for use in our system.

Therefore, the specifications that are developed of necessity describe a certain manufacturer's item. Most of the information used in writing the specifications was furnished by the developer. Therefore, even if we have a, pardon the expression, generic specification, in many cases it merely describes the generic equivalent of a brand name.

This is by Colonel Breyfogle, former Chief, Division of Medical Materiel, Defense Personnel Support Center, Defense Supply Center.

I think that is a very fine explanation why brand names meet your standards more frequently and why the generics fail it.

Do you want to comment on that?

Colonel SNYDER. No. I am very familiar with that.

Senator NELSON. I am sure you must be. We have used it a couple of times before, and I have been waiting for an explanation which I have never received.

Captain MACPHERSON. If I may, Senator, in our opinion our specifications are not restrictive and any knowledgeable drug manufacturer can in fact supply us with the items that we want. The military services are under no obligation to buy the drugs that we