

The PMA clearly sees no threat in Nelson's proposal. Brennan joked about it: "I haven't seen Nelson's bill yet; he wouldn't give us a copy."

He then offered a serious analysis of its chances for passage and concluded that they are slim indeed. "It has an awful lot of controversial subjects in it," he said. "That would lessen its chances of getting anywhere as a package."

"Frankly, we just worry about bills that we think are going somewhere. We haven't done anything on this one and I don't even expect to take a look at it for a while yet."

The bill has been referred to the Senate Health Subcommittee, of which Nelson is a member. No hearings have been scheduled.

"We've done nothing with it," a spokesman said, explaining that the subcommittee is involved with too many other things at the moment.

Public relations: The biggest part of the PMA budget continues to go for public relations and advertising. Cray said the results in the past year have been encouraging.

The association last spring printed 97,000 copies of a new 118-page paperback book entitled, *Brands, Generics, Prices and Quality*. About 11,000 were sent to Members of Congress, medical and scientific personnel and libraries, with the rest bought by member companies for their own distribution, Cray said. Several thousand more copies were just printed, and a smaller version in booklet form is now being distributed to the general public, he said.

The association has budgeted \$1,200,000 this year for advertising, with two-thirds of it going into consumer publications and one-third into medical journals.

When the consumer ads were first placed a year ago, hundreds of letters—80 per cent of them hostile—came in to the association, Cray said. That has stopped now. "We hardly get any anymore."

New challenges: The PMA is at least as strong as ever, and it is ready to fight any new battles that develop.

Health plans.—A major uncertainty among members of the drug industry is how they will come out under national health-insurance programs that are being proposed and discussed by Congress and the Administration.

The industry is particularly worried that the federal government might get into the business of telling the public what drugs they should buy and at what prices.

"The pharmaceutical industry has no objection to the extension of drug benefits in government health programs," Stetler told a meeting of the National Pharmaceutical Council in Washington Nov. 4.

"The industry's principal, immediate concern is that Congress and officials of the executive branch clearly understand that certain proposals advanced in the name of cost curtailment would pose grave problems regarding the quality of drug products and their availability," he said.

Stetler particularly objected to any proposal for a formula that would limit federal reimbursement for drug purchases to those drugs approved by a study committee.

Stetler warned that the committee would have "sweeping powers," and said, "It could require testing and the establishment of procedures to determine the inclusion or exclusion of any medicine in the formulary."

"Under this arrangement, a small, part-time government committee would be empowered, on the basis of highly questionable criteria, to decide the life or death of all drug products which are now lawfully on the markets," Stetler said.

Despite this concern, the drug industry can see benefits for itself and for the public in a health insurance plan for needed medicines.

"It is our fervent hope that whatever legislation passes will improve the delivery of medical care and bring costs within reasonable bounds," Stetler told the council.

FTC study.—A new government study of the prescription drug industry was announced Nov. 11 by H. Michael Mann, director of the Federal Trade Commission's Bureau of Economics.

Mann told the marketing committee of the National Association of Manufacturers that his bureau would try to determine whether the relatively high prices and high profits of the drug industry result from market concentration, or whether they are inevitable in this type of industry. "Can we have the benefits without such high prices and profits," he asked.

Cray said the PMA is not particularly concerned about the FTC study. "We will cooperate to the extent we can," he said.