In other words, they repeatedly said, sometimes subtly, more frequently not so subtly, that you can only trust the big brand name companies, of which most all of them are members of the PMA, is that not so?

Dr. APPLE. I would certainly have to agree that that is the thrust of their propaganda.

Senator NELSON. I thought it was interesting. You say that the APhA "also knows that the hallmark of quality is not derived by giving a drug product a euphonious trade name, and we have watched with interest the development of so-called 'branded generics' by such fine firms as Lilly, Lederle, SKF and Upjohn."

I found interesting a recent report from the FDC reports—frequently called the Pink Sheet—of July 16, 1973, which states that:

> Squibb, Pfizer and Wyeth have recently joined SKF, Robins and Parke-Davis as purchasers of antibiotics and other generic dosage forms from Mylan a private formula manufacturer in Morgantown, West Virginia. Mylan's private formula sales to major drug manufacturers jumped to $4,800,000 in fiscal year 1973 ending March 31 from $2,200.000 a year earlier.
>
> Emerging as Mylan's top major pharmaceutical marketing customer in fiscal year 1973, Squibb purchased $1.3 million erythromycin in the first year it bought anything from the Morgantown private formula manufacturer. Mylan is sole supplier for Squibbs' erythromycin, introduced in 1972.
>
> A Squibb spokesman said the company decided to use Mylan rather than processing erythromycin itself because of the "difficult technology involved." Mylan is one of the few companies capable of making the product, the Squibb spokesman said.

Well, I think that is rather interesting, since their own association keeps attacking the generics as not being of the same quality as the trade name products. And here you have Squibb saying that this little company which hardly anybody has heard of has the difficult technology to master this, and I think we ought to lay to rest this propaganda campaign that the Pharmaceutical Manufacturers Association and the DOD have been carrying on.

Dr. APPLE. Mr. Chairman, if I could comment on that. We tried to lay that issue to rest. Our association has a policy encouraging legislation that would reveal the actual identity of the fabricator of the dosage form on the label, as well as the identity of the distributor. That legislation has been enacted in the State of California and more recently in the State of Kentucky.

There is an effort by the Pharmaceutical Manufacturers Association now in California to have that legislation amended, and I regret to say that it has already passed one House of the California legislature.

For the record, I can give you the information that California was able to gather under prevailing regulations of this so-called "Crown Statute." And I would particularly like to call to your attention an editorial which appeared in the November 1973 California Pharmacist, in which the editor asked, "It is difficult to understand why the drug industry is fearful of having the pharmacist and physician know who really makes their drug products. PMA consistently maligns small manufacturers by suggesting their products may not be of adequate quality. Yet, they are attempting to deny the pharmacist the informa-