

medicare and medicaid, I could perhaps agree with that, but when you have billions of dollars pouring out of the Federal Treasury for these programs, it is entirely reasonable—and it is one of their arguments that is frequently made at the time these programs are proposed—that governments are going to have to examine very carefully the entire operation of a program that pours out billions of dollars like that to make sure it is being done in the best interest of the taxpayers, at the most reasonable cost to the taxpayers, and that necessarily involves an examination into some of the practices involved by the people who are receiving these billions of dollars.

So whenever you have a program of this kind, Mr. Chairman, this kind of proposal to reduce the cost inevitably has to accompany it, and as the temporary trustees of the Government's responsibilities in this field, we have no hesitancy in presenting to you a program that we think will accomplish a better result than we have now by assuring the taxpayers that less of their money needs to be used for the same result.

Thank you very much, sir.

The CHAIRMAN. Mr. Secretary, there is a roll call in progress on the Senate floor, and that is the last 5 minutes on it, so I will need to go.

I do not wish to hold you up unnecessarily. It will probably take me about 15 minutes. If you do not mind, Mr. Gordon will ask on my behalf three or four questions of your panel.

I will also submit another letter for the record from the Central Medical Clinic¹ in the Monterrey Peninsula, in which the opening line is addressed to the Food and Drug Administration:

I read with dismay the recent AMA editorial in the February 3rd American Medical News concerning the MAC drug reimbursement program. Ironically, the editorial framed an AMA blurb in the center of the page entitled, "What has the AMA done for you lately?"

There is more to the letter. The last paragraph is:

Getting back to "What the AMA has done for me." In this instance it has improperly added my voice and the voices of a large number of thoughtful and informed physicians to the Medicine-Drug lobby harangue.

I hope this can be read into the record of the February hearings in spite of its late submission.

That letter from a practicing physician will be placed into the record.

Thank you very much for your very thoughtful statement. I am sorry to have to interrupt by going to the Senate floor.

Secretary WEINBERGER. Thank you, Mr. Chairman.

Mr. GORDON. Mr. Secretary, coming back to page 20 of your statement:

The staff of the Federal Trade Commission in its comments to HEW urged that the pharmacists' incentive to locate low-cost suppliers be as large as possible and that the pharmacist be allowed to keep 100 percent of the cost difference instead of the 25 percent, as proposed in the regulations.

They claim HEW would forego some savings in the short run, but the resulting savings in the long run are likely to be much greater.

Would you please comment on that suggestion?

¹ See Central Medical Clinic letter, page 11815.