

counterfeiting is uncovered; so your point is absolutely well taken. The antisubstitution laws are no longer required to protect the public against counterfeit drugs.

Mr. GORDON. Could you tell us what effect the antisubstitution laws have on consumers, pharmacists, and who benefits from them?

Dr. APPLE. Mr. Gordon, to put it in the positive, we feel that if the pharmacist is given an opportunity to exercise his professional judgment in selecting the source of the drug product which the physician has prescribed, not the drug entity—but selecting the source of the drug product—that the pharmacists will then be able to look at the marketplace and determine where the pharmacist can purchase that product most economically. And if the pharmacist is reimbursed on the basis of a professional fee for his services, notwithstanding the cost of the product, it has been our observation and it is our firm belief that the pharmacist will act in the patient's interest. And there are studies which prove this—when physicians give pharmacists this opportunity to use their professional knowledge.

Mr. GORDON. You did not answer the question. What effects does the antisubstitution law have on consumers?

Dr. APPLE. What effect did they have?

Mr. GORDON. How about now?

Dr. APPLE. They presently have the effect, of course, of resulting in the prescribing and dispensing of the most expensive drug products on the market, and they certainly tend to eliminate all price competition among interchangeable drug products.

Mr. GORDON. So they do not benefit the consumer; is that correct?

Dr. FELDMANN. If I could add to Dr. Apple's statement. Insofar as the consumer is concerned, they result in added drug costs. As far as the pharmacist is concerned, they impede his ability to act professionally on behalf of the patient. They require him to stock multiple inventories of duplicative products, and as a result, they contribute to higher drug costs to the patient.

Mr. GORDON. So whom do the laws benefit then?

Dr. FELDMANN. As I see it, Mr. Gordon, the only beneficiary therefore is the drug company that has the brand name product.

Mr. GORDON. The drug manufacturers; is that correct?

Dr. FELDMANN. The drug manufacturers, right.

Senator ABOUTREZK [presiding]. Thank you very much.

Dr. APPLE. Thank you, sir.

Senator ABOUTREZK. The next witness is Vernon Trygstad, who is president of the National Pharmaceutical Council, Washington, D.C.

Mr. Trygstad, welcome to the committee, and if you are prepared with your testimony, we would be pleased to hear it.

STATEMENT OF VERNON TRYGSTAD, PRESIDENT, NATIONAL PHARMACEUTICAL COUNCIL, INC., WASHINGTON, D.C., ACCOMPANIED BY STANLEY L. TEMKO, COVINGTON & BURLING, NATIONAL PHARMACEUTICAL COUNCIL COUNSEL

Mr. TRYGSTAD. Thank you, Mr. Chairman.

I am Vernon Trygstad, president of the pharmaceutical council, headquartered in Washington, D.C., and I am accompanied by Mr. Stanley L. Temko of Covington & Burling, NPC's counsel.