

## PUBLIC HEALTH

# Effect of Drug Price Drop

The new Colombian law which requires drugs to be sold under their generic names to reduce prices has wide implications for U.S. drug industry—By Faye Marley

► COLOMBIA'S NEW LAW that requires sale of drugs by their scientific or medical names, not the trade names that manufacturers advertise, has broad implications for the United States.

It gives support to the physicians who insist on using generic names in their prescriptions. It pleases those who worked with the late Sen. Estes Kefauver on his differences with the pharmaceutical companies and the high prices of medicines they control by patents.

The Colombian law is planned as a way to get drugs down to prices that the poor of Colombia can afford. At the same time, authorities say, the pharmaceutical companies are in no danger of being nationalized as they have been in Cuba.

Edward Ginar (pronounced Guyner), vice president of McKesson and Robbins, who has just returned from Colombia, told SCIENCE SERVICE by telephone that regardless of the outcome of closed-door hearings in Washington, the drug companies can still make a profit under the Colombian Government's ruling that all of them must sell at low prices. McKesson and Robbins have some \$5 million invested in both Colombia and Venezuela.

Herman Nolen, chairman of the board of McKesson and Robbins, and Mr. Ginar were invited to be the lead-off witnesses to launch the closed-door hearings of the Antitrust and Monopoly Subcommittee on low price drugs in Latin America, Oct. 21. The hearings, repeatedly postponed before and since the death of Sen. Kefauver, were announced by the chairman, Sen. Philip A. Hart (D-Mich.), to find out whether or not the subpoena of pharmaceutical officials Dec. 2 would be necessary.

Originally, Dr. Jose Felix Patino, former minister of public health for the Republic of Colombia, was scheduled to testify in the same session with the McKesson and Robbins representatives, but an announcement from Sen. Hart's committee, which on Oct. 1 postponed hearings, stated that Dr. Patino would not appear. No reason was given either for the postponement or the non-appearance of the Colombian.

Pharmaceutical industry representatives are still hoping to avoid being subpoenaed Dec. 2 to answer McKesson and Robbins' charges of handicapping their sales of cheap generic drugs in Colombia and Venezuela.

SCIENCE SERVICE talked to several pharmaceutical industry representatives who pointed out that McKesson and Robbins are the world's largest wholesalers, without the high cost of research programs and the need to protect patents.

In looking beyond the subcommittee hearings that pertain only to this one wholesaler, the pharmaceutical companies are

frank to say that the new international drug law in Colombia will affect their earnings.

"The whole problem of drugs in Latin America is a hot potato," one official said. "The new law could be adopted elsewhere, but it is highly unrealistic, based on ten percent royalty on the world market for raw materials—the same as that which Czechoslovakia pays."

If drug companies in other countries compete at such low prices, the U.S. pharmaceutical companies doing high-cost research may move their businesses to other countries.

They express fear that the Alliance for Progress may be damaged, patents may be damaged, research may be damaged, the country may be damaged. However, the poor people of at least some of the Latin American countries are going to get drugs at a price they can pay.

When Colombia first proclaimed its generic drug program and invited all major firms to participate, the only U.S. firm to join the experiment was McKesson, which bought a 50% interest in a Colombian company called Droguerías Aliades, Inc., or Allied Drugs.

McKesson then put on the retail market 32 pain-killing and life-saving drugs at extremely low prices. Here are some of the

drugs and their contrasting cost for 100 tablets of varying sizes, under generic and trade names respectively:

Chloramphenicol, an antibiotic used for infections and infectious diseases including typhoid, \$3.60 (generic) vs. \$28.80 (trade name).

Prednisolone, for arthritis, \$3.33 vs. \$19.30.

Reserpine, for high blood pressure, \$0.50 vs. \$3.80.

Meproamate, a tranquilizer, \$1.50 vs. \$4.30.

Isoniazid, TB therapy, \$0.80 vs. \$1.70.

• Science News Letter, 84:247 Oct. 19, 1963

## MEDICINE

## Protection From Gamma Globulin Varies With Lot

► GAMMA GLOBULIN'S protection varies from lot to lot.

Drs. Gilbert M. Schiff, John L. Sever and Robert J. Huebner of the National Institutes of Health, Bethesda, Md., reported in Science, 142:64, 1963, that future studies of the protective value of the blood substance are necessary. Pregnant women are given gamma globulin to prevent deformities in their babies when they get German measles, or rubella.

In 19 lots of standard commercial gamma globulin for humans, they said, the titers (units of active substance in a solution used as a standard) of antibody-neutralizing rubella virus varied from 256 to 2,048. Samples of gamma globulin from rubella convalescents had titers of 4,096.

These units of measurement were approximately 20 times higher than those in serum specimens from patients ill with natural or experimental infection.

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University of California

**BIRDS FOR SPACE RESEARCH**—These chickens, part of a "controlled gravity" study being undertaken at the University of California's Davis campus, are in a cage especially designed and made by Steve Szluka (left) and Jack May of the agricultural engineering department for a centrifuge that simulates excess gravity for physiological studies. The inset shows the outside of the construction.