

buying work. Representatives of government agencies as well as various citizens groups testified last week.

U.S. Comptroller General Elmer Staats told the Senate millions of tax dollars could be saved annually if generics rather than brands were used to fill welfare prescriptions. Between 1964 and 1966 emphasis on generic prescribing for Veterans Administration patients saved \$1 million.

At the same time, however, he



Sen. Nelson: price-fixing investigator.

pointed out that all VA drugs are subjected to rigorous quality tests before they are used.

In a strong attack on drug houses as the "last of the robber barons," another witness called on the Senate to "restrict the greed of the drug industry." William H. Haddad, one-time associate director of the Office of Economic Opportunity, said the government and the public are being cheated. He suggested that the FBI investigate pricing practices of certain drug companies.

International price discrepancies were the target of testimony from New York State Comptroller Arthur Levitt who criticized an American firm for charging Americans up to five times the world price for Thorazine, a tranquilizer that dramatically calms the mentally ill. Americans pay \$6.06 for Thorazine tablets Londoners and Parisians buy for \$1.08 (see chart).

The manufacturer, Smith Kline & French, argues that drugs, like everything else made in a foreign country, generally cost less than the same product made by American labor.

No representatives of the drug industry have been slated to testify as yet; U.S. Attorney General Ramsey Clark has asked the subcommittee to

postpone industry testimony. He doesn't want publicity to influence the course of several price-fixing conspiracy cases now in court.

In June, the Nelson subcommittee will hear other witnesses, including Harvard pharmacologist Richard Burack, author of "The Handbook of Prescription Drugs." Dr. Burack's book, which sparked the hearings, is advertised as a guide to generic buying.

Patent Reform Slowed

In the face of growing opposition to the Administration's patent reform bill, committee spokesmen on both sides of the Capitol are predicting no action in this session of Congress.

As hearings continue, opposition to the major features of the bill is crystallizing. The American Patent Law Association has come out specifically against the proposal that patents be issued to the first person to file an application, instead of the present first-to-invent system. Similar action was taken two weeks earlier by the Patent Section of the American Bar Association.

The lawyers' objections represent by and large the viewpoint of private inventors and small companies. Major companies with important international trade are more likely to go along with the change to the first-to-file system, which would bring the U.S. into line with most foreign patent systems and help to ease the multiple-filing problem.

Along with objections to the first-to-file proposal, the law groups also oppose the proposed elimination of a year's grace period. Under present law, an inventor has a year to try out his invention before applying for a patent. If someone else publishes the same invention or gets a patent for it, the original inventor also has a year to claim that he came up with the idea first. If he proves it, the patent goes to him.

The proposed law eliminates the grace period, and substitutes a preliminary application provision. Under this system, the inventor, for a small fee, could send in an informal technical description of his invention, establish his early filing date with that, and within a year make a formal application for a patent if the idea develops. This would save money, since only inventions that were worth following up would require the several hundred dollars in lawyer's fees that a formal application costs.

The patent lawyers say there are two things wrong with the preliminary application system:

- Even though informal, the pre-

liminary form would have to describe the invention completely in order to cover the inventor in establishing an early date for filing. This means, they say, that a lawyer should draw it up, involving a high cost for the preliminary form and another for the formal one.

- Many an inventor tries out his product first. If it's a financial success he approaches a lawyer to seek a patent. Under the present law, he has a year to do this, but the proposed law would mean he could get no patent.

These pretested inventions would be patentable under an amendment to the Administration bill proposed by Senator Edward V. Long (D-Mo.). This amendment would grant a "personal" grace period, during which the inventor could first publish or try out his invention without risking his patent.

Patent Commissioner Edward J. Brenner is prepared to accept the Long amendment as a compromise.

But the Patent Law Association remains adamant. It feels that both the full grace period and the first-to-invent provisions are essential to the patent system.

Ph.D.s for NASA

In its present time of trial, the national space agency could hardly hope to see its massive budget of more than \$5 billion get through Congress unscathed.

Yet the first real blast of displeasure from cost-cutters on the House space committee—together with an unrequested gift of \$10 million—was directed not at the National Aeronautics and Space Administration's rich tastes but at one of its few efforts to save money.

NASA proposed to trim its Sustaining University Program, started in 1962 to provide an increased supply of Ph.D.s for the space effort. The program's appropriations are divided among training, facilities and research. Since its peak year of fiscal 1966, however, when the agency gave it \$46 million, it has been receiving less and less backing, particularly in the training area for which it was originally intended.

The research portion of the SUP's budget dropped only slightly from \$12.86 million in fiscal 1966 to \$11 million the following year, and to \$10 million in the current request. But the allotment for Ph.D. training has fallen from \$25 million to \$7 million.

"The policy to phase out the program has been made without any firm knowledge, but merely the hope that programs of the National Science Foundation, the U.S. Office of Educa-