

October 4, 1988

M E M O R A N D U M

TO: SENATOR DOLE
FROM: SHEILA BURKE
SUBJECT: REMARKS TO INTERNATIONAL FEDERATION OF PHARMACEUTICAL
MANUFACTURERS (IFPMA)

You are scheduled to address this group for 10-15 minutes tomorrow morning on the subject of the Health Agenda for the 1990's. There will be approximately 200-300 in attendance. The group is made up of the CEO's of pharmaceutical companies from around the world. As some of the group are non-english speaking, there will be a simultaneous translation of your remarks taking place.

The issues of concern to the group are not unlike those cited by the American pharmaceutical companies; government regulation, patent protection, research, and funding priorities.

I have attached some suggested talking points.

Warner-Lambert Company
201 Tabor Road
Morris Plains, New Jersey 07950
201 540-3404

Joseph D. Williams
Chairman and Chief Executive Officer

**WARNER
LAMBERT**

The Honorable Bob Dole
United States Senate
Republican Leader
S-230 Capitol Building
Washington, DC 20510

RE: International Federation of Pharmaceutical
Manufacturers Association (IFPMA)
14th Assembly - Washington, DC - October 5

Dear Bob,

I would like to extend an invitation for you to be the keynote presenter at the International Federation of Pharmaceutical Manufacturers Association's (IFPMA) Fourteenth Assembly on October 5, 1988 at the State Department in the Loy Henderson Room.

The IFPMA, which I chair this year, has membership in 51 countries around the world. The Federation deals with issues of health legislation, science and research in order to contribute to the advancement of the health and welfare of the peoples of the world.

The IFPMA Assembly is held every two years in a different member nation and is attended by some 350 executives and chief executive officers of pharmaceutical companies in the U.S. and other countries. The topics for the Fourteenth Assembly include the challenges facing the industry in the next decade, including research on AIDS, biotechnology and intellectual property protection.

Bob, we would very much like you to present 10-15 minute remarks on "Health Care in 1990s - View from the U.S. Senate." Elizabeth Bailey of our Washington Office will contact your staff in the next few days to learn if you can participate in this important international meeting. Our schedule would

P62-3840

Mr. Saul - 201 835-3494

page two

permit your presentation at any time during the day,
although I would like for you to be the lunch speaker.

Bob, many thanks for your consideration.

Best regards,

A handwritten signature in black ink, featuring a large, stylized capital 'R' with a horizontal line extending to the right and a vertical line crossing it near the middle.

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SENATOR BOB DOLE
14TH IFPMA ASSEMBLY
WASHINGTON, D.C.
OCTOBER 5, 1988

HEALTH AND WELFARE FOR ALL THE
RESPONSIBILITY OF A FREE SOCIETY

I'VE BEEN ASKED TO SPEAK VERY BRIEFLY ABOUT
HEALTH CARE AND THE RESPONSIBILITY OF A FREE
SOCIETY. CERTAINLY, THERE CAN BE NO MORE
IMPORTANT AN ISSUE FOR US TO CONSIDER.

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ON THE FACE OF IT, INCREASING EXPENDITURES
INDICATE THAT SOCIETY IS MAKING PROGRESS IN
PROVIDING HEALTH SERVICES. TOTAL HEALTH CARE
EXPENDITURES ARE UP; THE PERCENT OF THE
POPULATION COVERED IS UP. AND, THANKFULLY, THE
IMPACT OF THESE EXPENDITURES IS REFLECTED IN LIFE
EXPECTANCY ESTIMATES WHICH HAVE INCREASED
MEASURABLY EVEN IN THE LEAST DEVELOPED

COUNTRIES. A COMPANION DECLINE IN INFANT MORTALITY WAS ALSO MEASURED OVER THESE TWO DECADES.

IT IS NOT DIFFICULT TO APPLY AN INCREASING SHARE OF AN NATION'S GNP TO HEALTH CARE IF THAT ECONOMY IS EXPANDING. INCREASING THE SHARE APPLIED TO HEALTH CARE WHEN GROWTH SLOWS, HOWEVER, IS ANOTHER MATTER.

HOWEVER, IN TIMES OF PERSISTENT DEFICITS, SUCH
AS THE ONE MY OWN NATION FACES, NATIONAL
LEGISLATURES ARE FACED WITH THE DILEMMA OF
FINANCING INCREASED HEALTH CARE NOT FROM THEIR
OWN POCKETS BUT THE POCKETS OF THEIR CHILDREN
AS THEY BORROW FROM TOMORROW FOR WHAT THEY
PURCHASE TODAY.

IN THE SIXTIES AND EARLY SEVENTIES, A
GOVERNMENT WAS MEASURED NOT ONLY ON THE
STATISTICAL INDICES OF HEALTH AND WELFARE -- LIFE
EXPECTANCY, LITERACY, BUT ALSO ON THE DIRECT ROLE
IT HAD IN ACHIEVING THE STATISTICS. POLITICIANS
MEASURED THEIR FUTURE ON HOW MUCH OF THE
NATION'S RESOURCES THEY COULD TURN BACK TO THE
SOCIAL PROGRAMS. IN A WORD, HOW MUCH THEY
COULD SPEND. RECENT EVENTS MAKE THIS NO LONGER
POSSIBLE.

THE DEFICITS, THE SLOWER GROWTH,
URBANIZATION IN MOST DEVELOPING COUNTRIES,
RECESSION AND UNEMPLOYMENT IN MANY DEVELOPED
COUNTRIES HAVE OCCASIONED A SEA CHANGE
WHEREIN THE "RESPONSIBILITY" OF GOVERNMENT HAS
SHIFTED FROM PROVIDING SERVICES, INCLUDING
HEALTH CARE, TO REDUCING COSTS.

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THE "RESPONSIBLE" POLITICIAN NOW CITES NOT
WHAT HE HAS SPENT BUT WHAT HE HAS SAVED. THIS
"NEW" RESPONSIBILITY BEARS WITH IT CONSEQUENCES
THAT COULD BE UNPLEASANT FOR BOTH THE HEALTH
CARE PROVIDER -- IN WHICH I WOULD INCLUDE THE
RESEARCH-BASED PHARMACEUTICAL INDUSTRY -- AND
THE PATIENT.

IN SOME CASES, AS THE ONLY MARKET IN A
NUMBER OF COUNTRIES, GOVERNMENT PROGRAMS
DETERMINE, AT THE FIRST CUT, HOW MUCH WILL BE
SPENT TO PURCHASE A PRODUCT AND AT WHAT PRICE.
EVENTUALLY, UNAVOIDABLY, THESE PROGRAMS
INFLUENCE OR EVEN DICTATE FUNDS ALLOCATED BY
COMPANIES FOR PROMOTION, RESEARCH AND
PRODUCTION FACILITIES. I SHOULD NOTE ALSO THAT
FOR MANY NEWLY INDUSTRIALIZED COUNTRIES AN

INCREASINGLY MENACING COST CONTAINMENT

MECHANISM IS THE REFUSAL TO GRANT ADEQUATE AND
EFFECTIVE INTELLECTUAL PROPERTY PROTECTION FOR
PHARMACEUTICAL PRODUCTS. THIS IS AN ISSUE OF
CONTINUING AND GREAT CONCERN TO THE REAGAN
ADMINISTRATION.

WHEN WE TALK ABOUT HEALTH CARE AND THE
RESPONSIBILITY OF FREE SOCIETIES, WE ARE LED TO A
CONSIDERATION OF WHAT IS THE RESPONSIBILITY OF
GOVERNMENT TO PROMOTE HEALTH AND WELFARE FOR
ALL.

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I WOULD SUBMIT THAT A BASIC OR FUNDAMENTAL
"RESPONSIBILITY" OF A FREE SOCIETY IS TO ENCOURAGE
A HEALTH CARE ENVIRONMENT WHERE A COUNTRY'S
CITIZENS CAN ENSURE OR AT THE LEAST PROMOTE
THEIR OWN HEALTH AND WELFARE AND PROVIDE A
SAFETY NET TO THOSE WHO CANNOT. I WOULD ALSO
SUBMIT THAT A GOVERNMENT HAS A RESPONSIBILITY TO
PROMOTE THE APPLICATION OF PRIVATE RESOURCES
TOWARD THE IMPROVEMENT OF HEALTH CARE. THE

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PHARMACEUTICAL INDUSTRY COMES TO MIND IN THIS
RESPECT. FOR EXAMPLE ALL OF US ARE FACED WITH
THE CRISIS OF AIDS. WE MUST GARNER ALL OUR
RESOURCES AND COOPERATE TO PROVIDE RELIEF TO
THOSE WITH THE DISEASE AND PROTECTION TO THOSE
UNINFECTED.

HEALTH CARE IS A "TIME-INTENSIVE" PHENOMENON.
IT TOOK SOCIETIES GENERATIONS TO DISCOVER THE
NEED FOR WHAT ARE TODAY CONSIDERED

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TO BE BASIC AND ESSENTIAL SANITARY PRACTICES. FOR
TODAY'S PHYSICIAN, MORE THAN A DECADE IS
DEMANDED FOR TRAINING. IT CAN TAKE TEN YEARS OR
MORE TO DISCOVER A NEW MEDICINE AND ANOTHER
TEN YEARS OR MORE TO EVALUATE ITS FULL POTENTIAL
BENEFITS. THIS IS, OF COURSE, PARTICULARLY
FRIGHTENING TO THINK OF GIVEN THE AIDS EPIDEMIC.

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HOWEVER, IT CAN TAKE ONLY THREE MONTHS FOR
A BUDGET TO BE PREPARED OR AN ADMINISTRATIVE
DECISION TO BE TAKEN THAT WILL STRIP AWAY FUNDS
TO BE AVAILABLE FOR PHARMACEUTICAL PURCHASES,
THUS INCREASING SIGNIFICANTLY THE CORPORATE RISK
TO THOSE SEARCHING FOR NEW DRUGS.

BUT FRANKLY, WHILE I RECOGNIZE GOVERNMENT
HAS A RESPONSIBILITY TO CONTROL COSTS AND AVOID
WASTE THEY MUST ALSO ENCOURAGE INDUSTRY TO
CONTINUE TO SEARCH FOR NEW AND IMPROVED
MEDICINES.

WE HAVE AN EXPRESSION IN AMERICA -- "THE CUSTOMER IS ALWAYS RIGHT." HOWEVER, THIS MAY NOT ALWAYS BE SO. I BELIEVE THAT CUSTOMERS CAN MAKE UNINFORMED AND POORLY REASONED DECISIONS. THIS CAN BE TRUE WHEN THE CUSTOMER IS AN INDIVIDUAL -- OR A GOVERNMENT. I SUBMIT IT IS THE RESPONSIBILITY OF INDUSTRY TO ENSURE THAT GOVERNMENTS ARE AWARE OF THE CONSEQUENCES OF THEIR HEALTH PROGRAMS ON THE INDUSTRY THAT DISCOVERS AND PRODUCES THE MEDICINES.

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IT IS TRUE GOVERNMENTS MORE THAN EVER EXERT
A TREMENDOUS INFLUENCE ON THE FUTURE OF THIS
INDUSTRY. AND SINCE THIS INDUSTRY IS ESSENTIAL TO
THE FUTURE IMPROVEMENT OF CURATIVE MEDICINE,
THESE GOVERNMENTS HAVE A RESPONSIBILITY TO ACT
IN SUCH A WAY AS TO ENSURE THAT FUTURE AND THE
INDUSTRY IN TURN MUST ALSO ACT RESPONSIBLY.

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WE HAVE A RESPONSIBILITY TO AVOID PENNY-WISE
AND POUND-FOOLISH DECISIONS THAT MAY PRODUCE
SHORT-TERM REDUCTIONS IN FISCAL OUTLAYS AT THE
COST OF LOSING EVEN MORE COST EFFECTIVE
MEDICINES FOR THE FUTURE. BUT YOU TOO HAVE A
RESPONSIBILITY TO KEEP YOUR COSTS REASONABLE
AND HELP US HELP TO MAKE YOUR PRODUCTS
AVAILABLE FOR ALL -- RICH OR POOR.

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I THINK ITS SAFE TO SAY IF YOU ARE CONCERNED
ABOUT PENNY-WISE POUND-FOOLISH GOVERNMENT
COST CONTAINMENT PROGRAMS, ABOUT INADEQUATE
PATENT PROTECTION, ABOUT UNNECESSARY AND
BURDENSOME NEGOTIATIONS, I SUGGEST YOU GET TO
YOUR ELECTED REPRESENTATIVES AND LET THEM KNOW
ABOUT IT. THAT'S THE ONLY WAY THEY'LL FIND OUT.
THAT'S YOUR RESPONSIBILITY.

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AND OURS IS TO USE THAT INFORMATION AND
MAKE RATIONAL DECISIONS THAT WILL HELP OUR
CITIZENS. YOU CAN WORK WONDERS -- BUT THEY ONLY
HELP IF WE COOPERATE AND MAKE YOUR PRODUCTS
AVAILABLE.

THANK YOU.