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price is lower on large package sizes than on smaller ones, but we do not provide any special discounts for large orders. However, for two of our products there are package sizes sold only to hospitals, and special prices may be quoted when tendering for government contracts.

In 1965, we removed the suggested price to the public from our catalogues for products available solely on prescription; the suggested price to pharmacy only is now listed. We believe that the pharmacist should determine the proper compensation for his professional services.

Returns Policy

In order to minimize any adverse effects on therapy due to the deterioration of our products with time or through improper storage, we maintain one of the most liberal returns policies in the industry. We accept all refund claims at the discretion of the pharmacist, with certain customary minor exceptions. This policy encourages the pharmacist to stock a full range of SK&F products, so that no patient is kept waiting for his medication. Further, we pay the wholesaler an additional 15 per cent on the value of any returns in order to ensure that his representatives, as well as ours, check regularly that pharmacies' stocks of SK&F products are in good condition.

We believe that this continuing concern for the reliability of its products is a distinguishing characteristic of the reputable pharmaceutical company. Those with less concern for the reputation of company or brand name do not go to the same lengths.

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Marketing—Means and Purposes

The requirements for successful pharmaceutical marketing were presented to your committee in the submission made by PMAC. Briefly, our marketing activity must serve two purposes. On the one hand, we sell products of considerable significance, potency and complexity. It is essential that those who determine the use of such products should be provided with complete and up-to-date information about their advantages and also their disadvantages. The requirement here is for an active and reliable information service, alert to change and new knowledge, and obtaining such knowledge from world-wide sources. On the other hand, we can exist only as a competitive, profit-making enterprise. Smith Kline & French has discovered and made available an important range of therapeutic advances, but these products must be effectively advertised and promoted. We have not only to inform doctors about our drugs, we must also arouse their interest and, frankly, sustain that interest.

Our marketing policies are designed to serve these two purposes as efficiently as possible. We begin with a very careful selection of products. The therapeutic need must be clear before a product is introduced. It will not necessarily be unique in its field, but it will offer the prescribing physician definite advantages.

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Smith Kline & French does not employ an advertising agency to prepare material for prescription products. All the work is done by our own marketing