

Documents Section

**Letter of A. Gordon Westley, President of American Chamber of Commerce of the Philippines, Inc., to Secretary Bengzon on the National Drug Policy**

May 31, 1988

Dr. Alfredo R.A. Bengzon  
Secretary  
Department of Health  
San Lazaro Compound  
Sta. Cruz, Manila

Dear Secretary Bengzon:

We wish to express our deep concern over the reported regulatory thrust of the Department as well as recent statements quoted in media that cast some of our members in an adversarial light.

We recognize the staggering problem in the health field resulting from the fact that the greater part of the population is not in the money economy, a problem that requires enormous efforts from a decent and well intentioned government.

The globally owned and operated manufacturers and marketers that operate here have an essential role to perform in the development of the whole Philippine economy. They are a vital ingredient in the efforts to raise the standard of living.

It is therefore our firm belief that the internationally affiliated pharmaceutical providers in the Philippines are part of the health care solution, and not a part of the health care problems.

The grant of broad rights of commercial endeavor to private groups has been a common feature in all nations that have attained prosperity. Experience in these economies has also shown that government intervention has worked best where it has supplemented instead of supplanted private activities.

---

It is therefore with some dismay that we hear proposals to use government power to closely control, widely prohibit, and minutely redirect private activities in the health sector that do not conform to a state sponsored master plan. And then, to read quotes attributed to you which apply to responsible corporate members of our business community the now famous cry of "tama na, palitan na" used in the past against a repressive regime.

This will have a chilling effect on the entire foreign business community and a devastating effect on the possibilities for job generating investments by foreign concerns.

If there has been a misunderstanding, we urge you to clarify matters and we stand ready to meet with you at your convenience to accomplish this.

Sincere regards,

(Sgd.) A. GORDON WESTLEY  
President

A TRUE COPY

Documents Section

**Reply of Health Secretary A. Bengzon to Westley  
on the National Drug Policy**

24 June 1988

Mr. A. Gordon Westley  
President  
American Chamber of Commerce of the Philippines  
Corinthian Plaza, 2nd Floor  
Paseo de Roxas, Makati, Metro Manila

Dear Mr. Westley:

This is in reply to your letter of 31 May 1988.

The government's drug policy has been clearly enunciated time and time again, beginning with President Aquino's announcement on 30 April 1987. Its goals of assuring that our people get safe, effective, high quality and affordable drugs have been widely discussed. Our intentions regarding how we shall pursue such goals have been elaborated in many meetings. A key goal that we aim to achieve is the provision to both the physician and the public *basic, adequate and honest information as a basis for personal action* on drugs. Clearly, this is a hallmark of democracy. Around this goal, we seek to promote sound regulation, rational use of drugs, and basic national self-sufficiency.

One thing is clear to us: we cannot rely on your Chamber nor on your members *to take the initiative* to protect Filipino consumers, nor to develop an honest-to-goodness local pharmaceutical industry, nor to widen the access of poor Filipinos to drugs that they need. Because you are businessmen (and foreign), your primary goal is to ensure profit; that is to be expected. Contribution to our economy, national development and public good is secondary and definitely not ahead of corporate bottomlines.

Therefore, our task as a Government is to devise ways that would allow you to make your profit *only* when you respect our national interests, *only* when your activities serve the real needs of our people, and *only* when you

truly contribute to our economy. Otherwise, you are only exploiting us and this should not continue. This is the task that we are addressing in the field of drugs and medicines: devising ways such that everyone can continue to do business *only* when the interests of the poor Filipino consumers are protected and promoted.

Multinational pharmaceutical companies may have a role in our economy. But left to their own accord, it is in their nature to maximize sales and profits, "even while the poorest, sickest and most remote people have virtually no access to good therapy; even while most pharmaceuticals prescribed bear scant relevance to the diseases of those who do have access and means; even while millions of people are unprotected from the profligate and haphazard use of ineffective or dangerous chemicals designated as medicines."\*

Your letter says: leave the multinationals alone and they will be part of the solution. Well, your Chamber has been in the Philippines since 1902. (You style yourself the first American Chamber of Commerce abroad.) What have your "internationally-affiliated pharmaceutical providers in the Philippines" done to change the situation? Eighty-six years after you set up your Chamber, we continue to be import dependent; no real technology transfer regarding basic manufacturing has happened. From this point of view, the famous cry of "Tama na, Palitan na" is appropriate when applied to this situation. Clearly the *status quo* is not acceptable.

Your members have no reason to complain about too much regulation in the Philippines. A simple straightforward comparison between the policies and procedures of the US FDA and our BFDA will show that the Philippine market for pharmaceuticals is a playground compared to the stringent regulations in the US. We are only doing what we should have done long ago: adopt the basic rules necessary to protect our consumers and apply these rules strictly and equitably.

I remember vaguely that Rhett Butler in "Gone with the Wind" noted that a fortune can be made in raping the land just as greater fortune can be made in building a nation. We look to businessmen with an interest for the latter.

There are many investors who can see sound business prospects in honest-to-goodness reform that yield real benefits to a majority of Filipinos. We are confident that there are many astute investors who can see that expanding access to drugs via lower costs, better quality, honest information, and more appropriate use is a socially, as well as financially, superior business proposition than the present world of limited access, high costs, doubtful quality, misinformation, and irrational use. Local, multinational or even

extraterrestrial business interests are welcome but this Government shall remain vigilant and forceful so that the ground rules protecting and promoting the public interest continue to be operative. The National Drug Policy provides those ground rules.

Very truly yours,

(Sgd.) ALFREDO R.A. BENGZON, MD  
Secretary of Health

---

\*Fabricant SJ and Hirschhorn N (1987). Deranged distribution, perverse prescription, unprotected use: the irrationality of pharmaceuticals in the developing world *Health Policy and Planning*: 2(3): 204-213.