

COMPETITIVE PROBLEMS IN THE DRUG INDUSTRY

(Present Status of Competition in the Pharmaceutical Industry)

MONDAY, MAY 24, 1976

U.S. SENATE,
SUBCOMMITTEE ON MONOPOLY OF THE
SELECT COMMITTEE ON SMALL BUSINESS,
Washington, D.C.

The subcommittee met, pursuant to notice, at 9:40 a.m., in room 318, Russell Senate Office Building, Senator Gaylord Nelson (chairman of the subcommittee) presiding.

Present: Senators Nelson and Laxalt.

Also present: Benjamin Gordon, staff economist; and Karen Young, research assistant.

Senator NELSON. Our first witness this morning is Mr. Earl Scherago, of Scherago Associates, New York, N.Y.

Mr. Scherago, the committee is pleased to have you here this morning. Your statement will be printed in full in the record. You may present it however you desire. Would you identify the associates here with you today so that the record will be correct.¹

STATEMENT OF EARL J. SCHERAGO, PRESIDENT, SCHERAGO, ASSOCIATES, INC., NEW YORK, N.Y., ACCOMPANIED BY JOHN RINGLE, ASSISTANT EDITOR, "SCIENCE" MAGAZINE; AND ROBERT ORMES, MANAGING EDITOR, "SCIENCE" MAGAZINE

Mr. SCHERAGO. Thank you, Senator.

On my left is Robert Ormes, the managing editor of "Science" magazine. On my right is John Ringle, who is assistant editor of "Science" magazine.

Senator NELSON. Go ahead, please.

Mr. SCHERAGO. I want to thank you for inviting me here today. I have been asked to alert you to a problem which is jeopardizing the scientific and technical capabilities of our Nation. It is a threat which, if not aborted, could well produce a serious delay in the solving of many medical and scientific problems.

Dr. Crout of the Food and Drug Administration, in his recent testimony before this committee, touched on the problems controlled circulation, or throwaway, publications have generated in

¹ See prepared statement and supplemental information of Mr. Scherago beginning at page 14402.