COMPETITIVE PROBLEMS IN THE DRUG INDUSTRY

(Present Status of Competition in the Pharmaceutical Industry)

TUESDAY, NOVEMBER 9, 1976

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

The subcommittee met, pursuant to notice, at 10 a.m., in room 318, Russell Senate Office Building, Hon. Gaylord Nelson, chairman, presiding.

Present: Senator Nelson.

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

Senator NELSON. The Monopoly Subcommittee of the Senate Small Business Committee today commences 5 days of hearings on the antiobesity drugs, which are generally amphetamines and amphetamine-related drugs.

The latter include such drugs as phenmetrazine—Preludin—phentermine — Ionamin — diethylpropion — Tenuate — chlortermine—Voranil—and others. Fenfluramine—Pondimin—appears to be more like the hallucinogens rather than amphetamines.

At one time the amphetamines were the largest selling group of antiobesity drugs, but after being placed in schedule II of the Controlled Substances List with an assigned quota, the demand shifted over to the amphetamine-related drugs, which remained in schedules III and IV.

In 1975, 5.5 million prescriptions were written for the amphetamines and 19.9 million for the amphetamine-related antiobesity drugs.

Manufacturers' sales of antiobesity drugs for 1975 are estimated to be:

Amphetamines	$20,056,000
Nonamphetamines	64,594,000
Total	84,650,000

Estimated retail sales are in the vicinity of $170 million. Illegal street sales would increase this amount considerably because of the higher prices demanded.

The amount of sales does not reflect the impact of these drugs on society. As far back as 1969 the Economic and Social Council of the United Nations concluded that (*a*) "In some countries there is in-