

15420 COMPETITIVE PROBLEMS IN THE DRUG INDUSTRY

Statement, Robert J. Ledogar, 5/27/76 - 6

al drug firms from the United States have admitted to giving bribes to officials of foreign governments. None of the countries have been identified. I was able to obtain evidence on bribery in Latin America only in the case of one firm—a Swiss company which had a list of 135 Brazilian regulatory officials to whom it gave small "donations"—but everyone knows that bribery is a frequent occurrence. The transnationals say they have to engage in it in order to survive. As individual companies they probably do. The point is that they are able to unite and flex their muscles when their common interests are seriously threatened. Despite the fact that they dominate the drug industry in many countries, the multinationals have done little to change the regulatory status quo. One can only conclude that it suits their purposes just as it is.

Where does United States foreign policy come into all of this? First of all, despite some recent changes in legislation, our government offers substantial encouragement to foreign investment by transnational firms headquartered in this country through tax incentives, guarantees, loans and the services of our commercial representatives abroad. Drug companies have taken special advantage of these incentives as several examples in my book illustrate.

In a broader way, however, U.S. foreign policy sup-