

15422 COMPETITIVE PROBLEMS IN THE DRUG INDUSTRY

Statement, Robert J. Ledogar, 5/27/76 - 8

the standpoint of profits.

This puts the United States government in the position of supporting activities which are contrary to the best interests of the majority of people in Latin America. It makes us the ally of transnational business in its tendency to support the status quo and oppose change.

What can be done to change this situation? A general review of our government's whole supportive attitude toward U.S. foreign investments, together with the specific incentives, is certainly in order, but that is a very large issue which transcends this committee's present specific concern with the pharmaceutical industry. Short of such a broad policy review, there is very little that the U.S. government can do unilaterally to alter the conduct of U.S. firms acting through local subsidiaries overseas. We cannot interfere in the internal affairs of other nations to impose standards of our own. There are serious difficulties, moreover, with the imposition of unilateral controls by the U.S. government on U.S.-based firms in the absence of similar controls on European and Japanese firms by their governments.

What our government can do is to support multilateral efforts toward the greater regulation of transnational investment in less developed countries as well as independent multilateral efforts to assist less developed countries in solving their most serious health problems. I would like to offer the following specific recommendations: