

15460 COMPETITIVE PROBLEMS IN THE DRUG INDUSTRY

what a company says about its product in Mexico City is not the same as what it says in Guatemala City or San Jose de Costa Rica, which is different from what it says in Bogota, Colombia, or Quito, Ecuador, or Rio de Janeiro.

7. And finally, there's the statement: "Each of our foreign subsidiaries is managed by a citizen of the country. He knows the laws and regulations, and abides by them. We're not breaking any laws."

This defense has apparently been impenetrable. In your own hearings, Mr. Chairman, it was effective in blocking further investigations. The reason is clear: copies of up-to-date Latin American drug laws are not easily available in this country. Fortunately, it became possible for us to work on the spot in Latin America, to acquire copies of the laws, and to analyze them with the aid of Latin American attorneys and drug specialists, both governmental and private.

The legal situation may be summarized as follows:

--In a number of countries, the companies are telling the truth. They are not breaking any drug laws because there are no laws requiring disclosure of hazards. Each company can follow its own conscience and its own ethical standards
--In a few countries, the picture is not clear. Governmental officials believe they have the legal authority to require full disclosure, but the authority has not been spelled out