

COMPETITIVE PROBLEMS IN THE DRUG INDUSTRY

TUESDAY, JUNE 27, 1967

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

The subcommittee met, pursuant to adjournment, at 10:10 a.m., in room 318, Old Senate Office Building, Senator Gaylord P. Nelson (chairman of the subcommittee) presiding.

Present: Senators Nelson, Scott, and Hatfield.

Also present: Benjamin Gordon, staff economist; Daniel T. Coughlin, minority counsel; Susan H. Hewman, research assistant; and William B. Cherkasky, legislative director, staff of Senator Nelson.

Senator NELSON. We will open the hearings of the Senate Subcommittee on Monopoly. I want to read a brief statement prior to hearing the first witness.

In the interest of proceeding in a fair, judicious and orderly manner, I would like to comment at this time on an effort which has been made by Mr. Joseph Stetler, president of the Pharmaceutical Manufacturers Association, to prejudice the work of this subcommittee in the eyes of the general public.

Mr. Stetler has been writing letters to newspaper editors, in my State at least, charging that the hearings on prescription drug prices held so far by this subcommittee have distorted the facts, and that drug manufacturers have been denied an opportunity to testify.

This charge is, of course, completely false, as Mr. Stetler himself knows. However, the newspapers to which he has been writing have no way of knowing for certain that his statements are false, and some have published his statements and editorials in my State, critical of me, based upon his false statements.

On May 10, 5 days before these hearings began, Mr. Stetler and Attorney Roy Ingoldsby came to my office to discuss the hearings. I assured them that ample opportunity would be given the drug industry to be heard. I suggested that he listen to the testimony for a few days and when he decided on the appropriate time for industry to be heard he should come to see me and we would set a time for their appearance. To this date he has not come to me with any request to appear either in behalf of his association or any company he represents.

I wrote this statement last night. Ten minutes before I came down here a letter was written to my office from Mr. Stetler for the first time requesting an opportunity to appear. That letter was based