

Senator NELSON. Switzerland, England, Rome, Italy, and Germany are all very prosperous countries. Is their purchasing power lower than the purchasing power of poor citizens who live in ghettos throughout America, who have almost no income at all? They buy these drugs, too.

Mr. CONZEN. It is very difficult to compare these in terms of U.S. dollars. I have lived and worked in this industry in practically every continent of this world, and I am struck by the high standard of medical care which prevails in this country and which I sincerely believe is unmatched by any other country in the world, and I would hate to see anything done to jeopardize this outstanding position which we enjoy in this country.

That there are poor people, this is understandable, and it is the obligation of society and Government to do something about it.

To revert briefly to Senator Javits' impression that we might be doing business abroad which is subsidized in a way by the U.S. citizens who pay our prices for prescription drugs, I do not think this is quite correct, because as can be seen from our annual reports, our foreign business is actually more profitable than our domestic business, so there cannot be any question that our citizens here help to support lower-priced drugs of our company in foreign countries.

Senator JAVITS. Do you meet competition abroad that you do not meet here?

Mr. CONZEN. Yes, sir.

Senator JAVITS. In this very product?

Mr. CONZEN. Yes, sir.

Senator JAVITS. So that is a factor, too, isn't it?

Mr. CONZEN. Certainly.

Senator JAVITS. Nonetheless I will say, sir—and I hope you will understand I am not accusing anybody of anything—here is a problem the anatomy of which is being laid bare to the country, that the percentages involved, I must say, certainly are very troublesome in terms of the relationships which I have described.

Now, may I ask you a summary question which Mr. Burrows suggested to us this morning? He said that they would have eliminated profit entirely if they had reduced prices across the board 20 percent, which gave some order of magnitude that he felt it is in the abyss with a runaway profit operation. I just wondered whether you would subscribe to that for your company, or whether there is some other standard of judgment which would indicate the reasonableness of the overall profit, whatever might be our complaints. I think there is a serious complaint frankly, about the weighting which is being given to various customer elements in the total sales.

Mr. CONZEN. I would prefer to answer this question as follows. If we were faced with an overall price cut of X percent, 20 percent, we would have to conduct, from that point onward, a very different business from the one we have been able to conduct until now; and I sincerely believe that this would not be in the best interest of our people and our country.

Senator JAVITS. One last question. Do you have any suggestions for us on this subject; or do you just say let it run as it is?

Mr. CONZEN. I think the point that there are indigent patients who find it difficult or impossible to pay for medical care suggests that