

Mr. GORDON. In addition, I would like to read to you some of the testimony that Mr. Ross, Commissioner of the Bureau of Labor Statistics, gave before our committee at the beginning of our hearings.

I asked Mr. Ross, "But we do know that the consumer is paying more for his prescription; isn't that right?"

And Ross answered, "Yes, sir; there can be no doubt that average prices of prescriptions have risen. The four surveys listed above show increases of 6 to 10 percent."

Mr. STETLER. On this—as I indicated in my statement—we are familiar with that testimony by Mr. Ross. And two of the men that we had scheduled for the 29th—actually, now they will be put off—are men who we have selected to talk about the price indexes, to discuss Mr. Ross' testimony and the price performance of generic, brand, patented, nonpatented products. I do not really presume to have any expertise in this field, except to recite the statistics—I could do that. But in detail—I would prefer to wait until these men testified.

Mr. GORDON. I just wanted to bring up some of the statements which show the limitations of the Consumer Price Index to which you referred.

Mr. STETLER. Well, we referred to the statistics, Bureau of Labor statistics.

Now, that is the agency of Government that is responsible for deciding how price indexes shall be devised, and I think it is proper for our prices to be measured by the same criterion by which other prices are measured.

The statistics that are cited for—

Mr. GORDON. There is a great difference, Mr. Stetler. But since you are going to have experts come, let us postpone that.

Mr. STETLER. I will let them discuss this subject.

Mr. GORDON. In that case, why don't we take a break until the chairman comes back.

(Short recess.)

Mr. GORDON. Mr. Stetler, will you please resume with your testimony?

Mr. STETLER. As indicated, I am going to get to the tail end of my statement and conclude this in a couple of minutes.

As you know, we submitted with our statements some studies that go into fairly extensive detail about the contributions of the industry in a variety of areas. I will comment on that very briefly, and then give the conclusion as it is in my statement.

In the foregoing discussion, I have tried to provide an insight into the achievements and aspirations of reputable pharmaceutical firms, the complexities of their operation, and their continued striving for excellence. I have tried to show the amount of effort and investment involved in research, in developing and marketing a new drug product, and the commercial risks that must be taken as the price of pharmaceutical advances.

Leading firms produce and stock certain so-called public service drugs which seldom yield a penny of profit. They are used in the treatment of rare, low-frequency diseases and the demand is simply not sufficient to justify the costly production process. They include anti-rabies serum, botulism antitoxin, gas gangrene antitoxin, Rocky Mountain spotted fever vaccine, and many others.