

COMPETITIVE PROBLEMS IN THE DRUG INDUSTRY

THURSDAY, DECEMBER 14, 1967

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

The subcommittee met, pursuant to call, at 10:20 a.m., in room 1202, New Senate Office Building, Senator Gaylord P. Nelson (chairman of the subcommittee) presiding.

Present: Senators Nelson and Hatfield.

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

Senator NELSON. The hearing of the Monopoly Subcommittee of the Senate Small Business Committee will come to order.

Today, the Monopoly Subcommittee is very pleased to have the opportunity to hear testimony from Mr. George S. Squibb. He was former vice president of E. R. Squibb & Sons, and a leader in the drug industry. Mr. Squibb for sometime has been advocating reform within the industry, particularly as regards pricing policies. Mr. Squibb, I have read your 28 pages of testimony very carefully. Your analysis of the drug industry has, I think, opened the door to consideration of major reforms within that industry. It is reassuring to know that prices can be reduced in your judgment, on many quality drugs, and that industry leaders such as you are willing to fight for reforms which will make this possible. The committee is most pleased to have you here this morning, and you may present your testimony in any fashion you see fit. I trust that you do not have any objection to interruption for questions as you proceed to present your testimony.

STATEMENT OF GEORGE S. SQUIBB, FORMER VICE PRESIDENT, E. R. SQUIBB & SONS, LARCHMONT, N.Y.

Mr. SQUIBB. Not at all, Senator. As you see fit any time.

Senator NELSON. All right, if you will proceed, Mr. Squibb, and from time to time, as questions occur we will interrupt you.

Mr. SQUIBB. I have a few introductory remarks as to who I am and a little background which I may read first.

Senator NELSON. All right, Mr. Squibb, you may proceed. Will you read into the record your biographical sketch?

Mr. SQUIBB. Yes, I will do that now, Senator. My name is George S. Squibb. I live at 3 Cedar Island in Larchmont, N.Y., and I am here at the request of the committee. For 30 years, since graduating from Harvard University, I have filled a wide variety of positions with