

Dr. FIRESTONE. That might be the factor ; yes, sir.

Senator NELSON. Did your statistical analysis demonstrate that there was a pattern of decline in patented drug prices as the expiration date of the patent approached?

Dr. FIRESTONE. I have not examined that closely, Senator Nelson. I would be happy to go back and take another look from this aspect at the index and see whether this is the case or not. I do not think it is, frankly.

Senator NELSON. I know of one case where that happened fairly dramatically, so I wondered if that could be the pattern.

Dr. FIRESTONE. The interesting thing is when you have the most competition, when the products are not covered by patents, you have rising prices instead of falling prices.

Senator NELSON. Where what?

Dr. FIRESTONE. Where you have no patent protection and you have the greatest degree of competition, prices do not fall.

Senator NELSON. That has been true recently of almost every product in the marketplace, has it not? Food has no patent and it is going up in price. Automobiles have no patent and they are going up. Clothes have no patent and they are going up. The cost of production is going up.

Dr. FIRESTONE. There is some question about the rise in price of automobiles.

Senator NELSON. Not in the dollar cost.

Dr. FIRESTONE. Senator, one of the factors that is often overlooked is the change in the quality of the product.

For example, you could hardly compare a 1950 automobile with a 1966 automobile. Let's talk about a Chevrolet.

The price of a Chevrolet has gone up. But a car comparable to the 1950 Chevrolet, perhaps Corvair, would be at a comparable price. And it would be a better car.

Senator NELSON. I think you used the wrong example.

Dr. FIRESTONE. Well, perhaps. Or you might take the case of automobile tires. I remember when I paid \$10 for a tire back in the 1920's and I got 10,000 miles out of that tire. Now I buy a tire for \$20 and get 40,000 miles. Would you say the price had gone up 100 percent or declined 50 percent?

Senator NELSON. You chose another unfortunate case. I happen to have introduced the tire safety bill and we have statistics galore about the quality of low-grade tires on the market.

But do your statistics show that when the patent goes off and a number of other firms go into the marketplace, the price of the product drops?

Dr. FIRESTONE. It does not.

Senator NELSON. It does not drop?

Dr. FIRESTONE. Yes, sir.

Senator NELSON. Well, I would like specifically to have the list of the patented drugs that you used, the prices for each year, and then the date the patent went off and what happened to the price then.

Dr. FIRESTONE. I should be happy to give you that.

Senator NELSON. If that is the case I wonder if it does not prove something that I have suspected all along and that many people have asserted.