

Senator NELSON. Well, that may be, but the fact is that you might be paying twice as much for your prescriptions and perhaps twice as much is being spent by the consumer in this country for drugs as was spent, say years ago.

Dr. FIRESTONE. Senator, I will come to that very point very shortly.

Senator NELSON. And still the index does not reflect an increase.

Dr. FIRESTONE. I will come to that very shortly, Senator.

Mr. GORDON. Dr. Firestone, just one second. You say you cannot tell whether prices are too high or too low. Prices which are lower today than they were, say, 10 years ago, may simply be only, say, 85 percent as exorbitant as they were before. If they were exorbitant in the past, they could be slightly less exorbitant as before.

Dr. FIRESTONE. Conceivably.

Mr. GORDON. So what the prices are, are just as important, too.

Dr. FIRESTONE. Comparing prescription drug prices with all others, this is one group that has uniquely declined while practically all other groups in the consumer price and wholesale price indexes have risen.

Mr. GORDON. Could that be a indication, by the way, that it is not a competitive industry?

Dr. FIRESTONE. I should think not, because there is a wide range of prices for these products, as you know.

Mr. CUTLER. You do not mean, Mr. Gordon, that it would please you more if prices had gone up, do you?

Mr. GORDON. It is peculiar that if everything else goes up, prices and costs for all other commodities, and this is a thriving industry, when prices are going down, there must be quite a—

Mr. CUTLER. You have convinced me, if I needed any convincing, that no fact presented can make an impression on this committee.

Senator NELSON. Just a minute.

Mr. CUTLER. If the fact that consumer prices for drugs and wholesale prices for drugs have gone down proves a lack of competition in the industry to Mr. Gordon, I wonder what the fact that they have gone up means.

Senator NELSON. Well, Mr. Gordon is not the committee and not a member of the committee. Some fact may not impress him, but do not say that no fact impresses this committee.

Mr. CUTLER. I am sorry, Mr. Chairman; I withdraw that remark.

Mr. GORDON. May I comment on that?

Senator NELSON. I do not see anything fruitful in it. We have gone through this with Mr. Ross and I will put in the record the colloquy between me and Mr. Ross.

(The material referred to follows:)

[Excerpts from hearing May 16, 1967, Competitive Problems in the Drug Industry, Part 1, pp. 201-202]

Senator NELSON. In your index, then, you don't include any statistics to show what consumers are paying for drugs. You don't include any statistics showing the differential in prices from year to year in prescription cost?

Mr. ROSS. No, we don't.

Senator NELSON. Don't you think that would be of some significance? What puzzles me a little is if people are paying 50 percent more per prescription now, or 15 percent more per prescription now, than 10 years ago, that it has some significance.

Mr. ROSS. I don't challenge the significance of that for a minute. I merely say that is not the nature of a price index of our type.