

Whether there was a causal relationship between these two points I leave to your judgment. I used to tell my patients every time they failed to keep one down they were throwing \$1.50 in the basin, that helped them keep it down.

Anyway, it wasn't long before the drug firms manipulated the tetracycline molecule and other tetracyclines came along. They corrected the two objections; very few people vomit the newer ones, and, through competition, the price is down to less than a tenth of what it was.

Senator NELSON. May I interrupt a moment?

Dr. HAGOOD. Yes, sir.

Senator NELSON. You see, this committee has been conducting hearings about what we consider to be some problems that need public discussion involving the drug industry and the medical journals and profession. The committee has not, of course, at any time taken the position that the drug industry has not made a great contribution to medicine. I think everybody on the committee, I think every witness we have had for 2 years, is willing to concede that the drug industry has made a great contribution to medicine, and that it is a very important industry.

But any time hearings are conducted involving an industry, the position of the industry usually is "we have done great things you aren't giving us credit for and you shouldn't expose to public view critical aspects." This happened to me when I introduced the tire and automotive safety legislation. The auto companies and others attacked me as criticizing a great industry. It is a great industry and we were criticizing it because the tire companies and auto companies were putting purposely, knowingly, rather unsafe tires on the highway, and still are. So the fact that we raise these questions about some practices that we consider improper does not mean we are making a general indictment of the drug industry.

We have raised questions on pricing practices which the industry can't answer. You mention on page 10 of your statement:

I am even more appreciative to find when the situation warrants, the best of them are more than willing to provide their products at a loss.

Then you mention tetracycline on page 11.

I assume you are aware that Pfizer, Lederle, Bristol, Squibb, and Upjohn were found guilty in a criminal case of conspiring to fix prices, and that they just made an offer of settlement, a free offer of their own, of settlement of \$120 million to the people they cheated for ten years. It was a criminal conspiracy; it was cheating. They were gouging the public and, of course, they could afford to give any doctor who asked for it for a patient, such as yours, free tetracycline because they were cheating the people so badly that it didn't cost them anything. This is the kind of thing that we have been exposing. I don't think you, or even the drug companies themselves, could defend price-fixing and price-gouging of the public, could you?

Dr. HAGOOD. Senator Nelson, may I go back for just a moment there? I read this piece in the paper you are referring to now, I guess it is 2 weeks or something ago. It was not my impression from the release that I read that these people had been found guilty of this. They had offered to set aside \$120 million of dollars to pay off any claims that may be forthcoming by the 6th of March in this situation but it