

COMPETITIVE PROBLEMS IN THE DRUG INDUSTRY

TUESDAY, MAY 27, 1969

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

The subcommittee met, pursuant to recess, at 9:30 a.m., in room 318, Old Senate Office Building, Senator Gaylord Nelson (chairman of the subcommittee) presiding.

Present: Senators Nelson and Dole.

Also present: Chester H. Smith, staff director and general counsel; Benjamin Gordon, staff economist; Elaine C. Dye, clerical assistant; and James P. Duffy III, minority counsel.

Senator NELSON. Our witness this morning is Dr. Herbert Ley, Jr., Commissioner of Food and Drugs, Consumer Protection and Environmental Health Service of the Public Health Service.

First let me say that we periodically make it clear that any drug company that has any product or any action of its own discussed before this committee is welcome with a high priority to come before the committee and discuss any aspect of its drugs or its operations before this committee. And we repeat, that has been the policy of this committee from the beginning, to give first priority to drug companies to respond to any criticism made of them before the committee.

Through their representative, we specifically invited the Upjohn Co. to come. On May 14, 1969 I sent a letter to Mr. Joseph Stetler, president of the Pharmaceutical Manufacturers Association, in which I said:

DEAR MR. STETLER: A long standing policy of our hearings, publicly and frequently announced, is to give the first opportunity to be heard to any firm whose products or policies have been discussed before the subcommittee. As you know, we are now conducting hearings on drug efficacy studies on fixed combination drugs conducted by the National Academy of Sciences National Research Council. The purpose of this letter is to inform you that if you or any of your members would like to appear before our committee to discuss these studies you are welcome to do so. Arrangements to testify are to be made by contacting Benjamin Gordon, the Committee's Staff Economist.

Sincerely yours,

GAYLORD NELSON,
Chairman of the Monopoly Subcommittee.

No companies have requested thus far to appear, nor has the Pharmaceutical Manufacturers Association. But I want to make it clear to them that they are welcome to appear and discuss the issues that are pending before the committee.¹

¹ A letter was received subsequent to the hearings and appears as Appendix IV, p. 5257, *infra*.