

COMPETITIVE PROBLEMS IN THE DRUG INDUSTRY

THURSDAY, AUGUST 7, 1969

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

The subcommittee met, pursuant to recess, at 9:40 a.m., in room 318, Old Senate Office Building, Senator Gaylord Nelson (chairman of the subcommittee) presiding.

Present: Senators Nelson, Hatfield, and Dole.

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

Senator NELSON. Senator Dole, go ahead.

STATEMENT OF HON. ROBERT DOLE, A U.S. SENATOR FROM THE STATE OF KANSAS

Senator DOLE. Mr. Chairman, on June 19, 1969, Mr. Charles E. Payton, a student at the University of California School of Medicine, testified before the Subcommittee on Monopoly. At that time, Mr. Payton made several serious allegations against the pharmaceutical industry and generally charged they attempted to exert influence which was contradictory to the "rational application of pharmaceutical therapy and quality patient care."

Mr. Payton indicated that several members of his class had determined that acceptance of gifts was inconsistent with their "precept of independent, rational judgment in medical practice," and returned the gifts. Under questioning, Mr. Payton admitted he was not one of these students.

Since the conclusion of that hearing, it has come to my attention that on October 22, 1968, the same Mr. Charles Payton wrote to pharmaceutical companies requesting their assistance in outfitting a "black bag" for the second-year students at the University of California School of Medicine.

Mr. Chairman, Mr. Payton, in concluding his statement, claimed that in response to a question from a detail man as to what he could do for him he replied: "I will take the responsibility for acquiring the materials for my education and the tools of my trade." It is apparent that Mr. Payton did not disclose the complete facts on the question of pharmaceutical practices to this committee. In my opinion, this casts serious doubt on the credibility of his testimony.

Mr. Chairman, I ask that a copy of the letter Mr. Payton forwarded to the Ayerst Pharmaceutical Co. be made a part of the permanent record of these hearings.