

# COMPETITIVE PROBLEMS IN THE DRUG INDUSTRY

## (Present Status of Competition in the Pharmaceutical Industry)

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TUESDAY, AUGUST 11, 1970

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

The subcommittee met, pursuant to recess, at 10:10 a.m., in room 318, Old Senate Office Building, the Hon. Gaylord Nelson (chairman of the subcommittee) presiding.

Present: Senators Nelson, Hatfield, and Dole.

Also present: Benjamin Gordon, staff economist; Elaine C. Dye, clerical assistant; Keith A. Jones, minority counsel; and Dennison Young, Jr., associate minority counsel.

Senator NELSON. We will open the hearings this morning. Our witness today is Mr. Donald E. Johnson, the Administrator of Veterans' Affairs.

Mr. Johnson, the committee welcomes your appearance here this morning. Your statement may be printed in full in the record and you may present it however you desire.<sup>1</sup> If you wish to extemporize from it or add to it from time to time, or if you wish any of your associates from the department to make additional comments, feel free to do so. I assume you have no objection to being interrupted for questions, as you go along.

**STATEMENT OF HON. DONALD E. JOHNSON, ADMINISTRATOR OF VETERANS' AFFAIRS; ACCOMPANIED BY JOHN J. CORCORAN, GENERAL COUNSEL; ALFRED T. BRONAUGH, ASSOCIATE GENERAL COUNSEL; OF THE DEPARTMENT OF MEDICINE AND SURGERY: DR. BENJAMIN B. WELLS, DEPUTY CHIEF MEDICAL DIRECTOR; DR. PAUL A. L. HABER, DIRECTOR, EXTENDED CARE SERVICE; DONALD P. WHITWORTH, DIRECTOR, SUPPLY SERVICE; CLYDE C. COOK, DEPUTY DIRECTOR, SUPPLY SERVICE; ROBERT A. STATLER, DIRECTOR, PHARMACY SERVICE; AND ROLAND F. HARDING, CHIEF, DRUGS AND PHARMACEUTICALS DIVISION**

Mr. JOHNSON. Thank you, Mr. Chairman, and members of the committee.

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<sup>1</sup> See complete prepared statement beginning at p. 7473.