

COMPETITIVE PROBLEMS IN THE DRUG INDUSTRY
(Present Status of Competition in the Pharmaceutical Industry)

TUESDAY, JANUARY 19, 1971

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

The subcommittee met, pursuant to recess, at 10:05 a.m., in room 1318, New Senate Office Building; Senator Gaylord Nelson (chairman of the subcommittee) presiding.

Present: Senator Nelson.

Also present: Benjamin Gordon, staff economist; and Elaine C. Dye, clerical assistant.

Senator NELSON. Our witness this morning is Mr. Elmer Staats, Comptroller General of the United States.

Mr. Staats, the committee is pleased to have you here this morning. I see you have name identification cards on the table so the reporter will know everyone.

You may present your statement, Mr. Staats, however you desire. If you wish to extemporize from it or add to it at any time, feel free to do so and if any of your associates have any comments to make as you go along, that is perfectly permissible.

STATEMENT OF HON. ELMER B. STAATS, COMPTROLLER GENERAL OF THE UNITED STATES; ACCOMPANIED BY GREGORY AHART, DEPUTY DIRECTOR, CIVIL DIVISION; DEAN CROWTHER, ASSISTANT DIRECTOR, CIVIL DIVISION; AND PAUL SHNITZER, ASSISTANT GENERAL COUNSEL

Mr. STAATS. Thank you very much, Mr. Chairman. Perhaps it would be well to identify my colleagues here at the table so if they care to add anything or you care to break in on any part of our statement for questions, we will be happy to try to respond.

To my immediate left is Mr. Gregory Ahart, who is the Deputy Director of our Civil Division. To his left, Mr. Dean Crowther, Assistant Director of the Civil Division. To my right is Mr. Paul Shnitzer, from our General Counsel's Office, Assistant General Counsel.

Mr. Chairman, as you requested, we have planned in our statement today to discuss the efficacy, the economy, and rationality of the drug procurement activities of the Federal Government. Specifi-