

10424 COMPETITIVE PROBLEMS IN THE DRUG INDUSTRY

"Feinberg also recently stated that 6 of 11 potential suppliers of generic meprobamate were disqualified in 1973. Four others were disqualified earlier on quality grounds according to Feinberg," Stetler stated.

"Yet," Stetler emphasized, "these same drugs and others rejected by DOD are now on the market with the authority of FDA. If the Government intends to reimburse under medicare or medicaid for the cheapest drugs available, it may be buying these products for less advantaged citizens—the same products that it rejected for our Armed Forces."

Earlier that same day Mr. Stetler emphasized that:

"Substantially all of these rejected producers and their products are presently allowed on the market by the FDA." (Hearings before Senate Health Subcommittee, Dec. 19, 1973, Transcript, p. 169.)

PMA Counsel, Lloyd Cutler, in offering Mr. Feinberg's article in evidence, referred to him as: "* * * the man who is the expert for the rigorous testing that the Department of Defense carries on before it will buy drugs competitively, when they can be supplied by multiple sources. * * * He concludes that 40 percent of the products he tests from manufacturers who want to be adjudged in these bids should be rejected, *and those are products which the FDA, by and large, now allows on the market.*" (Hearings before Senate Health Subcommittee, March 5, 1974, Transcript, pp. 176-7. Emphasis added.)

Mr. Feinberg for several years has made public statements which, if true, should frighten the American people. As I have already shown, the Pharmaceutical Manufacturers Association has widely quoted Mr. Feinberg's statements and relied heavily on them in opposing Secretary Weinberger's proposals for drug reimbursement costs.

Mr. Feinberg has testified before state legislative bodies in opposition to the repeal of the ant substitution laws. He appeared before the House of Delegates in Annapolis, Md., on February 17, 1972, in Kentucky on January 18, 1973, in Texas on March 23, 1973, and in New Hampshire on January 15, 1973.¹

Mr. Feinberg's major claims in his speeches and articles can be summarized as follows—these are quotes:

1. "The rejection rate of DOD plant inspections is 45 percent and the rejection rate on precontract award inspections is 42 percent."

¹ See the following table:

STATE GOVERNMENT INSTITUTIONS

State	Date	Invitation from	Request to	Travel status	Reimbursed by
Maryland.....	Feb. 17, 1972	House of Delegates, Annapolis, Md.	General Hails, Commander, DFSC	TDY	U.S. Government.
Kentucky.....	Jan. 18, 1973	Chairman, Kentucky Formulary Council.	General Dreiseszun, Commander, DFSC.	do....	State of Kentucky.
Texas.....	Mar. 23, 1973	Mr. Ace Pickens, General Counsel, Texas Medical Association.	Colonel Wold, Deputy Director, Medical Material (telephonically).	do....	Texas Medical Association.
New Hampshire....	Jan. 15, 1973	Director of Public Health.	General Dreiseszun, Commander, DPSC.	do....	New Hampshire Pharmaceutical Association.