

Preyer, Holder of Drug Fortune,

By Ward Sinclair

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The holder of a pharmaceutical fortune, Rep. Richardson Preyer (D-N.C.), wants to be chairman of the House subcommittee that regulates the drug industry.

Preyer, acknowledging potentially serious conflicts of interest, is nonetheless lobbying fellow Democrats for support in becoming chairman of the health panel of the Interstate and Foreign Commerce Committee.

The chairman of the influential subcommittee will be up for grabs next month with the retirement of Rep. Paul Rogers (D-Fla.). Committee Democrats will pick his successor.

Among the issues almost certain to be dealt with by the subcommittee next year are a series of bills related to the drug industry, in which Preyer's holdings are thought to be worth several million dollars.

The congressman declined in an interview to provide details of his personal wealth, although he said the several million dollar figure is "not totally off the wall."

The bulk of Preyer's holdings are in his family's Richardson-Merrell Inc., the subject of past controversies involving its production of swine-flu vaccine, thalidomide and an anti-cholesterol drug. All provoked massive lawsuits. Preyer also owns stock in Sterling Drug Co.

Preyer said he recognizes the potential for conflict but, if named chairman, would disqualify himself from subcommittee activities related to regulation of the pharmaceutical industry.

He conceded, however, that drawing a line on drug-industry connections to other subcommittee issues—national health insurance or Medicaid drug payments, for example—would be "somewhat hard to do."

"I feel I can be fair and objective. I won't do anything the committee or the House leadership don't want me to do," he said. "If there is a feeling that I would bring discredit to the House, I certainly don't want to do it."

One of the ironies in the story of Preyer's quest for the subcommittee chairmanship, notwithstanding the conflict potential, is that he is widely

regarded in the House as a man of unswerving integrity.

Preyer is a former state and federal district judge and he is chairman of the Select Committee on Ethics, a special panel that drew up new financial disclosure rules for the House. The committee will go out of business next month.

He also is chairman of a special subcommittee that has investigated the assassination of President Kennedy.

Preyer noted that he had asked not to be put on the subcommittee originally and that he had abstained from voting on drug-related matters since he went on the panel 10 years ago. And, he said, all of his assets are in a blind trust over which he has no control.

"Blind trusts are not totally blind and I don't stand on that as an excuse from a conflict of interest," he said. "Once a year, I do see the trustee reports here."

Preyer said questions about his holdings could make his race for the chairmanship "a close situation" and that several of the Democrats he has contacted raised the issue with him.

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"But it didn't seem to be overriding," he said.

Another active aspirant to the subcommittee chairmanship is Rep. Henry Waxman (D-Calif.), a liberal who for several months has been soliciting support from committee Democrats.

Waxman said he is "very encouraged" by the response he has had, particularly from members elected, as he was, in 1974 and in 1976. At least 20 of the committee's 29 Democratic members next year will have been elected since 1974.

Coincidental with his interest in the chairmanship, Waxman doled out \$40,000 of his excess personal campaign funds to other House Democrats seeking reelection last month. Ten fellow Democrats on the Commerce Committee got \$14,000 from Waxman's war chest.

"Rich Preyer has never told me he is a candidate. I don't know if he is running, but I hear he's making calls," Waxman said. "I have the highest regard for him and everyone shares that. He is a man of great integrity. But I'm trying to convince my

colleagues I would do the best job."

A number of issues that could go before the health subcommittee next year would, in one way or another, have a connection with Preyer's drug interests.

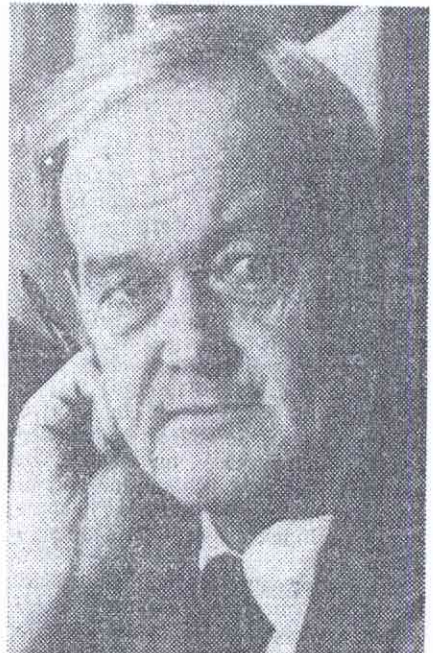
Among them are oversight hearings on swine flue claims, food labeling, a major drug-overhaul bill (Preyer supports it), cosmetic labeling, clinical laboratory regulation and safety standards for export drugs.

Most other health-related matters pending before the subcommittee also could be said to have a peripheral connection with drugs, Preyer acknowledged.

"It is a tough problem," he said, "but there is such a thing as leaning over too far . . . No, I don't think disqualifying myself would make me a one-legged chairman."

Another view, however, is offered by Dr. Sidney Wolfe, head of the public advocacy Health Research Group.

"I'm surprised he hasn't backed off of this, it is such a gross conflict," Wolfe said. "I don't see how he can function even as a member of that subcommittee."



REP. RICHARDSON PREYER
... acknowledges potential conflicts