

tion to registration, the wholesalers are subject to the same stringent reporting requirements by the DEA as is required of manufacturers.

Using 1973 as a base, Pennwalt's direct sales of both Biphedamine and Ionamin to physicians have decreased.

By 1975, approximately 7 percent of Pennwalt's sales of Biphedamine, and approximately 4 percent of Pennwalt's sales of Ionamin, were made directly to physicians. Effective in the fall of this year, Pennwalt ceased all such sales.

Pennwalt has not promoted or advertised Biphedamine since 1971. Since that date, we have not detailed or sampled Biphedamine to physicians. Pennwalt advertises Ionamin, but only in journals addressed to the medical profession.

It also samples Ionamin in accordance with prevailing competitive practices and existing law.

Senator NELSON. You said your firm advertises only in journals addressed to the medical profession.

Is there any prescription drug advertised in this country to the general public?

Mr. McGRAW. Not that I know of, sir.

Senator NELSON. Please proceed.

Mr. McGRAW. In August 1976, the DEA proposed that sampling of all controlled products be prohibited. In that same month, Pennwalt wrote to the DEA to express our agreement with their proposal, and will comply immediately should this proposal become applicable to all competitors.

Senator NELSON. This occurred in August of this year, and concerns the supplying of free samples to physicians?

Mr. McGRAW. That is correct.

Senator NELSON. Did you agree to comply as soon as all other competitors agreed?

Mr. McGRAW. We agreed it should be prohibited, and we would cooperate with such a decision.

Senator NELSON. Has that decision been made yet?

Mr. ROSTHAL. No, sir.

Senator NELSON. Go ahead.

Mr. McGRAW. Pennwalt's 1975 promotional expenditures for Ionamin were approximately 6 percent of total Ionamin sales. Otherwise stated, our total promotional expenditures were approximately 4 percent of our total antiobesity drug sales. As noted, we have no promotional expenditures for Biphedamine.

These figures may be compared to the promotional expenditures for the most popular over-the-counter antiobesity product, which has an estimated 60 percent of the market. The total promotional expenditures for that product for the last available year have been reported to be more than 20 percent of its sales, on a sales volume of approximately \$15 million.

PHARMACY SALES OF PRESCRIBED ANORECTIC PRODUCTS

Before turning to the subject of alleged abuse of anorectics, we believe it useful to review briefly the total market for prescribed anorectics at the pharmacy level.¹

¹The data cited are based upon IMS reports of pharmacy purchases for the years 1971 and 1975.