

States sales in those early years achieved an annual volume in the range of \$225,000 but subsequently steadily declined."

Senator NELSON. May I interrupt, Mr. Burrows? Was that mainly on the retail market?

Mr. BURROWS. It was to all classes of trade with which we did business at the time. I don't believe that I have with me a breakdown of the sales volume by classes of trade at that time, but most of our sales then were directly to the retail trade.

Senator NELSON. Directly to the retail trade?

Mr. BURROWS. That would be our normal channel of distribution.

Senator NELSON. Is \$225,000 the maximum you reached in total sales?

Mr. BURROWS. That was the maximum amount that we received. It was not the total at list prices. It was the total of our selling prices to whoever our customer happened to be, the retailer, the wholesaler, or whoever.

Senator NELSON. But is this the maximum that you reached in sales?

Mr. BURROWS. Yes, it was the maximum.

Senator NELSON. Would it be feasible for you to furnish the committee what amount of this was the retail market—when I say retail market I mean your wholesalers who sell to the retailers—versus to Defense Supply Agency or hospitals directly.

Mr. BURROWS. I believe we can get you that information, but I do not have it with me today.

Senator NELSON. The committee would appreciate it if you would supply it to us.

Mr. BURROWS. Thank you. We will submit that information.¹

Mr. GORDON. What are your total worldwide sales of this product?

Mr. BURROWS. In the first year of introduction, we had additional sales outside the United States of \$35,000, and the second year additional sales outside the United States of \$156,000.

Mr. GORDON. That was the most foreign sales you ever had.

Mr. BURROWS. Yes.

Mr. GORDON. Can you give us any idea as to why the sales steadily declined?

Mr. BURROWS. As I noted previously in my statement, several of our competitors already were on the market before we entered the market, and that gave them quite a competitive advantage inasmuch as we could not claim for our product attributes which were superior to the products already on the market. The first one on the market with an effective drug has quite a competitive advantage.

I will continue with the reading of my statement. One of the contributing factors in the decline during this period of time was the fact that other manufacturers with significant research programs in this field were able to introduce newer and improved steroid compounds for use in treating similar conditions. As a result, we concluded that our potential for prednisone sales was on the decline and we lost active interest in the product.

¹The information requested by Senator Nelson was subsequently supplied. Parke, Davis states, "that on the basis of the best available estimates approximately \$145,000 of the total 1957 sales were made to the retail trade either directly or through wholesalers."