

Parke, Davis is still very interested in making an original contribution in the field of arthritis and related diseases. We have continued with our own research work and we have expended substantial sums of money for this purpose.

It has been estimated that in the year 1966 the industry sold about \$4 million of prednisone in the United States. Parke-Davis sold only \$29,465 of this drug in that year in the United States, representing less than 1 percent of that market.

Senator NELSON. May I ask a question at this point? As I understood you a moment ago, the major portion of your sales were into the retail trade. Does the fact that your sales declined relate to the question of how or by what name the doctor prescribes the drug?

Mr. BURROWS. You mean insofar as the retail trade is concerned?

Senator NELSON. Yes.

Mr. BURROWS. The chances are that the doctor who prescribes the original compound put out by the first house on the market with that compound found it to be effective and satisfactory. It did what was claimed for it and there was no reason why the doctor should change. Presumably he kept on with the first product that he found to be safe and effective.

Senator NELSON. So this is the question of familiarity to the prescribing physician in the competition for the prescription of various brand names of prednisone.

Mr. BURROWS. That certainly is a factor.

Senator NELSON. Did your company consider reduction in the price to the retail trade to meet the competition?

Mr. BURROWS. Apparently we did not. As I am about to say in a following part of my text, I doubt that we can justify carrying this item for sale to the retail trade, because we are such an insignificant factor in this field. I think that we probably didn't do the best job that we might have done in monitoring our catalog. I really am surprised that it continues to be listed there considering the small volume of sales that we have. But sales departments are inclined to be sort of product "string savers," and once an item gets into the catalog, it can be difficult to persuade them to remove it.

Senator NELSON. But originally, as I understand it from your statement, you made a genuine effort to sell your product at the retail trade level.

Mr. BURROWS. That is right.

Senator NELSON. You did achieve a level of somewhere around whatever portion of \$225,000 is within the retail trade field.

Mr. BURROWS. That is right.

Senator NELSON. And then decided at some stage that you couldn't meet the competition with the more established drug Meticorten?

Mr. BURROWS. I wouldn't want to identify any one drug. But whatever the competition was, we weren't making any headway against it despite the fact that we spent reasonable amounts of money for advertising and promotion.

Prednisone sales represented only an insignificant fraction of our \$138,700,000 sales in the United States during 1966. We do not now advertise the drug or promote it in any way to doctors or pharmacies, regarding it largely as an accommodation item. In fact, with our very low volume of present sales, I doubt if we can justify continuing to carry it in our catalog.