

Mr. CONZEN. No, sir.

Senator NELSON. Why don't you go ahead and proceed in your own fashion.

Mr. CONZEN. Thank you, sir. And in the interest of time, instead of reading my entire statement, which will be part of the record, I will summarize certain sections.

Senator Nelson and members of the subcommittee, I am W. H. Conzen, president of Schering Corp. Schering is an international pharmaceutical company serving the medical profession throughout the free world. Its administrative and research headquarters are in Bloomfield, N.J.; its manufacturing facilities are in New Jersey, Wisconsin, and a number of foreign countries.

I am accompanied by two of my associates. May I introduce them: Dr. D. R. Longman, our vice president for domestic operations, and Mr. I. H. Jurow our vice president and general counsel.

We are here in response to your invitation of June 12 to appear and to answer your subcommittee's inquiry concerning the price of our product Meticorten. It is our purpose to cooperate fully so that you may hear all sides and reach a fair evaluation of the criticisms of prescription drug prices that have been made here.

In your letter to me, you asked that I discuss pricing policies and practices of our brand of prednisone. You said that "striking differences in prices of prednisone among various manufacturers" had been referred to in recent testimony before your subcommittee.

During these hearings there have been frequent references to the price of Schering's Meticorten tablets and comparisons of that price with the prices charged for so-called "generic" prednisone tablets. Obviously, the reference to "striking differences * * * among * * * manufacturers" pertains to these comparisons in the testimony.

However, so that there is no misunderstanding as to precisely what is being discussed, I believe a few words of explanation are in order as to what prednisone is, what Meticorten is, and how significant they are in the pharmaceutical field.

Prednisone is the official, or established, name of a chemical substance which was discovered by Schering research scientists in 1954. It is what is known in chemistry as a steroid, more specifically, a corticosteroid. We have developed and marketed a number of pharmaceutical products which contain prednisone and its sister compound prednisolone—14 to be exact. These products provide a variety of pharmaceutical dosage forms, many of which are offered in several package sizes. In addition to plain tablets, there are injectables, creams and ointments for dermatological use, ophthalmic preparations, and a number of combination products.

Meticorten is Schering's brand name for tablets formulated with prednisone as the active ingredient; it is a typical example of what many people have chosen to call "miracle drugs." It is used by people of all ages for the treatment of a variety of short- and long-term medical problems such as allergies, asthma, arthritis, skin and eye inflammations. Elderly people with chronic arthritis represent a relatively small portion of its users.

Prednisone, in addition to being the official name for the chemical compound, is also the so-called "generic" name for pharmaceutical products made available by many generic distributors, which contain, as the active ingredient, this particular chemical substance.