

Before I address myself to your specific question, I think it would be helpful if I explained for the subcommittee some of the magnitudes involved to establish the relative significance of what we are discussing.

In the first place, the domestic ethical pharmaceutical industry is estimated to have a volume of about \$3 billion at the manufacturers' level. The term "ethical pharmaceuticals" as used here refers to those products which are promoted only to the medical and allied professions, and available through pharmacies. The sales volume of all corticosteroid tablets totals approximately \$40 million; this not only includes prednisone, but all other corticosteroid tablets. The estimated volume of prednisone tablets is \$3 million. Consequently, this product represents one-tenth of 1 percent of this country's total ethical pharmaceutical market.

Senator NELSON. Would you tell me, sir, what percentage of the total amount of prednisone sold in this country is sold by your corporation?

Mr. CONZEN. This I was going to read in the next paragraph, but to answer your specific question, our total sale of prednisone tablets in this country is approximately \$1 million.

Senator NELSON. In this country. Now, you have sales overseas.

Mr. CONZEN. Yes. They are less than that.

Senator NELSON. Do you know what amounts?

Mr. CONZEN. Approximately three-quarters of a million dollars, I would estimate.

Senator NELSON. Three-quarters of a million dollars?

Mr. CONZEN. Dollars.

Senator NELSON. Sales by your company?

Mr. CONZEN. Our brand name, Meticorten, yes.

Senator NELSON. And do you know what the rest of the industry in this country sells overseas?

Mr. CONZEN. No, I don't know that.

Senator NELSON. What percentage of your sales in this country are in the retail drug market, that is either to the wholesaler or directly to the druggist for the retail trade?

Mr. CONZEN. By far the largest portion of our business in Meticorten tablets is to the wholesale and retail trade.

Senator NELSON. When you say, by far the largest percentage, can you give me some rough estimate of what percentage?

Mr. CONZEN. I can give you a rough estimate. I would say it would be about 80 percent or more. Perhaps 88 percent, my colleague tells me, is more accurate.

Senator NELSON. About 88 percent?

Mr. CONZEN. Yes.

Senator NELSON. Is this retail?

Mr. CONZEN. And wholesale trade.

Senator NELSON. And wholesale trade. What is the total wholesale-retail trade in this country, do you know, of the \$3 million total sold here?

Mr. CONZEN. At the rate of 88 percent, it would be over \$2½ million.

Senator NELSON. As I understand your testimony, the Schering Corp. sells about one-third of the total sales in this country, \$1 million. Of this, the Schering Corp. sells about 88 percent to the wholesale-retail trade market.