

Mr. CONZEN. Yes.

Senator NELSON. Now, of the balance of the \$2 million that are not sold by Schering, how much of that is sold in the retail-wholesale market?

Mr. CONZEN. I am sorry, I don't have that information, Senator Nelson.

Senator NELSON. Is that available in the drug literature?

Dr. LONGMAN. It could be obtained. We don't have it.

Mr. CONZEN. I don't know whether there is such a market survey available.

Senator NELSON. All right, thank you.

Mr. CONZEN. Second, within the pharmaceutical industry, Schering is about 16th in size, with a domestic ethical sales volume of some \$65 million. Of that total, Meticorten tablets represent less than \$1 million.

In other words, Meticorten tablets amount to only about 2½ percent of the total corticosteroid tablet market. The relative importance of Meticorten volume, both in terms of the consumer's drug bill and with respect to Schering, is certainly not large.

Nevertheless, those who require this medication have every reason to ask why Meticorten tablets should cost more than products which contain the same active substance available from other companies at much lower prices.

The answer lies in the basic difference in the nature of the functions and services performed by Schering Corp. in our economy, as contrasted with those performed by distributors of generic prednisone. Schering Corp. and the generic distributor operate in such different ways as to be engaged in totally different businesses.

I am not, however, going to discuss the merits of the so-called generic products and the so-called brand-name products and the question of therapeutic equivalence. There is a considerable difference of opinion in the scientific community on that subject. The study now going on under Government auspices, hopefully, will throw light on this question.

Let me explain what I mean by "different kinds of businesses."

Schering Corp. is fully equipped and fully staffed with highly skilled research scientists to discover and to develop new drugs, to produce them under the most rigid standards of good manufacturing procedures and quality control, to disseminate promptly throughout the scientific and professional world full and complete information about such new drug discoveries, to make available a wide range of dosage forms to meet all physician needs, to market them widely in all parts of the free world, and to continue to service its discoveries for the medical profession.

These are the characteristics of our company; it is research-oriented, it manufactures products of the highest quality, it markets its products worldwide, and it is devoted to total service to the medical profession for the benefit of its patients. Implicit, however, in this succinct statement is a host of detail, activity, and responsibility.

Senator Nelson, in my statement, which you have, I have gone into some detail as to what we did and what Schering actually did in connection with the discovery and marketing of Meticorten. In the interests of time I will not read it; I will merely summarize.

I refer there to our continuous search for new compounds, to the one success out of the many, many thousands of tries, to the extensive