

three studies to which he referred, the results of which appeared in the publications furnished with my letter of July 28, were comparative studies involving different brands of prednisone.

(3) Of our total 1966 sales of \$131 million (as reflected in our Annual Report), \$65 million represented domestic "ethical" sales, \$49 million represented all foreign sales, and \$17 million represented domestic proprietary sales.

(4) We have been advised that in Switzerland the substantial portion of the market for prednisone/prednisolone tablets is covered by some 13 companies; of these 10 are Swiss companies, marketing locally manufactured products, and three are non-Swiss companies. Of the 13, five market under brand names, seven market under "generic" designation, and one Swiss company markets both a brand name and a "generic" designation prednisone and prednisolone.

We appreciate the opportunity to submit this information for inclusion in the record.

Very truly yours,

IRVING H. JUROW,
Vice President and General Counsel.

Senator NELSON. To go back to the question on the amount spent, do you have any idea how much you have spent that is attributable to research?

Mr. CONZEN. I am afraid not, because we have an overall research budget this year of over \$12 million. Now, this is broken down into various areas of research, such as cardiovascular diseases and inflammatory diseases.

Now, this would fall more into the area of inflammatory diseases, and another area, allergies and related indications. There we research on many compounds, most of which never see the marketplace.

A few will finally be of sufficient value to the medical profession to warrant intensive clinical studies, and finally an application—a new drug application—and after that has been granted it appears on the market. So, we have many compounds which fall under this general area of research, and to break it down to any specific compound would be very arbitrary and possibly misleading.

Senator NELSON. What do you include in your \$12 million of annual expense for research? What I am trying to get at here is, do you include only laboratory research, or do you include the distribution of samples of drugs and responses from the institutions, their observations about them? What do you call research?

Mr. CONZEN. This term research, as I used it, encompasses, first of all, the laboratory work and chemistry and microbiology to synthesize or discover new compounds, to put them through biological screens to determine whether there is some biological activity which would be of interest and importance to the medical profession.

It includes pharmacology in animals. It includes extensive toxicological studies before the drug can be given to man on an experimental basis. It includes pharmaceutical development to develop a form or dosage form or vehicle in which the active drug can be safely and effectively administered. It includes the production of the initial quantities which go both into animals and into men.

Senator NELSON. What do you mean the initial quantities?

Mr. CONZEN. Of the active drug and the preparation of the product form which is given to animals first and later on when it is considered safe to go into clinical pharmacology, to give it to man whether in the form of injection or in the form of an implantation or a tablet or an ointment or whatever it may be.