

did not have our own clinical facilities within the company, and we had to go outside to have the therapeutic value of the drug and different indications proved outside. As a matter of fact, we have studied 45 disease indications with Meticorten.

Senator NELSON. If I may go back a moment, I neglected to ask you on page 3, where you state that the domestic ethical drug sales volume of Schering Corp. is \$65 million, what your sales amounted to outside of the United States?

Mr. CONZEN. Our sales abroad last year were approximately \$46 million, if I remember correctly. The balance between these two figures; namely, 65 and the 40 odd million in foreign sales, refers to domestic sales in other than prescription products. Those are lay products, those are products which can be sold without a prescription, and they also refer to products in the animal health field.

Senator NELSON. Do I understand you to state that your sales outside the United States in ethical drugs are \$46 million?

Mr. CONZEN. No; the foreign sales also include sales of nonprescription products.

Senator NELSON. I see. It's a total of \$46 million?

Mr. CONZEN. That is correct, sir.

Senator NELSON. Then so that the record is clear, what are your nonprescription sales totals in the United States, over and above the \$65 million?

Mr. CONZEN. I don't have the exact figure with me, but I will be glad to supply it. I would estimate these to be in the neighborhood of between \$20 and \$25 million.³

Senator NELSON. Does the \$65 million figure in domestic ethical sales include royalties received?

Mr. CONZEN. No.

Senator NELSON. What are the royalties received on domestic sales?

Mr. CONZEN. The royalties received by the corporation are stated under other revenues. As far as Meticorten is concerned, at a royalty rate of 6 percent and estimated sales by licensees of approximately \$2 million per annum, it would amount to about \$120,000 per year.

Senator NELSON. As I understand it, your total royalties on domestic sales of prednisone or Meticorten are what?

Mr. CONZEN. On prednisone tablets, approximately \$120,000 per annum, I estimate.

Senator NELSON. These are royalties paid by companies that are producing prednisone?

Mr. CONZEN. That sell prednisone as tablet preparations licensed by us in the United States.

Senator NELSON. But they are not selling it under the name Meticorten. They may be selling it under their own brand name or they may sell it generically, is that correct?

Mr. CONZEN. Yes, sir. If I can continue, what follows is an oversimplified and only a partial list of what Schering does, and must do, to fulfill its role in today's complex and highly competitive world of medicinal products. Moreover, it is what Schering actually did for prednisone.

In the first place, we must search constantly and continuously for new and better compounds which may be formulated into new and

³ See p. 627.