

If Schering is to discharge successfully its responsibilities and achieve its objectives in our society, if it is to be the source of breakthroughs in the future, if, as I am persuaded, the community expects it to discover, to test, to produce, to market, and to service the new, high-quality, safe and effective medicines of the future—and to continue to make available those on the present scene—and to do all this in active and aggressive competition with companies like itself, then it must have the resources to take all the risks implicit in these activities and to attract the scientific manpower that is necessary to do that job successfully.

I believe that the large majority of our society expects this of us and is prepared to accept, and does accept, the fact that the economics of these circumstances demand that our prices be substantially higher than the prices which the generic distributors charge. To them the community does not look for, and from them it does not expect, these necessary services and activities. From them the community expects and receives only price-oriented distribution.

That is why our price for Meticorten is what it is, and why the generic distributor's price is what it is, and in my judgment these striking differences are justified by the contrasts I have attempted to put before you here today.

Nevertheless, I should not leave you with the impression that we are unaware or unmindful of the continued critical attacks in these hearings and in the press. Even though we regard our position as sound, for the reasons I have outlined, we have always reviewed our judgments in the light of the challenge of criticism; we plan to continue to do so.

We are not callous to the difficulties which our older citizens face because, due to their limited, fixed incomes, and often chronic illnesses, medical costs, including drugs, are high. Because of their limited incomes and greater needs, the difficulty they face in keeping pace with our inflationary economy is augmented. They need to be helped, and governmental and voluntary programs are doing just that. Moreover, under our present economic system and structure, we must look to the continued development of these programs to provide the help that is needed.

It will serve our society poorly if, in seeking to resolve these difficulties, we limit the ability of our creative pharmaceutical industry to serve the professions and the public through the discovery of new drugs.

Thank you, Senator Nelson.

Senator NELSON. Thank you very much, Mr. Conzen. You were here this morning, I assume?

Mr. CONZEN. Yes, sir.

Senator NELSON. You heard the testimony of Mr. Burrows of Parke, Davis. I would like to repeat to you a couple of questions that I asked Mr. Burrows at that time. I will be referring to the Medical Letter. On page 14 of your testimony you state that you think Meticorten is the best product, and I am sure as the president of Schering Corp. and knowing its operation you believe that. You state it is the one fully proven in patients and the most carefully prepared and controlled. You feel that doctors' experience has confirmed this and they continue to prefer Meticorten for their patients despite its higher prices and "we think they are right."