

test in terms of what it would mean to you in the market if you are correct, why hasn't the company conducted them?

Mr. CONZEN. First of all, it is a relatively small item in our total sales.

Senator NELSON. It is \$1 million a year.

Mr. CONZEN. \$1 million; yes.

Senator NELSON. Out of a \$3 million market, and if you are correct in what you say, you probably could have the whole \$3 million market.

Mr. CONZEN. It is a \$40 million market in which we compete with Meticorten, because prednisone is just one corticosteroid within a large number of other corticosteroids. The share of the market of prednisone and Meticorten has been constantly declining and will continue to do so, and this is simply the result of our research-oriented industry where product obsolescence is a very serious matter in our competitive society and we have to live with it. In other words, I do not think we would be justified to expend the money and effort to carry on double blind clinical studies with our brand against over 100 brands of prednisone to prove this point, since we have such abundant evidence that our product is the best, which does not imply that it is better than others.

Senator NELSON. Are you suggesting, then, that when the Defense Supply Agency purchased a 1,000 prednisone tablets on a bid basis, at \$4.94, the DSA is supplying Walter Reed—where Presidents, Congressmen, and generals are treated—and Bethesda, and the soldiers overseas, are you suggesting that when they buy Upjohn's tablets at \$4.94 on a competitive bid, that they are buying a drug that is not equivalent in its therapeutic value to Schering's?

Mr. CONZEN. I cannot say whether it is therapeutically equivalent. I can say that they are definitely buying a first-class drug which complies and meets the tests and standards of the agency, which are very exact.

Senator NELSON. But you see the Government is buying millions of dollars' worth of drugs, tens of thousands of dollars' worth of prednisone, and they test it. They use it in veterans' hospitals, they use it in Walter Reed, an excellent hospital. The city of New York, where Senator Javits comes from, buys it generically. They are buying prednisone that is not Schering's, and buying it on a bid basis. Are you suggesting that the Defense Supply Agency and all the veterans' hospitals, the soldiers overseas, purchasers like the city of New York that test their drugs, use them in their hospitals and see the clinical results, are you suggesting that they are buying a drug that is not equivalent to what Schering sells?

Mr. CONZEN. Therapeutically it is not proven that they are equivalent, but I do not suggest that they are buying inferior drugs for their patients.

Senator NELSON. What is there about Meticorten that makes it worth \$170 a 1,000 when the Government is buying it for \$4.53, New York City is buying it for \$4.58 a 1,000, the Government is buying it in various bids for \$4.52 to \$4.94? What distinguishes Meticorten which should justify this price differential is what I am trying to get at.

Mr. CONZEN. Several points. One, the overwhelming clinical evidence as to the efficacy of our brand which is unmatched by any other brand or make of prednisone.