

Second, our continuing research and the contributions which the sale of Meticorten make to enable us to continue to compete in this business as a research-oriented company, which strives for innovation, and plays its part in bringing benefits to the public which, in terms of health and anything else, are unsurpassed anywhere in the world.

Senator NELSON. But doesn't Upjohn do research and U.S. Vitamin do research?

Mr. CONZEN. Certainly.

Senator NELSON. And since you do not separate your research so that you can tell how much it costs you to develop Meticorten, I suppose neither do they. Don't they have exactly the same problem?

Mr. CONZEN. I don't think, and I am not aware that, they have done and continue to do research on prednisone.

Senator NELSON. No.

Mr. CONZEN. They do it on other drugs.

Senator NELSON. That is correct.

Mr. CONZEN. And our share of the Meticorten market supports our overall research.

Senator NELSON. You are basing your statement on the overwhelming selection by individual physicians in prescribing Meticorten in the retail market around the country, is that correct?

Mr. CONZEN. Yes.

Senator NELSON. Do you think the judgment of an individual practicing physician is better than the judgment of all the combined doctors, surgeons, physicians, pharmacologists, in Walter Reed Hospital who have an opportunity in a clinical situation to observe the value of the drug prednisone that they are using? Do you think the individual doctor's judgment is better than that of a fine hospital in New York or Walter Reed?

Mr. CONZEN. I would say that the practicing physician who is faced with a particular case history of illness in a particular patient uses his own best judgment, based on his experience with the drug and his diagnosis and his prognosis, and that this will be, I hope, always the overriding consideration of the practicing physician.

Senator NELSON. I would agree that that is exactly what the practicing physician does, but that does not answer my question which is this. Is his individual judgment better than the combined judgment of all the various medical services in the distinguished hospitals such as Walter Reed, in determining the value and quality and therapeutic effectiveness of a brand of prednisone?

Mr. CONZEN. I find it difficult to relate the conclusion which is reached by a large Government agency to put it into juxtaposition with the problem with which the physician is faced when he has his patient in front of him and has to make this judgment. I find it difficult to do this.

Senator JAVITS. I am troubled by another aspect of this matter. I must say I am also troubled by the aspect which troubles Senator Nelson. But what about the built-in failure to allocate all the research costs which you speak of, the initiatory costs, and the commendable initiative in your company which produced this drug, when you bid on Government business? For example, this Defense Supply Agency chart shows that in October 1965 Schering bid on the same contract that Upjohn got. They bid \$9.20 a 1,000. According to our chart, you