

you sell it for in the United States. Now, isn't it competition that is doing it?

Mr. CONZEN. Not only competition. One of the main reasons has been the galloping inflation, and the devaluation of the cruzeiro in terms of the U.S. dollar.

Senator NELSON. Was that true, is that the reason—there isn't galloping inflation that I am aware of in Bern, Switzerland, and it sells there for less than it does in Brazil. It sells for \$1.37, according to the State Department.

Mr. CONZEN. This is a price which, as I indicated before, was established by our distributor with the Swiss social security authorities, and has gradually come down to this price, to this level.

Senator NELSON. In Australia it sells for \$7.07 per 100. We transposed that to \$2.31 for 30. How do you account for that price in Australia? That is not a destitute country.

Mr. CONZEN. This is the price which probably, I can find this out, lies substantially above the price of other prednisone brands in that country. Moreover, the cost of doing business in Australia is a very different one from doing business in this country.

Senator NELSON. Well, I must say just for myself that it is not a very convincing explanation. Wherever you have competition, you charge a substantially lower price than you do in the United States, where there is not any competition except as you have licensed it.

Mr. CONZEN. I think we have at least as much competition here as we have in other countries.

Senator NELSON. Let me read something to you from testimony of a former president of the Schering Co., Mr. Brown, who appeared before the Kefauver Committee on December 7 and 8, 1959. This is on page 7,888 of the hearings on administered prices:

Senator KEFAUVER. I know but the problem is that we want to get cheaper medicine in that one house where one percent is sick. What would you have done—

This is to Mr. Brown, president of the Schering Co. at the time—
what would you have done if Merck had offered to sell their Deltra product—

Which is their prednisone—
at \$25? Would you have gone down?

Mr. BROWN. Senator, in this industry you don't sell your product if a company of equal standard has a lower price, so you have to meet their price.

Senator KEFAUVER. So had Merck gone down, you would have gone down?

Mr. BROWN. We would have been forced to go down just as we were forced to price our product in competition with cortisone and hydrocortisone when we first brought it out.

Now, Merck reduced the price of its prednisone called Deltra, in January of this year from about \$17.90 to \$2.25 per 100. Your president, Mr. Brown, said in 1959 that you would have to go down to meet competition. The competition lowered its price in January. How come you haven't gone down to meet the competition as your president insisted that your company would have to do?

Mr. CONZEN. I believe that this statement was a correct one in 1959 when prednisone was the leading corticosteroid in the market. Today we have an entirely changed set of circumstances. The bulk of the corticosteroid tablet market no longer lies in prednisone but in other products, and our price today of Meticorten is not out of range with