I think our house-of-delegates took a very wise position. We don't have the facts that account for this difference. We can explain to the committee that the mechanism is obviously the use of the brand name, which creates a captive situation.

Senator NELSON. But you see this gets right to the very heart of the argument made by the manufacturers, in which they claim that the doctor can only rely upon a distinguished, reputable, established trade-name company. Therefore, the doctor doesn't dare to gamble and shouldn't gamble with his patients' health by prescribing a prednisone made by Wolins Pharmacal that costs $0.59 a hundred, or Zenith at $0.75 a hundred, or Sherry Pharmacal, or U.S. Vitamin Pharmacal at $2, or any of the rest of them.

Here we have a case that goes right to the heart of their argument. There is available from a distinguished trade-name company, Merck, a prednisone product at $2.20. This is not a generic company and they do conduct search and, like the rest of these companies, they are a reputable firm. You also have Upjohn's product available at $2.25. And yet in the marketplace, Meticorten, at a cost of $17.90 to the pharmacist, is selling very well. Why do the doctors prescribe it? You know, most people would be pretty outraged to have a copy of the Medical Letter, which every doctor in this country says is a very distinguished scientific publication, and which industry representatives who testified here called a very reliable publication and then have their physicians prescribe Meticorten at $17.90 plus the mark-up, when right there in the marketplace—taking the industry's argument on their own grounds that you should stick to the research-oriented trade-name companies—another distinguished company is selling the drug at one-eighth the cost. Now, what is your explanation for how this can happen?

Dr. APPLE. Mr. Chairman, I think we said here, "are we to believe that a quality product cannot be produced and marketed below this price?" We don't believe it, as a matter of fact, and I think there is a trend going on, as Senator Hatfield indicated, where pharmacists are now starting to point to physicians and say, you have one product by Upjohn and one product by Merck, Sharp and Dohme at a fraction of the price and there is no—they don't get into the quality argument, generic brand name argument, because I would say that basically any physician in the United States would accept Upjohn's reputation or Merck, Sharp & Dohme's reputation, as well as they would Schering's reputation. So there are no question marks there. It boils down exactly to price. We don't have the latest market figures but certainly the industry can provide them. It would seem to me that either Upjohn or Merck, Sharp & Dohme could move ahead in this particular market by just telling the medical profession that their product is available at $2.20 or $2.25.

Pharmacists tell me, our president-elect behind here told me just the other day, that he no longer stocks Meticorten because physicians are prescribing the other products after he discussed comparative costs with them.

Senator NELSON. What does he do when the prescription which comes in is for Meticorten, for example?

Mr. EGGLESTON. Of course, I am a community pharmacist in a community of 6,500 people.