

tion and engineering techniques and quality control in the manufacture of drugs, and the difference that may exist among drug products containing the very same active ingredient, but which come from different manufacturing sources. We will set forth the unique importance of the industry's promotional efforts in the delivery of product information to physicians. It is not an exaggeration to say that much of the misunderstanding that exists with respect to the drug industry arises from the failure to distinguish between these different types of manufacturers that are now in this business. The company which has the complex and extensive facilities and the highly trained personnel necessary to discover and develop drugs which someone else has not already marketed maintains cost burdens which are reflected in its prices. The noninnovator does not support such effort and therefore does not incur the expense in time and dollars necessary to make comparable vital contributions to the heal of mankind.

Senator NELSON. You have 136 members of your association?

Mr. STETLER. That is correct.

Senator NELSON. Do I remember correctly from your testimony that your members manufacture 95 percent of the prescription drugs sold in this country?

Mr. STETLER. That is right.

Senator NELSON. Do any of your companies manufacture nonprescription drugs?

Mr. STETLER. Several of our companies do. I might say that as far as the PMA is concerned, we represent them only with respect to their prescription drug business. They are represented by other associations in those other activities.

Senator NELSON. You have 136 members?

Mr. STETLER. That is correct.

Senator NELSON. And how many of those members would you call innovators, and how many are not?

Mr. STETLER. I would say that the vast majority attempt to be innovators. In other words, they do research. They do it with varying degrees of success. But one of the requirements at the present time for admission into our association is that the applicant be significantly engaged in research. This varies obviously with the size of the firm.

Senator NELSON. And you do in some of your supplemental material list the new drugs, as I recall it?

Mr. STETLER. Yes.

Senator NELSON. For the past how many years?

Mr. STETLER. This is since 1940 to 1966—the last 27 years.

Senator NELSON. You list some 800?

Mr. STETLER. 823 I believe was the number.

Senator NELSON. I cannot recall from my glancing at your material. Are they listed by year?

Mr. STETLER. No; they are not listed by year.

Senator NELSON. Would it be too difficult to identify them by year so that we have some picture of the development of innovative drugs?

Mr. STETLER. I am fairly confident that is available. I am not going into the detail of listing. But I will check back to see if that cannot be supplied for the record.

Senator NELSON. Somebody else will discuss those drugs?