

Mr. SQUIBB. That is right.

Senator NELSON. And the same day across the Nation another distinguished formulary committee selects another company, and on the same day another formulary committee in another part of the Nation selects another. I notice in the Medical Letter of June 2, 1967, they tested 22 prednisones, and concluded, on the basis of clinical advice and chemical testing, that all of them were equivalent.

So, if they are correct, you could have 22 hospitals using 22 prednisones, and the assumption all these hospitals are going on is that the one they select is going to produce as good a result as any of the other 21. They then have a chance to test it in the hospital, and if they get the kind of result, the successful result they are seeking, they have a chance to compare the result they are getting with their drug as against another formulary in another part of the country.

I conclude from that that there are many drug products made of the same compound by different companies that are, for all practical purposes, therapeutically equivalent in the result they produce. Do you have a comment on that?

Mr. SQUIBB. I think you are absolutely right. You have to arrive in the process of making a decision to put one item in inventory that this product has an equivalency. To say it is in fact identical to every other product without testing is making an assumption that I do not think has to be made. I do not think it is made by any responsible formulary committee. You outlined it very well. They are assuming that this will do the job for which they want this type of product in their formulary. They made a selection because they have to make a selection, and they make it on the best information that they can get, whether they have to depend upon somebody else's analysis in the Medical Letter or by outside laboratory testing or whether they can make their own analysis. Whether they are simply doing it from the basis of their experience in the practice of medicine and the fact that they have used a given label or a given product or for some other reason, I think that we are beating around too much the question that there might be or might not be identical products. Nothing is identical, as you say. I think that the equivalency has to be determined by responsible men, because they have to in fact, for practical reasons, select one product. They do that, and price is becoming now a factor in this more than it used to be. I think that testimony in hearings such as this, conversations and discussions in the press, and in medical circles all around the country are beginning to stir up this issue more than it has ever been stirred up before.

Senator NELSON. Thank you.

Mr. SQUIBB. I will proceed on page 18. So much for pricing—

Senator NELSON. Are you saying that the cost of the detail man is much greater than all of the other costs of promotion, including advertising in the medical journals, free samples, and all other aspects of legitimate promotion of the drug?

Mr. SQUIBB. This varies company by company. Obviously some companies believe in large detail forces and others manage to get along with relatively few. But basically speaking I think that in the case of any house that hires detail men, the expense for detail men and their equipment is the largest single factor in their sales budget. If