

Senator NELSON. May I interrupt a moment? Do you consider this risk higher in the drug industry than any other industry?

Dr. MARKHAM. Not higher than in all other industries; no, sir. I elaborate on this a little bit later on. I can anticipate that or go on to it, but I do have a paragraph that tries to tell whether or not this is fairly unique of the drug industry in terms of the incidence of the impact of a new product.

Senator NELSON. Do you consider this risk of the development of a competing product superior to one of another company a poor risk factor in the drug industry?

Dr. MARKHAM. Yes, I do.

Senator NELSON. Can you give me a list for the last 15 years of the drugs that have been replaced by a superior competing product?

Dr. MARKHAM. I do not know whether I could do this or not over the past 15 years. We can certainly give you some fairly striking examples. I do not even have an exhaustive list of those with me now, Senator.¹

Senator NELSON. I understand you to be talking about the development of a competing product superior to one already marketed by another company, as one of its major products, which causes virtually complete replacement of it in a short time.

I do not think an example here and there proves anything. I am assuming that you came to the conclusion that this was an important risk factor after a detailed study of examples of where that happened and where the company marketing the original product as a consequence suffers substantially. What I am interested in for the record, in addition to your conclusion, are the factors which caused you to reach the conclusion. For the record, I would like to see the name of the drug, the company involved, and I would like to see the impact of this particular case upon the earnings, the profit of that particular company. Because if it did not have any impact or a substantial impact on their profits, I cannot see that it means very much.

Dr. MARKHAM. I am delighted that you want it and so do we. Let me elaborate. We have not finished this study yet. We have some preliminary results. That particular aspect of the study has been formulated. We have not gotten yet the amount of data that would make it worth while to submit it at this time. What we do have, however, are the data that you will find in "Trends in Market Shares for Ethical Products," which, in an overall sense, documents the point pretty well, that products are knocked off the leading list very frequently.

If you will take a look at what firm ranks No. 1 in a given therapeutic class, 2, 3, 4, and 5, and then look at where these firms rank 5 or 6 years from now——

Senator NELSON. When you say a given therapeutic class, you are talking about antibiotics or——

Dr. MARKHAM. Diuretics, things of that type, yes.

Senator NELSON. But you again reach your conclusion as to item 1 without having an example of a series of compelling specific cases that is large enough to prove the case.

¹ See Appendix III beginning at p. 2129, *infra*.