resulted in tremendous expenditures by patients in this country for a drug that was available on the market at a fraction of the price.

And I think the classic result of the publicity which was brought out before this committee occurred when one company reduced its price dramatically 2 months after we examined their pricing structure and showed them the Medical Letter. They reduced their price from $17.90 a 100 to $10.50 a 100, and the second company reduced theirs from $17.88 a 100 to about $3.45 a 100. Now, that is a clear case where the advertising was doing a disservice to the medical profession and the public in terms of economics.

Senator SCOTT. Isn't Dr. Goddard currently looking into the whole question of whether drugs are chemically and therapeutically equivalent?

That has not been finally established, has it?

Senator NELSON. He is examining that, drug by drug, as I understand it.

Senator SCOTT. If the investment opportunities in the brand name drug manufacturing industry are so fabulous, would you tell me why the prices for the stock of these companies are not constantly skyrocketing? And is not that because of the constant threat of congressional investigation and threats of further regulatory action?

Dr. MUELLER. You mean they keep going up, skyrocketing?

Senator SCOTT. If their profits are so big, why doesn't the stock keep going up?

Dr. MUELLER. Why does it not?

Senator SCOTT. Why does it not skyrocket if profits are as fabulous as you have indicated?

Dr. MUELLER. Well, first, the stock earnings ratios on drug stocks are extremely high, they are among the highest of any American industry, indicating that stockholders and investment analysts expect drug stocks to keep going up—of drug companies to continue to make high profits in the future.

Now, as an investor, of course, you may buy into the market at any point, and you are not necessarily going to make vast amounts on your investments in stocks because the market for drug stocks is a very competitive one. How well an individual does in the market is not any indication of how profitable the industry is. Were you referring to the variation?

Senator SCOTT. I am not familiar with these figures, but were you to take, again, the eight leading companies, would their securities, their common stock, on the market today be higher or lower than it was a year ago or the year before?

Dr. MUELLER. I misunderstood you. I thought when you said skyrocketing, that it was going up. But you are talking about it coming down as well, and whether this is associated with——

Senator SCOTT. What I am talking about is the feeling that I have—not the knowledge—that actually drug securities in the market have not been skyrocketing or increasing in their market prices recently. I am not sure, though.

Dr. MUELLER. They are not, of course, entirely unique. The market has been a very mixed kind of one this year. But is response to your——