

methylprednisolone began to take over a notable share of the market, and by 1958 'Medrol' had 18.1 per cent of the new prescription market, while the leader in 1956, 'Meticorten', had fallen from 53.9 per cent to 30.7 per cent.⁴⁸

In 1957 Lederle introduced triamcinolone, a corticosteroid identical in potency to methylprednisolone, and licensed it to Squibb. Both firms set prices at a level identical with that of prednisone, prednisolone and methylprednisolone. Lederle's brand, 'Aristocort', had 23.8 per cent of the new prescription market in 1958, while Squibb's brand, 'Kenacort', had 8.9 per cent.⁴⁹ Eighty-five per cent of the bulk powder, however, was made by Squibb, and only 15 per cent was made by Lederle. As a consequence of Lederle's prior and intensively advertised appearance in the market, it would appear that physicians' brand preferences crystallized in favor of Lederle's product so predominantly that Squibb had no outlet for much of its production except to sell it in bulk to Lederle.

In 1958 Merck and Schering introduced dexamethasone, a corticosteroid with a potency about six and two-thirds as great as prednisone, the standard tablet containing .75 milligrams instead of 5 milligrams. For the first time since the prices of cortisone and hydrocortisone reached a plateau, price competition was introduced into the market when Merck priced its 'Decadron' at retail at 27 cents per tablet, 10 per cent below the prices of the other four competitive corticosteroids. Schering later marketed its brand, 'Deronil', at the same price as Merck. Merck, intending to regain its earlier predominant place in the market, gave its dealers additional quantity discounts amounting to as much as 10 per cent.⁵⁰ A patent interference was declared between Merck and Schering. Merck subsequently licensed CIBA and Organon of Holland. CIBA then began to market dexamethasone as 'Gammacorten' in 1958. While dexamethasone has yet to be patented, no small firms seem to be producing this compound, because of the relatively high costs involved. In fact, it may be the case that the profit margins to the producers are considerably lower than in the case of the other corticosteroids. Sales of bulk powder by Merck to CIBA were made in 1958 at \$65 per gram. If the bottling and tableting charges used previously are added to the bulk powder cost, a cost of \$72.69 per gram is obtained, which amounts to 33.8 per cent of the wholesale price of \$214 per gram.⁵¹ (The comparable figure for prednisone is 8.7 per cent.) This is only slightly more than the average ratio of

⁴⁸ Data from the market research staff of Merck and Company, *ibid.*, Part 14, p. 8028.

⁴⁹ *Ibid.*, Part 14, p. 8028.

⁵⁰ Testimony of J. T. Connor, *ibid.*, Part 14, p. 8031.

⁵¹ *Ibid.*, Part 14, p. 8324.