

In the latter group, perfumes had an advertising-sales ratio of 15 percent, cereals and drugs were approximately 10 percent each, soap 9 percent, beer 7 percent, and soft drinks slightly more than 6 percent.

At lower levels, cigarettes and wines had advertising-sales ratios of about 5 percent.

These findings suggest that the economic effects of advertising expenditures are not likely to be felt generally throughout the economy but rather are limited to a small subset of industries.

Senator NELSON. Doctor, I notice that you comment on this later on in your testimony, but the figure that you use for expenditures for advertising of drugs is 10 percent of sales.

What you are saying is that the total expenditure for advertising for drugs equals 10 percent of the total sales of drugs, is that correct?

Dr. COMANOR. That is right.

Senator NELSON. And in this figure, you are using both prescription and nonprescription; that is, proprietary drugs.

Dr. COMANOR. That is right.

Senator NELSON. What is the total amount spent on prescription and proprietary drugs?

Dr. COMANOR. I have not looked at the most recent figures, it is something in the order of \$2.5 billion, \$3 billion, but this could be checked.

Senator NELSON. This figure confuses me. My memory is that we have had testimony that somewhere around \$4 to \$4.5 billion is spent on prescription drugs alone in this country.

Dr. COMANOR. It has been some time since I looked at the specific figure that you are asking. I may be completely wrong. I would like to check the numbers before I answer the question.

Senator NELSON. Do you have those figures in your study?

Dr. COMANOR. The figures which you ask are not contained in the printed paper which I am presenting to you, but I have them in Cambridge. I can certainly send them to you.

Senator NELSON. I would appreciate your getting these figures for the committee, because it seems to me quite a critical statistic. If I recall the testimony correctly, \$4.5 billion is now spent on prescription drugs; that is one figure. I would like to know what the figure is on proprietary drugs. Then the next aspect of the question is, it seems to me, the critical aspect of advertising in the drug industry; that is, advertising for prescription drugs, which is directed only to the medical profession. I would like to know what percentage the advertising cost as a percentage of sales for prescription drugs. Again the figure that we have here is that \$800 million is spent on advertising of prescription drugs, not counting detail men; \$800 million as a percent of \$4.5 billion is a much higher advertising figure than the figure you use of 10 percent.

I may be wrong in my recollection on the statistics.

Dr. COMANOR. The 10-percent figure applies both to proprietary as well as prescription drugs. As I note later in my statement, it applies to the average values for the years 1954 through 1957. So we are dealing with a period over 10 years ago.