

EXPENDITURES

Company Financed Expenditures: In 1966 manufacturers spent over 92 percent of their funds within the boundaries of the United States. Two-thirds of the eight percent spent abroad was for work conducted within company facilities. Of the company financed 1966 R&D expenditures of nearly \$400 million, 87.5 percent was spent for work conducted within company facilities, both in the United States and abroad.(see Table 15).

In 1966, \$49 million of company expenditures were for research conducted by outside organizations. Of this \$44 million was allotted for research contracted to various groups in the United States. Educational institutions, hospitals and non-profit organizations accounted for \$23 million of these funds. Next in importance were private practitioners and consultants. Commercial laboratories and other performers made up the balance.

Research and Development Abroad: While company financed research and development between 1964 and 1965 for the discovery of human-use prescription drugs increased 18 percent domestically, research and development spending abroad rose at a faster rate of 20 percent. Company budgets for foreign research forecast a 24 percent increase in 1966. Manufacturers' allocations for research and development activities in foreign laboratories amounted to \$24.5 million in 1965, accounting for 2.6 percent of overseas sales of human-use pharmaceuticals.