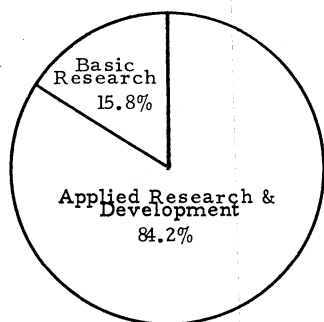


BASIC AND APPLIED RESEARCH AND DEVELOPMENT<sup>1/</sup>

Prescription drug manufacturers allocated 15.8 percent of their research and development funds to basic research in 1965 (see Chart 11). U.S. expenditures of firms responding to this section amounted to \$231 million,<sup>2/</sup> or 71 percent of the \$327 million spent by all 77 firms analyzed throughout most of this report.

Chart 11  
Basic and Applied  
Research and Development, 1965



<sup>1/</sup> Based on responses from 42 member firms only. Data presented in this section constitute neither the total number of R&D performers nor total expenditures in the U.S. A more complete coverage of PMA membership comparable to earlier sections in this report would undoubtedly increase the number of firms allocating funds to basic and other types of research as well as total expenditures for such activities. For various reasons, particularly related to the difficulty firms experience in carefully identifying basic research operations and related costs within their research effort. There was a smaller response to this section of the research and development survey.

<sup>2/</sup> Reporting 42 firms spent \$36.5 million for basic research and \$194.7 million for applied research and development.