

3778 COMPETITIVE PROBLEMS IN THE DRUG INDUSTRY

Administration. At the same time, it believes that further study is warranted of the alternative proposal that a registration and licensing system be established under which no drug product would be permitted in interstate commerce unless produced under quality standards set by the Secretary of Health, Education, and Welfare, (see page 47).

Marketing

For those major companies which have presented any data, marketing expenses--including particularly those for advertising and promotion--represent from about 15 to 35 percent of sales. Such expenses for generic name products appear to be substantially lower than those for brand name products.

Industry spokesmen have claimed that marketing is an accepted part of any business activity; that their marketing costs are reasonable; and that their marketing efforts--including advertising, direct mailings, and personal visits by detail men to physicians--are primarily educational in nature. They have claimed that the promotional aspects of drug marketing are a mark of the intense