

Dr. SHAPIRO. Six installments.

Senator NELSON. Over a period of how many months?

Dr. SHAPIRO. Six months.

Senator NELSON. Please go ahead.

Dr. SHAPIRO. There will be no "plugs" for Upjohn products, no waving of banners, no coupons, no sales pitch, nothing commercial at all. Is the cost of this program part of the \$3,000 per doctor that the pharmaceutical industry is supposed to spend each year? I do not know. Also, I do not know if it is always possible to draw a line between a (a) the educational and (b) the advertising efforts of the pharmaceutical industry.

To my personal knowledge, there is no other industry that spends a larger share of its dollars not only on research but on professional education.

Senator NELSON. How much do they spend on research?

Mr. CAHAL. Are you referring to the industry?

Senator NELSON. Yes.

Mr. CAHAL. This figure has been produced in testimony before this committee, I believe, but I do not have it at my fingertips.

Dr. SHAPIRO. Not on research alone.

Senator NELSON. We have never been able to get from the companies a real breakdown on research. We do not know whether they consider detail men part of the research and promotion and advertising. We really have not been able to get that. And the assertion is made continually by the industry that they spent more on research than anybody else. And then we have distinguished people like you appearing and saying they spend more on research than everybody else, but we cannot get anybody to tell us exactly what it is and what kind of research. That is our problem. I wonder where you got the information that they spend more on research than anybody else?

Dr. SHAPIRO. I do not have any figures on this, Mr. Chairman. But having visited many varied industries, including the pharmaceutical industry, I am very much impressed myself on the amount of their plant that is earmarked for research.

Senator NELSON. The only witness we have had who would have reason to have knowledge was Mr. George Squibb, who said it was about 6 percent. And that is not a tremendous percentage.

Dr. SHAPIRO. You raised the point yourself, Mr. Chairman. If we were to follow their annual financial reports, they show the portion of their income that is earmarked for research. But as you mentioned, we do not know where they draw the line, where research ends.

Senator NELSON. That is right. We have had other independent industries claim they are doing great things in research, but when you go to breaking it down we found out that it really does not qualify as research. I would be very pleased to have the industry—I guess we will have to ask them again—come in and just say, here are the dollars, and here is the breakdown, and here is the kind of research, and here is how much we spent. But as many hearings as we have had I do not think either the late distinguished Senator Kefauver or anybody else ever got from the industry anything other than this assertion.

I notice that the very authoritative and distinguished Task Force on Prescription Drugs Final Report states on page 8:

Since important new chemical entities represent only a fraction—perhaps 10 to 20 per cent—of all new products introduced each year, and the remainder