were effectively put, no board of directors of a responsible American pharmaceutical house in this day and age of sensitivity to consumer criticism would ever knowingly permit its companies' products to be marketed under double or deceptive standards, or in any way whatsoever that would result in extraordinary risk to the public in any part of the world.

Mr. GORDON. You recall the opening statement of Senator Beall yesterday. He referred to the annual meeting of the stockholders of the Warner-Lambert Pharmaceutical Co. in 1972 where 97 percent of the stockholders voted "No" on a resolution that the company change its policy by divulging to foreign doctors what U.S. law now demands, that it tells U.S. doctors about the toxicity of its Chloromycetin, a product of its Parke-Davis division.

Mr. SQUIBB. I cannot imagine such a thing could happen if the directors were really aware of what they were saying.

I do not think they were in that case, in my opinion.

To me, it is impossible to conceive that anyone would vote that way if they knew what they were doing.

Mr. GORDON. But they did, 97 percent of them.

Mr. SQUIBB. Sure, the management voted as by proxy.

The shareholders sent in their proxies and they voted for that statement, but I do not think they realized what they were saying.

Mr. GORDON. Yes, they did, because Dr. David Lewis and Dr. Richard Burack explained at the meeting the consequences of the present policy. Nevertheless, they still voted 97 percent.

Mr. SQUIBB. That, of course, is the point I'll make later.

If industry continues to ignore, either willfully or through ignorance, the results are the same and we are going to get for the industry a whole series of regulatory developments which are going to be unfavorable to them. There is no question about that.

I would certainly hope that no board of directors would ever again, or at least after these hearings and perhaps after the publicity given the matter, would come out with anything like a position such as that.

The fact is that such questions are rarely, if ever, put to the Boards. It is customary for the directors to leave all day-to-day operating procedures to its field management, and then simply to inspect the financial results of such procedure.

In the pharmaceutical industry, something a lot more responsible than that is called for on the part of directors. They must question precisely the way their organization is carrying out its social responsibility and to set specific standards and guidelines for the promotion of its products.

If they feel that their own research staff is of such caliber and integrity as to set standards and to control and limit all promotion activities of the company, then this should be their policy and it should be applied everywhere uniformly where regulation permits. If they should wish to follow such a policy without regard for outside opinion except where such opinion is imposed upon them by law, it would be their right to do so. Without making the individual judgments themselves, they would still have to understand exactly how such judgments were arrived at between the sales and scientific departments of their organizations and would accept the infallibility of those decisions with the clear understanding that theirs was the final responsibility. It is