relative to medical care in which it now lives and works. This is not the climate of 10 years ago, or even of last year. It is a moving, expanding, developing concept of prepaid or guaranteed protection from the financial impact of illness as a basic personal requirement with the added growing idea of a real, affirmative responsibility resting in the public health authorities—State and Federal—for establishing and maintaining conditions leading to optimum health for all. There is no longer any question that it is the duty of government to protect the public from itself as well as to provide for the means to insure sound health in every physical and mental aspect of individual well-being. The public wants the government, State and National, to pay for most of this, and for what it does not actually pay for, the public expects its governments to assume roles of stern regulators, overseers, and active supervisors.

It is precisely because the public looks for and even demands these services and responsibilities from its elected officials that all of those privately engaged in medical care in any form must exercise extreme caution to conform their activities—particularly financial—to what are considered normal, fair, and reasonable—such judgments to be made and construed within a very narrow range of acceptable conduct and its results. Definitely the pharmaceutical industry must accept special responsibility for its operations, and special burdens and limitations not regularly assumed by other industries because of its place in the scheme of medical care now an object of particular public concern. It must adapt itself at the very least to the standards of normal economic and industrial practices and profits, and be able to live with them and at the same time continue to make the contributions and perform the services that it has pointed to so proudly in the past. Probably it must go even further than this, and accept the idea that its profits should be less than those of average comparable industries in recognition of this special social responsibility which is being firmly and irrevocably forced upon it by the general public.

Senator HATFIELD. Mr. Squibb, would you identify for me the average comparable industries? You are speaking here of the social responsibility of the drug industry?

Mr. SQUIBB. Yes.

Senator HATFIELD. And, the relation of that to its profits, that they should be less than those of average comparable industries?

Mr. SQUIBB. In the testimony that has been given before the committee, the industry has been compared in its innovative function with industries such as office equipment and other electronic industries on the one hand and with the textile industries and the food industries on the other hand, which are rigid or noninnovative industries. What I am really saying here is that you have to take an average return on investment by the representative industries that cut across a broad segment of public life, not by special industries that do not affect a mass of people.

Senator HATFIELD. You mean like food?

Mr. SQUIBB. Like food, definitely food.

Senator HATFIELD. Clothing.

Mr. SQUIBB. And clothing, that is right, that type of an industry that everybody or most everybody in the country contributes to by some sort of purchase.