

industry to the pressures it is now undergoing from public and legislative criticism. It is probable, the nature of the modern competitive corporation of no matter what industry being what it is today, that some direct Government action is necessary and desirable now. Whatever is done should be pointed toward requiring the industry, and drug wholesalers and retailers as well, to reorganize and reform their own procedures, and not be restricted to the mere imposition of new regulations and controls of outward and basically superficial parts of the drug distribution system. Major economies are possible in getting our present drug products into the hands of the public who needs them, changed only in price and not in quality. With the facts of basic costs as they are today, it is clearly false and stupid to say that this cannot be done. It is to be hoped that industry will take the leadership to do it—if not, others will.

Senator NELSON. Are you familiar with the book written by Margaret Kreig called "Black Market Medicine"?

Mr. SQUIBB. Yes, I read that book.

Senator NELSON. We haven't taken any testimony on this question. Do you have any opinion about how big a problem black market drugs are?

Mr. SQUIBB. Black market drugs are a problem. They are a problem, and you cannot say that it is a negligible problem as long as there is even one opportunity for black market drugs to get into normal channels of medicine distribution. This is because of the nature of drugs taken by people who are ill, people who are in no condition to resist an improper drug. I think it always has been an important problem, and always will be an important problem as long as human nature is what it is, because it seems there is always going to be somebody who is going to chisel and cheat and make false, dirty, substandard drugs. One of the burden and one of the special responsibilities of this industry among others is to fight this particular battle. This is a more important matter in the case of drugs than it is in several other industries, because more harm can be done here. To say that there is only a minus fraction in terms of the number of dosages given that might be substandard or black market medicine begs the point. If it happens to be one of the doses that you swallow, it is a major problem, and it always will be. Those of us who have been around the drug business for a while and have been in the drugstores and dispensing points know the constant danger of this, and the actual existence also of sedan peddlers and gyp artists of one type or another who purvey these black market drugs. To the extent that they are resisted by ethical, upstanding pharmacists, and to the extent that they are turned down in their efforts to distribute these products, so much the better, but I think the industry itself should take a very strong opinion that this is an important problem and always will be an important problem.

Senator NELSON. Is there any educated guess about the volume of black market drugs or is it unknown?

Mr. SQUIBB. The only people I have talked to who know much about this are the people in the Public Health Department of the State of New Jersey, who are very acutely aware of it because in the industrial areas of the east, the built-up areas of the east, it is frequently seen. I think as you go out into the Midwest and the scattered population centers which are not so large, I think it is much less of a problem. I think