

Dr. WHITNEY. No one knows. It depends on what the investors decide. If they are willing to put in the money, then you may assume that the profit is covering the risk. If they are not willing to put it in, you may assume that the profit is not covering the risk. The money has gone in, but that is at a level of profit that has seemed to justify it.

My point, in any case, is not that the risks are high. My predecessors have talked about that. But at only this profit level, whether you justify it or not by risk, it is bringing in the money, and the money must go in for the benefit of the health of the future.

Mr. CUTLER. Mr. Grossman, you picked a good example in Searle, because Searle's income is concentrated very, very heavily in a particular type of oral contraceptive drug. As you know, oral contraceptives and contraceptives in general are a field in which many, many drug companies around the world are operating, and the possibility of an entirely new method invented by someone else is quite strong.

Mr. GROSSMAN. Do you have any idea when this product was developed? Was it developed as far back as 1950?

I do not know. I am asking you.

Mr. CUTLER. I do not know the answer to that, either.

Mr. GROSSMAN. I believe it probably had not been.

But one point that I was looking for is, is there any attempt on the industry's part, perhaps, to diversify their products so they would not—would not that cut down the risk?

Dr. WHITNEY. That would cut down the risk, and the investment in lifesaving drugs. That is exactly the action we want to avoid.

Do you not want to avoid this industry putting its money into something else instead of into drugs?

Mr. GROSSMAN. I want to avoid this fantastic conjured-up risk.

Dr. WHITNEY. You are thinking of the investors. I am thinking of the health of the people. Do you want the money to go into drugs?

Mr. GROSSMAN. Just finally, did you or did you not answer when the risk becomes a contingency. Is there any line that you see?

Dr. WHITNEY. No.

Mr. GROSSMAN. You keep giving me answers, but I would like that one just specifically. When is a risk no longer a risk?

Dr. WHITNEY. The railroads prospered for 30 years and it turned out there was a risk after all underlying them. You cannot tell when it will occur.

Mr. GROSSMAN. So we just have to wait and see?

Dr. WHITNEY. You can sit around waiting. But I want to urge you not to throw a damper into the investment of money into research in drugs and to force companies to diversify out of a field they are doing so much good in. True, they are making profit, but they are saving lives.

Senator NELSON. Has anybody suggested forcing them?

Dr. WHITNEY. Yes; Mr. Grossman has suggested that they should diversify out of drugs into some other less difficult lines.

Mr. GROSSMAN. I think I suggested just diversifying their products. That is all I said. I said cannot they diversify so that they do not have one product that they rely on.

Dr. WHITNEY. Oh, into other drugs. All of them are trying to. They are still running the risks.

Mr. GROSSMAN. Would this not lessen the risks?