which is especially unique, is required for matters of safety and public welfare. And this, I think is the definition he is using.

Mr. GROSSMAN. When Mr. Squibb testified he said that this was a possible end result if the drug industry did not do something on its own, that we would eventually treat them like public utilities. Do you think the time to do this is now?

Dr. MUELLER. I personally am among those who are very reluctant to see more direct regulation of American business of the kind we have in the railroads and transportation, and so on. It presents a great many difficulties. And my personal inclination is to try to make competition work wherever it is at all possible, and I would hope that there are solutions to this problem short of the public utility approach.

Mr. GROSSMAN. Thank you.

Senator NELSON. Is it your opinion that if there were—whatever the word means—effective competition at the retail level, that this would basically resolve the problem that we are talking about here?

I realize that this involves a question of fact and all kinds of other things.

Dr. MUELLER. If we could achieve effective competition, I think it would resolve the problem. This gets into the question of how you achieve it and whether it can be achieved.

Mr. GROSSMAN. I wonder if you could explain what you mean by high seller concentration?

Dr. MUELLER. The fact that there are very few sellers of some drugs.

Mr. GROSSMAN. Thank you.

Senator NELSON. I believe you address yourself to that particular question a little later on, with some comparisons with the auto industry and so forth.

Dr. MUELLER. In terms of seller concentration?

Senator NELSON. Yes.

Dr. MUELLER. No, sir. I think earlier in my summary of what people have said of the industry I made some references to concentration.

Senator NELSON. I meant lack of competition, because one or two or three companies may be the only producers of a product.

Dr. MUELLER. That is correct.

I might ask, with your permission, that the fairly extensive footnotes and so on which I have in my prepared statement be incorporated in the record. I tried to cut down on my statement by putting a good deal of the underlying data in the footnotes and references.

Senator NELSON. The full statement, including the footnotes, will be included in the record, and at anytime the footnotes seem to be important to an understanding or appreciation of your basic text, you may read them or explain them extemporaneously or however you see fit.

Dr. MUELLER. Thank you.

One way of gaining insight into the question of "risk" is to look at what investment analysts tell investors about the drug industry. This may seem to be a rather homespun approach to the problem, but after all it is what investors believe about an industry that determines investment decisions.

A perusal of studies by investment analysts indicates that they generally advise investors that the drug industry is a rapid growth,