

schedule which we had previously entered into with them it was \$166. The Olivetti-Underwood price was \$183 and we bought the typewriter for \$104. R. C. Allen's price on schedule was \$142.50 and competitively priced at \$122.44. (See appendix VII, p. 401.)

Representative GRIFFITHS. Is Olivetti an Italian typewriter?

Mr. ABERSFELLER. That is now considered to be a domestic product. They have merged with a domestic corporation.

FOREIGN GOVERNMENT SUBSIDIZED PRODUCTS

Representative GRIFFITHS. I observed in Senator Metcalf's statement the great differential between American-made items and those abroad. Have you ever checked—is the Government subsidizing those items abroad? That is, would the French Government subsidize an item made in France?

Mr. ABERSFELLER. I don't know about France.

Representative GRIFFITHS. How about Italy?

Mr. ABERSFELLER. I understand there is some subsidy in Japan. But that is simply an understanding. I don't know that to be a fact.

Representative GRIFFITHS. From the testimony we have heard regarding drug prices—and maybe it is true, since they seem able to meet or exceed dropping prices every time—it would raise a real question as to whether the Government of the competing companies was or was not subsidizing the manufacturers of these items.

PATENT RIGHTS INVOLVED

Mr. ABERSFELLER. One thing Senator Metcalf did not say was that much of this price reduction—the price difference between foreign producers and domestic producers—was brought about by patent rights that domestic producers had which some of the foreign producers did not recognize and manufactured in violation—I should not say violation—manufactured notwithstanding the U.S. patent rights.

Now prices have been reduced. We have similar histories here on chlorotetracycline. We buy some drugs. Chlorotetracycline prices ran around \$11. We bought it on a competitive procurement for AID for \$3.80. But this was also from a domestic producer, too.

GSA SALARIES

Representative GRIFFITHS. What are the salaries and grades of your purchasers?

Mr. ABERSFELLER. The Assistant Commissioner for Procurements is a grade 17.

Representative GRIFFITHS. What is the average?

Mr. ABERSFELLER. About a grade 9.

Representative GRIFFITHS. What is the average grade in GSA?

Mr. ABERSFELLER. About a grade 7.

Representative GRIFFITHS. That is some improvement over what you have been doing. I think purchasers should be well paid. I am one of the few people who really do not believe that you are going to do a lot