

Senator JAVITS. So it is a climate that you complain of.

Mr. LEDOGAR. Yes.

Senator JAVITS. Does that climate differ in different countries, have you found?

Mr. LEDOGAR. Yes, it does, Senator.

For example, the group of so-called Andean Pact countries have developed a series of fairly strong restrictions on foreign investment.

They do not refuse foreign investment by any means, but they have very special rules under which foreign investment is allowed, restrictions on profit, packaging and so on.

Senator JAVITS. So that the climate which you complain of created by the U.S. Government does not extend to the Andean Pact countries.

In other words, it is not a universal climate created by the United States.

What you say is, it is true in some countries and not in others. You have just given us an example of Brazil as contrasted with the Andean Pact countries, Peru and the others.

Mr. LEDOGAR. That is correct, but I believe our policy generally favors the Brazilian approach rather than that of the Andean Pact countries.

Senator JAVITS. Nonetheless, if the country wants to do it, there is nothing in our policy that stops them.

Mr. LEDOGAR. That is correct.

Senator JAVITS. Colombia is an Andean Pact country. We enjoy excellent relations with Colombia.

Mr. LEDOGAR. Yes.

Senator JAVITS. So it is not necessarily built into the American diplomatic system either.

Mr. LEDOGAR. The reason I raise the issue here, Senator, is I do not believe it is necessarily involved in every aspect of our foreign relations, but I think this climate is generally favored and I think that the United States policy should be more judicious, particularly with regard to these issues which affect the consumers, such as safety regulation and the improvement of the safety regulating mechanisms in these countries.

Senator JAVITS. Well, what you are really arguing, as I see it, is that lax regulations and controls should not be what the pharmaceutical companies themselves seek; that they ought to be more public spirited than that.

Is that not what you are really arguing?

It is a fact that notwithstanding the U.S. climate that you charge, I am not necessarily in agreement, but it is true there are countries which do what they think they ought to do.

Mr. LEDOGAR. Senator, I do not believe a great deal in urging public spiritedness to companies. I do not believe it achieves a great deal.

I recommend multinational action to improve the climate.

Senator JAVITS. The OECD this morning announced a new set of ethical rules for what they call transnational corporations.

Mr. LEDOGAR. Yes.

Senator JAVITS. Have you looked at those?

Mr. LEDOGAR. Yes, I have.

Senator JAVITS. Do you know anything about those?

Mr. LEDOGAR. I know what I have read in the New York Times this morning.