

Senator JAVITS. How do they do that?

Mr. LEDOGAR. Well, we had the Cooley loans up until the end of the 1960's where foreign exchange funds were loaned to American companies to develop their enterprises in the aid-receiving countries. U.S. foreign aid is very frequently tied in with the purchase of American materials, and so on.

This committee has, itself, investigated the purchasing by U.S. AID of pharmaceuticals from American companies and others for delivery to less developed countries.

What I would urge is aid to independent and multilateral research and development, which is not necessarily tied in with the interest of American business abroad.

Senator JAVITS. Well, now, suppose the U.S. Government purchased from pharmaceutical companies vast quantities of some simple remedy for diarrhea.

What objection is there to that as long as it got to the ultimate consumer at low prices?

Why not buy it from U.S. firms? They are probably the cheapest and the best.

I am talking about doing what you want to do.

Why exclude purchase from U.S. firms?

Mr. LEDOGAR. I do not necessarily exclude purchase from U.S. firms, but the key issue is local research and development under conditions of priority for the needs of the people in that country.

Senator JAVITS. But local research and development may not be very good, whereas the international research and development is.

Mr. LEDOGAR. That is the problem. It needs to be improved.

Senator JAVITS. Why scale glass mountains when you have excellent research facilities in Switzerland and the United States, Canada, France, and Germany?

Why not use those?

What is the magic of local research facilities?

Mr. LEDOGAR. As you said, it is not good business to do research and development for diseases of the people who cannot pay for drugs.

Senator JAVITS. But we are talking now about the locus of research and development, not the substantive part of it.

Mr. LEDOGAR. That is right.

Senator JAVITS. The United States and the Soviets are now cooperating and trying to do something about many forms of cancer. That will benefit the whole world.

What is wrong with that?

If you tried to locate that activity in some country which has no facilities, no technicians, no experts, maybe not even the climate for it, what is the purpose?

Research is international.

Why does it particularly have to be local? As long as it is done with an eye to the broadest human use, that is all I am saying.

Would you concur with that statement?

Mr. LEDOGAR. I concur in that.

Senator JAVITS. As long as it is done?

Mr. LEDOGAR. That is right.

Senator JAVITS. What about the World Health Organization? Have you looked into what it is doing in these areas?