Mr. DWINELL. I have it before me now, Mr. Chairman. I had not seen it before, but I have it now.

Senator NELSON. With regard to the question of risk, the first item on the chart is tetracycline HCL. American Cyanamid is the supplier and Cyanamid, Pakistan, is the foreign recipient. Now, AID pays American Cyanamid $270 for a kilogram of tetracycline HCL. The world price is $24 to $29 a kilogram. AID finances this product at about 11 times the price at which it is available in the world market.

Suppose American Cyanamid buys it at the world price, $24 to $29 a kilogram, and then AID pays them $270, which is over 11 times as much, and then it is shipped to Cyanamid, Pakistan, and Cyanamid, Pakistan, sells it in the market over there.

Where is the risk?

I do not see how in heaven's name any businessman could ever conceivably lose money by selling something at 11 times as much as he can buy it, which is a tremendous profit, and then turn it over to Cyanamid, Pakistan, who would not ask for the importation in the first place unless it had the market.

Where is the risk?

Mr. DWINELL. Well, the risk is on the part of the importer——

Senator NELSON. The importer is owned by the exporter.

Mr. DWINELL. If I understand your question, Mr. Chairman, you are indicating that this pharmaceutical was purchased on the world market.

Senator NELSON. Tetracycline is available in the world market at $24 to $29 a kilogram. AID is paying American Cyanamid $270 a kilogram. So then the company with its subsidiary—after all, the subsidiary is the same outfit—has already made a profit, 1,125 percent markup, and then Pakistan Cyanamid has a market over there and obviously they will sell at a markup from what the American parent company paid. They will not import it unless it is needed, and they can send it back if it is not used.

I wonder where the risk is.

Mr. DWINELL. Mr. Chairman, I think you are assuming that AID is financing pharmaceuticals which are purchased in the world market. AID only finances pharmaceuticals which are purchased in the United States and manufactured in the United States.

Senator NELSON. What is the domestic price for tetracycline manufactured in this country?

Mr. DWINELL. I think, Mr. Chairman, to put this in further perspective, I should indicate that these prices are carefully audited and we make sure that we finance these transactions at a price that does not exceed the prevailing market price in the United States, as we are enjoined to do.

Senator NELSON. However, lots of tetracycline is imported. Do you require some certificate from American Cyanamid saying that they have not imported this tetracycline at $24, that, in fact, they bought it from within the United States and certify the price they paid to the domestic producer?

Mr. DWINELL. Mr. Chairman, we require a certification that the pharmaceutical which we finance is of American origin.