It seems to me that we have some obligations because we have all the necessary information on drugs to protect the buyer on the private market in the developing country against this kind of exploitation. I am not raising the question about how well we do. I repeat, I think the United States does great under this system, better than the country we are trying to help, and I think the American companies do great under it. I just think the poor consumer is taking an awful licking when he ought to be buying prednisone at 58 cents a gram instead of a duplicative drug like dexamethesone at $27.50 a gram.

Mr. EYTAN. Mr. Chairman, I would like to comment on that, if I might, for just one minute.

There is a category of drugs where the effectiveness of the drugs is called into question. There is a second category where different drugs carrying different prices are thought to be of special effectiveness, or one among them might be slightly better than the others, but none of them are really harmful or deleterious to health.

In the first category of cases, where new information comes out in the United States through the FDA especially, where a certain drug that has been on the market is ineffective, not efficacious or harmful, we move very quickly to make certain that from that date no AID funds are expended for the importation of that product.

Senator NELSON. That is what the law is. If the FDA says it is ineffective, it is supposed to go off the market, because under the law, as you know, you have to prove efficacy as well as safety. I am glad to know that you act expeditiously in such a situation.

Mr. EYTAN. I believe the FDA administers an act which refers to sales in interstate commerce. The FDA does not by itself ban sales for export. AID moves under its own authority and piggybacks immediately and very frequently even predates final FDA action domestically in withdrawing a product from export financing by AID.

Senator NELSON. May I ask a question at this point.

Are you aware of any drugs that have been declared to be unsafe or not efficacious and prohibited for sale in the American marketplace which are manufactured by American companies and sold to foreign countries?

Mr. EYTAN. I cannot answer yes to that. What happens, though, is that certain drugs are on the market and they are withdrawn from interstate sales by the FDA, and the question then arises whether those commodities which henceforth cannot be sold domestically can be sold in export, and it is AID's action, action which it takes, which makes certain that drugs already manufactured and available somewhere in the United States, being stored or even on the druggist's shelves, do not move under AID financing in export.

The second issue, the one you raise with respect to this Medical Letter, is a far more difficult issue for us. This involves drugs not harmful in and of themselves, but all performing the same function. They are equivalent, yet one product costs more than the other. AID attempts to meet this issue by minimizing sales of finished dosage form. We rarely finance——

Senator NELSON. By minimizing?

Mr. EYTAN. Financing of drugs in finished form.