and the cost of the finished dosage pharmaceuticals resulting from such ingredients.

Senator NELSON. Do you have proof of any such savings? It appears to me there is no savings at all. They are paying many times more than they ought to pay.

Mr. SALANT. I am not discussing whether they are paying more than they ought to pay, based upon comparison with non-U.S. prices. I say they are paying less for ingredients than they would pay for the finished form made from those ingredients, assuming both were procured in the United States as required under our present rule.

Senator NELSON. Could you do this for the Committee. A year or two ago, when we were comparing domestic prices of finished products manufactured in this country and sold overseas, we made up a list of drugs and asked the State Department to check with our Embassies in the foreign countries. For example, we checked London; Bern, Switzerland; Berlin; Rome; Paris; Mexico City; Australia; Canada; and a couple of South American countries.

We compared the finished product prices to the pharmacist and to the consumer in foreign countries with those prices charged here. Would you mind checking these through your agency to determine what the finished product price in the marketplace is, what the name of the drug is, its dosage form, and submit it for the record, so we would see what those foreign subsidiaries are charging the pharmacist or whoever dispenses the finished product? Would you do that?

Mr. DWINELL. We will, Mr. Chairman.

Senator NELSON. Then can you also ask for the markup price to the consumer, so that we can compare what happens in this country with the situation in these foreign countries.

Mr. EYTAN. Mr. Chairman, these, of course, would be local currency prices. Would you want us to convert them at the official rate of exchange?

Senator NELSON. Just give them both to us, the local currency and its conversion into American terms. A U.S. company is paid $100,000 for X amount of compound, then the foreign subsidiary transfers the equivalent in exchange money of the local domestic currency with the government there, don't they?

Mr. EYTAN. Yes, they do. But your question relates to the next stage when the importer sells the product to a druggist or to some further wholesaler, or perhaps even a retailer. When you received information from the State Department, you were talking about European countries where no exchange problem exists. And here it may require some adjustment in a price for an item in New Delhi expressed in rupees, and before you reduce that to a dollar equivalent, you might have to keep in mind this is a rupee price and there might be a half dozen different exchange rates, depending upon the purpose of the manipulation, the purpose for which you want the information.

Senator NELSON. What method do you use for determining how much the foreign subsidiary should turn over to the foreign government after AID has paid dollars to the U.S. supplier?

Mr. EYTAN. There is an exchange rate agreed upon between AID and the country.