

Senator NELSON. There is?

Mr. EYTAN. There is an exchange rate which AID agrees upon with the country, the Foreign Assistance Act provides us some guidance here. It speaks about proceeds concept but we note that there may be multiple exchange rates in many countries.

Senator NELSON. Yes. Give us the best you can. I realize there are some problems with it, but I think it might be helpful for the record to try to find out just what the subsidiaries are charging in the retail market for certain formulations so they can be compared with prices here.¹

Mr. SALANT. I did want to indicate, Senator, that while in our commercial import programs we generally are not too much concerned with the elements that you have raised at the session this morning—

Senator NELSON. Who is not too much concerned?

Mr. SALANT. The Agency is not too much concerned in the case of commercial import programs as to what most imported products might be sold for on the domestic market, since the basic purpose for having a commercial import program is not directly related to the consumption of the end item. In the case of pharmaceuticals, we do express this concern. We are concerned that there be quality products imported, we are concerned that they meet the highest standards in the United States. We are concerned that they comply with the FDA requirements throughout.

We are concerned that the product be used to manufacture finished dosage items that are efficacious, nondangerous, useful. This does not apply to other commodities to the degree that we apply it here in the case of pharmaceuticals.

Senator NELSON. I realize it is a complicated question, but I would just point out that a lot of tetracycline is imported into this country and made into the finished product by American companies. Now Cyanamid, I think, is paid \$270 a kilogram and you and I agree that Cyanamid does not have a base cost anywhere near that if they are going to sell any tetracycline in this country in the face of competition from a domestic firm which imports the bulk at \$24 to \$29 a kilogram.

Please proceed. You may wish to skip the testimony we have already covered.

At the appropriate place in the record, I would place this four-page sheet entitled, "Comparison of AID and European Bulk Prices."

Let me say, in looking at the prices paid by AID under technical assistance programs, AID does a superb job. With respect to the price of oral contraceptives for fiscal year 1970, I note that AID is paying 17¼ to 17¾ cents per cycle, which is about one-tenth of what the pharmacist has to pay and perhaps one-fifteenth to one-twentieth of what the American consumer pays.

So with regard to your technical program, where you have total control because you purchase directly from the manufacturer, I think the AID is to be commended for getting an excellent price. I

¹ See p. 7399.