

transactions listed above either have been or are being reviewed on a post audit basis for conformance with these pricing rules.

In the case of Oxazepam our post audit has been completed. Laboratorios Wyeth, Inc. were requested under AID Bill for Collection No. 40-514-36828 dated June 30, 1970 to refund to AID overcharges on this product of \$31,680.00 plus interest from the date of overpayment. AID informed Wyeth, in connection with the Bill that the maximum price eligible for AID financing was \$320.00 per kilo and that this price constituted the prevailing export market price. Our examination included all export sales of Oxazepam by Wyeth. The prevailing export market price was determined based on review of information for all Oxazepam export transactions as to the FAS prices charged and quantities sold in the years 1967 and 1968. The data include 2,386 kilos purchased by affiliated and non-affiliated importers in eleven countries. We consider that the AID-financed price exceeds the prevailing export market price if a preponderance of comparable AID and non-AID sales are at prices lower than the price charged in the AID-financed transaction. In this case, we found that \$320.00, the prevailing market price, was also the price to a non-affiliated buyer in a developed nation, not receiving AID assistance. You will also note that this is a patented, sole source product which can be secured only from Wyeth and we have, accordingly, reviewed and made our determination based upon information obtained for this product only.

While the Agency post audits all AID financed pharmaceutical transactions, the process is time consuming and in the case of tetracycline and Triamcinolone shipments by American Cyanamid, we do not as yet have data which permit us to know the prevailing market price. These data are being collected and when our information is complete we shall apply the standards described above for Wyeth's Oxazepam to these products. At this point, we can only observe that a discrepancy between prices in AID sales does not necessarily establish the actual existence of a price violation. We must examine not only all the sales of the product but the factors which relate to comparability of sales. In the case of tetracycline we will be dealing with a product sold by a number of U.S. exporters. Our examination and determination will include all export sales and will apply to AID financed prices charged by all companies. Our Triamcinolone review, on the other hand, will be limited to the patent holder and his licensees.

We hope you will find this information satisfactory. When we have completed our review of the Triamcinolone and tetracycline transactions we will notify you of the results.

Sincerely,

LANE DWINELL.

DEPARTMENT OF STATE,
AGENCY FOR INTERNATIONAL DEVELOPMENT,
Washington, D.C., November 13, 1970.

HON. GAYLORD NELSON,
*Chairman, Monopoly Subcommittee,
Select Committee on Small Business,
U.S. Senate,
Washington, D.C.*

DEAR MR. CHAIRMAN: In accordance with my letter of September 8, 1970, I am pleased to transmit the balance of the information prepared in response to the request of the Subcommittee on Monopoly of the Select Committee on Small Business during the hearings on August 6, 1970. Specifically, the information transmitted herewith in duplicate covers the following:

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"Lowest domestic price and lowest export price from the U.S. at which drugs listed on the 4-sheet summary are sold."

Data provided cover prices on selected pharmaceuticals as reported to AID by U.S. manufacturers named on the attached listing.

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"Price comparisons in importing countries of raw drugs and of finished products."

The Subcommittee requested information relating to the prices in importing countries of bulk raw drugs financed by AID and of finished products manu-