

do not seek foreign business. We consider it when an American representative of a foreign manufacturer submits a bid. This is rare.

Dr. WELLS. Mr. Chairman, may I say at this point that I believe that we should reexamine our policy in this connection with a view to seeing what the foreign prices are by comparison to what we have. If then we can be assured of quality control by using resources that we have, the resources of DOD and FDA, then we should indeed move into this area, if it is possible.

Up to date it has seemed to people in VA that we were unable to get sufficient assurance of quality control that we could tell our doctors that you are getting, indeed, an equivalent drug and, therefore, we have not gone as far as we should perhaps, in the price exploration.

Senator NELSON. Well, now, you do have meprobamate; correct?

Dr. WELLS. Yes.

Senator NELSON. There is no American supplier. Carter-Wallace is the sole importer of bulk, and if you are buying it from an American market you are paying, I can assure you, a tremendously high, exorbitant price.

Mr. WHITWORTH. Mr. Chairman, we bought it foreign for a number of years, sir.

Senator NELSON. Pardon?

Mr. WHITWORTH. We bought meprobamate foreign for a number of years, and apparently it is coming from Denmark.

Senator NELSON. What do you pay for meprobamate?

Mr. STATLER. \$2.85 for 500 tablets, roughly \$2.85 for 500 tablets.

Senator NELSON. You are buying your meprobamate from a foreign source?

Mr. STATLER. It is bought competitively by generic name, and some of the successful bidders have been from Denmark. We have also had small business firms in the United States be successful in it also. Riverton Laboratories was one.

Mr. WHITWORTH. But not in the last buys, sir.

Senator NELSON. Now, meprobamate is a case which, as I understand it, is imported by one company and is resold to other companies. The increase in the bulk price over what they pay, I assure you, is quite dramatic.

Why shouldn't the policy be the same as that which you followed respecting meprobamate? Why shouldn't that be applied as a regular matter in testing against your sole source whether or not you are getting a fair price for the taxpayer's dollar? I do not know of any other way to keep a sole source honest in terms of pricing.

Dr. WELLS. As I understand it, this is one drug we have had out on competitive bidding, so that presumably we get the lowest price in this instance in the world market.

Senator NELSON. That is fine, and I am glad to see that. Why isn't that regular policy? Why not keep a regular tabulation on the world price so that when you have a sole source you are able to say to the sole source, "Your price is way off"?

How do you know that you are paying a fair price when you do not know what the world price for an equivalent product is?

Dr. WELLS. Well, I do not think we could give a good answer to