

all-inclusive list as far as any future action by our Agency is concerned. These were simply those that we had been requested to finance or had financed in the past.

Senator NELSON. So that I will understand fully what the policy is respecting this aspect of your authorizing or making AID funds available for purchases, will it be the practice to check for whatever available scientific information there is from the FDA or the Medical Letter or other sources respecting the relative efficacy of two or more drugs sold for a specific therapeutic purpose and that if the price of one of them or two of them is excessive, you simply will list them along with these other drugs that you have listed here?

Mr. DWINELL. That is correct, Mr. Chairman. And the thrust of our point on page 9 was certainly no reflection on the FDA or any other agency. We were simply pointing out that in pursuit of our objective which you have just mentioned, we want to have all the best information that is available and that we have had to rely on semiprivate sources.

Senator NELSON. Who furnishes you the list of drugs that are to be funded? The foreign government itself?

Mr. DWINELL. I would ask Mr. Salant.

Mr. SALANT. We do not require the borrowing country to submit a list of the specific drugs to be imported under a commercial import program. We have a list by schedule B numbers of commodities that are eligible for financing if desired by the cooperating country. We exclude from this list those pharmaceuticals that have been determined to be ineligible for one or more reasons, either because they were withdrawn from the market by FDA or because under these present rules they are determined to be excessively high in price, or because they happen to be fixed combination drugs or for some other reason which has been determined to be a factor of eligibility.

But within the broad range of pharmaceuticals that are eligible, the importing country and their importers, may select any drugs without coming to us for specific approval.

I am talking now of the commercial import program, sir.

Senator NELSON. So this is not a program in which AID money is involved?

Mr. SALANT. AID money is involved to the extent that it provides the foreign exchange used to purchase the drugs. The importers put up the local currency equivalent for that foreign exchange.

There are two programs, Mr. Chairman, one in which we are very much concerned with the specific drugs to be financed. This is in our technical assistance projects and in our direct aid for health program activities. But in addition there is the program in which we finance imports for resale and it is in that latter category where we do not designate the specific pharmaceuticals that may or may not be purchased.

Senator NELSON. But you still use AID money to pay the local manufacturer?

Mr. SALANT. We use AID money to finance the export sale.

Senator NELSON. Does it become a loan?