

Senator NELSON. Our next witness is Mr. James Campbell, Assistant Administrator for Program and Management Services, Agency for International Development.

Mr. Campbell, the committee welcomes you today. You have some associates with you.

Mr. CAMPBELL. Yes.

Senator NELSON. Would you identify your associates for the reporter so that we will have the record straight.

STATEMENT OF JAMES F. CAMPBELL, ASSISTANT ADMINISTRATOR FOR PROGRAM AND MANAGEMENT SERVICES, AGENCY FOR INTERNATIONAL DEVELOPMENT; ACCOMPANIED BY LESLIE GRANT, DEPUTY GENERAL COUNSEL; SEYMOUR BARONDES, CHIEF, COMMODITY ELIGIBILITY AND PRICE BRANCH, OFFICE OF CONTROLLER; AND RAYMOND TORREY, CHIEF, INDUSTRIAL RESOURCE DIVISION, OFFICE OF PROCUREMENT

Mr. CAMPBELL. Yes, sir.

I have with me Mr. Leslie Grant, Deputy General Counsel, Mr. Seymour Barondes, Chief of the Commodity Eligibility and Price Branch, Office of our Controller; and Mr. Raymond Torrey, Chief, Industrial Resource Division, Office of Procurement.

Senator NELSON. Your statement will be printed in full in the record. You may present it as you desire.

Mr. CAMPBELL. Thank you, Mr. Chairman.

Senator NELSON. The Agency appeared before in 1970, about a year and a half ago.

Mr. CAMPBELL. Yes, sir.

Thank you, Mr. Chairman. We welcome this opportunity to discuss the AID pharmaceutical program.

Dr. Hannah, the Administrator of AID, has asked me to testify on his behalf. About a year and a half ago I took over the responsibilities formerly held by Governor Lane Dwinell, who previously appeared before your committee on the same subject.

In our appearance before this committee in August 1970 we described, in general terms, the regulations governing the procurement and pricing of commodities financed under the various programs administered by the Agency, with particular reference to pharmaceuticals. As a result of the discussion at that hearing and our recognition of the peculiar characteristics of the pharmaceutical industry, the Agency promulgated, on December 31, 1970, special, more stringent restrictions that pharmaceutical suppliers must meet for their products to be eligible for AID financing.

At a hearing before the committee in February 1971, we described, in some detail, these new standards. We stated our policy aim to you at that hearing as follows:

Formulation of the new standards with their more stringent criteria enables us to continue to finance pharmaceuticals with some assurance that the interests of all parties in procuring essential and suitable items at reasonable costs are safeguarded.

We believe that the experience since December 31, 1970, has fulfilled our expectations, and hopefully yours. AID has continued to