

Mr. CAMPBELL. Yes, sir, the prices previously financed or requested and the prices approved under the special rules, two columns.

Senator NELSON. Thank you. That will be admitted in the record at the appropriate place.

Mr. CAMPBELL. Most pharmaceutical suppliers have cooperated with AID in adjusting their prices to comply with restrictions imposed by the special rules. In a number of instances, suppliers have submitted applications for approval of AID financing for transactions involving prices higher than permitted by the rules. When these applications have been disapproved, suppliers have submitted amended applications with prices which met our requirements.

Senator NELSON. Do you have examples of that?

Mr. CAMPBELL. Yes. They are included in the examples that we have just submitted.

The Agency has accomplished savings of about \$100,000 in these transactions. Much of the savings accomplished, however, cannot be measured because most suppliers, cognizant of our rules have submitted transactions for AID approval which in the first instance met our price standards.

The total FAS value of AID-financed pharmaceuticals in our commercial import program in calendar year 1971, was \$8.8 million. Of this amount, \$4.2 million were for drugs going to Pakistan, \$1.9 million for India, \$1 million to Africa, and \$1.7 million for drugs going to all other countries. As a consequence of the hostilities between India and Pakistan, all AID commodity financing was suspended for these two countries as of December 6, 1971. This has brought commercial imports of pharmaceuticals under the AID program, at the present time, to a virtual halt. In addition to the financing of unfinished pharmaceuticals in the commercial import program, AID also provides funds for family planning projects and for our missions or importing governments who receive their requirements under formal bidding or through procurement by the Department of Defense or GSA.

In 1971, we financed a wide range of pharmaceuticals with particular emphasis on anti-infectives, vitamins and serums, toxoids and vaccines. The items which we financed within these categories are generally items in which U.S. suppliers are known to be competitive in world markets. Vitamins are a good example of our strong competitive position in world markets.

A number of large pharmaceutical manufacturers have dropped out of the AID program because of the special restrictive rules. These are companies whose major activity in the AID program was in the sale of one or more of the high-priced 16 drugs no longer eligible. None of these companies indicated a willingness to reduce the prices of these high priced drugs to a level that would be acceptable to AID.

Mr. GORDON. Can you tell us more about some of these companies that did not indicate a willingness to reduce the prices and they dropped out of the program? Could you give us a list of them for the record?

Mr. CAMPBELL. We can either name them now or submit the list. There are very few.

Mr. GORDON. Go ahead.