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a tremendous amount of work and a tremendous amount of luck, I've made out reasonably well in a series of toy careers. I don't see myself as an important fellow. When I'm recognized in a small town, I've never ceased to be amazed by it."

Mr. LONG of Louisiana. I yield to the Senator from South Dakota.

PRESIDENT'S ADDRESS ON THE FOOD-FOR-PEACE PROGRAM

Mr. McGOVERN. Mr. President, I have just finished reading the President's food-for-peace address delivered to the Congress today. I wish to take this opportunity to commend President Johnson for a constructive and positive statement, committing the United States to a greater effort to eliminate hunger in the world.

The President says:

I propose that the United States lead the world in a war against hunger.

As he goes on to point out, there can be only victors in that kind of war.

I believe the most significant feature of his message is its change in the concept under which our overseas food programs have been operating since 1954. In the past, our food aid programs have been dependent entirely upon what we happen to have in surplus stocks at any given time.

What the President now proposes is that the Secretary of Agriculture take a careful look at food needs around the world and, on the basis of that survey to determine the amount and types of food that the United States should produce to meet our share of the world food deficit, and, after consultation with the Secretary of State, to make provision for necessary production.

The President properly places a heavy emphasis on self-help programs, so that our food aid will stimulate rather than depress efforts on the part of the countries we are trying to assist to develop their own economies.

There are some things which the Congress must do to implement the concept of the President's message. There may need to be new administrative machinery and a central coordinating office to give direction to this expanded program. Also, strong budget support will be needed. There is need to recognize the very serious distribution bottlenecks which face us overseas—inadequate port facilities, and inadequate warehouse and distribution systems.

However, I am sure that problems of that kind will be faced by the Government and by Congress. This is a hopeful, positive, and constructive message.

The message signifies a change, both in the direction of our overseas aid program, and also in our domestic agricultural policies here at home. I think it is quite clear that in the years ahead, we shall be relying less and less on acreage restrictions and more and more utilizing our production to meet very real needs overseas.

So I wish again to commend the President on this message. Since it moves in the direction of a bill, S. 2157, which I introduced last summer, the Interna-

tional Food and Nutrition Act, I read this message with special interest.

Mr. President, I ask unanimous consent that the message of the President be printed in the RECORD at this point.

There being no objection, the message was ordered to be printed in the RECORD, as follows:

MESSAGE ON FOOD FOR FREEDOM

To the Congress of the United States:

Men first joined together for the necessities of life—food for their families, clothing to protect them, housing to give them shelter.

These are the essentials of peace and progress.

But in the world today, these needs are still largely unfulfilled.

When men and their families are hungry, poorly clad and ill-housed, the world is restless—and civilization exists at best in troubled peace.

A WAR ON HUNGER

Hunger poisons the mind. It saps the body. It destroys hope. It is the natural enemy of every man on earth.

I propose that the United States lead the world in a war against hunger.

There can only be victors in this war. Since every nation will share in that victory, every nation should share in its costs. I urge all who can help to join us.

A PROGRAM FOR MANKIND

The program I am submitting to Congress today, together with the proposals set forth in my message on foreign assistance, look to a world in which no man, woman, or child need suffer want of food or clothing.

The key to victory is self-help.

Aid must be accompanied by a major effort on the part of those who receive it. Unless it is, more harm than good can be the end result.

I propose:

1. Expanded food shipments to countries where food needs are growing and self-help efforts are under way.

Even with their maximum efforts abroad, our food aid will be needed for many years to come.

2. Increased capital and technical assistance.

Thus, self-help will bear fruit through increased farm production.

3. Elimination of the surplus concept in food aid.

Current farm programs are eliminating the surpluses in our warehouses. Fortunately the same programs are flexible enough to gear farm production to amounts that can be used constructively.

4. Continued expansion of markets for American agricultural commodities.

Increased purchasing power, among the hundreds of millions of consumers in developing countries, will help them become good customers of the American farmer.

5. Increasing emphasis on nutrition, especially for the young.

We will continue to encourage private industry, in cooperation with the Government, to produce and distribute foods to combat malnutrition.

6. Provision for adequate reserves of essential food commodities.

Our reserves must be large enough to serve as a stabilizing influence and to meet any emergency.

AMERICA'S PAST EFFORTS

This program keeps faith with policies this Nation has followed since President Franklin D. Roosevelt proclaimed the four freedoms of mankind.

After World War II, we helped to make Europe free from want. We carried out on that continent massive programs of relief, reconstruction, and development.

This great effort—the Marshall plan—was followed by President Truman's Point Four,

President Eisenhower's Act of Bogotá, and its successor, President Kennedy's Alliance for Progress. Under these programs we have provided technical and capital assistance to the developing nations.

Our food aid programs have brought over 140 million tons of food to hungry people during the past decade.

Hunger, malnutrition, and famine have been averted.

Schools and hospitals have been built.

Seventy million children now receive American food in school lunch and family and child feeding programs.

Nevertheless the problem of world hunger is more serious today than ever before.

A BALANCE IS REQUIRED

One new element in today's world is the threat of mass hunger and starvation. Populations are exploding under the impact of sharp cuts in the death rate. Successful public health measures have saved millions of lives. But these lives are now threatened by hunger because food production has not kept pace.

A balance between agricultural productivity and population is necessary to prevent the shadow of hunger from becoming a nightmare of famine. In my message on International Health and Education, I described our increased efforts to help deal with the population problem.

IMPROVING LOCAL AGRICULTURE

Many of the developing countries urgently need to give a higher priority to improving and modernizing their own production and distribution of food. The overwhelming majority of those who till the soil still use the primitive methods of their ancestors. They produce little more than enough to meet their own needs, and remain outside of the market economy.

History has taught us that lack of agricultural development can cripple economic growth.

The developing countries must make basic improvements in their own agriculture.

They must bring the great majority of their people—now living in rural areas—into the market economy.

They must make the farmer a better customer of urban industry and thus accelerate the pace of economic development.

They must begin to provide all of their people with the food they need.

They must increase their exports, and earn the foreign exchange to purchase the foods and other goods which they themselves cannot produce efficiently.

In some developing countries, marked improvement is already taking place. Taiwan and Greece are raising their food output and becoming better cash customers for our food exports every year. Others have made a good beginning in improving agricultural production.

THE NEED FOR SELF-HELP

There is one characteristic common to all those who have increased the productivity of their farms: a national will and determination to help themselves.

We know what would happen if increased aid were dispensed without regard to measures of self-help. Economic incentives for higher production would disappear. Local agriculture would decline as dependence upon U.S. food increased.

Such a course would lead to disaster.

Disaster could be postponed for a decade or even two—but it could not be avoided. It could be postponed if the United States were to produce at full capacity and if we financed the massive shipments needed to fill an ever-growing deficit in the hungry nations.

But ultimately those nations would pay an exorbitant cost. They would pay it not only in money, but in years and lives wasted. If our food aid programs serve only as a crutch, they will encourage the developing nations

to neglect improvements they must make in their own production of food.

For the sake of those we would aid, we must not take that course.

We shall not take that course.

But candor requires that I warn you the time is not far off when all the combined production, on all of the acres, of all of the agriculturally productive nations, will not meet the food needs of the developing nations—unless present trends are changed.

Dependence on American aid will not bring about such a change.

The program I present today is designed to bring about that change.

BETTER NUTRITION

Beyond simple hunger, there lies the problem of malnutrition.

We know that nutritional deficiencies are a major contributing cause to a death rate among infants and young children that is 30 times higher in developing countries than in advanced areas.

Protein and vitamin deficiencies during preschool years leave indelible scars.

Millions have died. Millions have been handicapped for life—physically or mentally.

Malnutrition saps a child's ability to learn. It weakens a nation's ability to progress. It can—and must—be attacked vigorously.

We are already increasing the nutritional content of our food aid contributions. We are working with private industry to produce and market nutritionally rich foods. We must encourage and assist the developing countries themselves to expand their production and use of such foods.

The wonders of modern science must also be directed to the fight against malnutrition. I have today directed the President's Science Advisory Committee to work with the very best talent in this Nation to search out new ways to develop inexpensive, high-quality synthetic foods as dietary supplements. A promising start has already been made in isolating protein sources from fish, which are in plentiful supply throughout the world; improve the quality and the nutritional content of food crops; apply all of the resources of technology to increasing food production.

NEW DIRECTIONS FOR OUR ABUNDANCE

Our farm programs must reflect changing conditions in the United States and the world. Congress has provided for American farmers, a continuing prospect of rising incomes; for American consumers, assurance of an abundance of high-quality food at fair prices; for American taxpayers, less dollars spent to stockpile commodities in quantities greater than those needed for essential reserves.

Today—because of the world's needs, and because of the changing picture of U.S. agriculture—our food aid programs can no longer be governed by surpluses. The productive capacity of American agriculture can and should produce enough food and fiber to provide for: (1) domestic needs, (2) commercial exports, (3) food aid to those developing countries that are determined to help themselves, and (4) reserves adequate to meet any emergency, and to stabilize prices.

To meet these needs, I am today directing the Secretary of Agriculture to:

1. Increase the 1966 acreage allotment for rice by 10 percent.

Unprecedented demands arising out of drought and war in Asia require us to increase our rice crop this year. I know that our farmers will respond to this need, and that the Congress will understand the emergency that requires this temporary response.

2. Buy limited amounts of dairy products under the authority of the 1965 act.

We must have adequate supplies of dairy products for commercial markets, and to meet high priority domestic and foreign program needs. Milk from U.S. farms is the only milk available to millions of poor chil-

dren abroad. The Secretary will use authority in the 1965 act whenever necessary to meet our needs for dairy products.

3. Take actions that will increase soybean production in 1966.

The demand for soybeans has climbed each year since 1960. Despite record crops, we have virtually no reserve stocks. To assure adequate supplies at prices fair to farmers and consumers, the Secretary of Agriculture will use authority under the 1965 act to encourage production of soybeans on acreage formerly planted to feed grains. Feed grain stocks are more than sufficient.

These actions supplement earlier decisions to increase this year's production of wheat and barley. Although our present reserves of wheat are adequate to meet all likely shipments, the Secretary of Agriculture has suspended programs for voluntary diversion of additional spring wheat plantings.

Our 60 million acres now diverted to conservation uses represent the major emergency reserve that could readily be called forth in the critical race between food and population. We will bring these acres back into production as needed—but not to produce unwanted surplus, and not to supplant the efforts of other countries to develop their own agricultural economies.

These actions illustrate how our domestic farm program will place the American farmer in the front ranks in the worldwide war on hunger.

FOOD FOR FREEDOM

I recommend a new Food for Freedom Act that retains the best provisions of Public Law 480, and that will make self-help an integral part of our food aid program; eliminate the "surplus" requirement for food aid; emphasize the development of markets for American farm products; authorize greater food aid shipments than the current rate; emphasize the building of cash markets and the shift toward financing food aid through long-term dollar credits rather than sales for foreign currencies—except for U.S. requirements, we look to the completion of that shift by the end of 5 years; continue to finance the food aid program under the Commodity Credit Corporation; increase emphasis on combating malnutrition. The act will authorize the CCC to finance the enrichment of foods; continue to work with voluntary agencies in people-to-people assistance programs; provide for better coordination of food aid with other economic assistance.

FOOD AND FIBER RESERVES

I recommend a program to establish the principle of the ever-normal granary by providing for food and fiber reserves.

This program supplements food for freedom.

It establishes a reserve policy that will protect the American people from unstable supplies of food and fiber, and from high prices in times of emergency.

The legislation I recommend to the Congress will enable us to draw strength from two great related assets:

The productive genius of our farmers.

The potential that lies in the 60 million acres now withdrawn from production.

In case of need, most of those acres could be brought back into productive farming within 12 to 18 months. But because of the seasonal nature of farming time would be needed to expand production even under the flexible provisions of the Agriculture Act of 1965. Therefore we need a reserve to bridge this gap.

We have been able to operate without a specific commodity reserve policy in recent years, because the surpluses built up in the 1950's exceeded our reserve needs. This condition has almost run its course.

Under present law, the Secretary of Agriculture must dispose of all stocks of agricultural commodities as rapidly as possible, con-

sistent with orderly marketing procedures. As we continue to reduce our surpluses we need to amend the law to authorize the maintenance of reserve stocks.

The act I recommend will do that.

It will authorize the Secretary of Agriculture to establish minimum reserve levels. Under the act, he must take into account normal trade stocks, consumer and farm prices, domestic and export requirements, crop yield variations and commitments under our domestic and foreign food programs.

The reserve would be used to meet priority needs, under prices and conditions to be determined within the broad guidelines established by existing law.

The act could be implemented in the year ahead without any additional cost to the Government. We are still reducing our surpluses of most agricultural commodities. During the first year of the new program, it is not likely that we will have to purchase any commodity to build up a reserve.

Under the two acts I recommend today, with the farm legislation now on the statute books—and with the foreign assistance program I have recommended—we will be able to make maximum use of the productivity of our farms.

We can make our technology and skills powerful instruments for agricultural progress throughout the world—wherever men commit themselves to the task of feeding the hungry.

A UNIFIED EFFORT

To strengthen these programs our food aid and economic assistance must be closely linked. Together they must relate to efforts in developing countries to improve their own agriculture. The Departments of State and Agriculture and the Agency for International Development will work together, even more closely than they have in the past in the planning and implementing of coordinated programs.

In the past few years AID has called upon the Department of Agriculture to assume increasing responsibilities through its International Agricultural Development Service. That policy will become even more important as we increase our emphasis on assisting developing nations to help themselves.

Under the Food for Freedom Act, the Secretary of Agriculture will continue to have authority to determine the commodities available. He will act only after consulting with the Secretary of State on the foreign policy aspects of food aid and with other interested agencies.

We must extend to world problems in food and agriculture the kind of cooperative relationships we have developed with the States, universities, farm organizations, and private industry.

AN INTERNATIONAL EFFORT

It is not enough that we unify our own efforts. We cannot meet this problem alone.

Hunger is a world problem. It must be dealt with by the world.

We must encourage a truly international effort to combat hunger and modernize agriculture.

We shall work to strengthen the Food and Agriculture Organization of the United Nations. The efforts of the multilateral lending organizations, and of the United Nations development program should be expanded—particularly in food and agriculture.

We are prepared to increase our participation in regional as well as worldwide multilateral efforts, wherever they provide efficient technical assistance and make real contributions to increasing the food-growing capacities of the developing nations. For example, we will undertake a greatly increased effort to assist improvements in rice yields in the rice-eating, less-developed countries, as part of our cooperation with FAO during this International Rice Year.

FOR A WORLD AT PEACE

The program I recommend today will raise a new standard of aid for the hungry, and for world agriculture.

It proclaims our commitment to a better world society—where every person can hope for life's essentials—and be able to find them in peace.

It proclaims the interdependence of mankind in its quest for food and clothing and shelter.

It is built on three universal truths—

That agriculture is an essential pursuit of every nation,

That an abundant harvest is not only a gift of God, but also the product of man's skill and determination and commitment,

That hunger and want—anywhere—are the eternal enemies of all mankind.

I urge Congress to consider and debate these suggestions thoroughly and wisely in the hope and belief we can from them fashion a program that will keep freemen free, and at the same time share our leadership and agricultural resources with our less blessed brothers throughout the world.

LYNDON B. JOHNSON.

THE WHITE HOUSE, February 10, 1966.

Mr. MONDALE. Mr. President, President Johnson's message of food for freedom just presented to the Congress promises a bold, imaginative, and realistic attack on a problem which is surely one of the greatest our century will have to face. In its approach, in its scope, the President's message has shown the determination of the administration to use our unmatched agricultural capacity to win the war on hunger in the world.

I have been among several Senators who have long argued for a strong world-hunger program. The growing menace of hunger throughout the world, so starkly illustrated by the present Indian food shortage, has made it clear that a strong action is needed. This message makes it clear that the administration is determined that our country will truly meet the need.

I am particularly gratified with the emphasis on self-help, for in my own proposal, the Food for Freedom Act, S. 2826, I placed top priority on programs to help poor countries improve their own farm production. I am also pleased that the President proposes to give not just our surpluses, but to produce enough and give enough to really do the job.

I feel it an honor to sit on the Senate Agriculture Committee, which will consider this proposal. It is my sincere hope that, after giving careful consideration to all the proposals to meet the world food crisis, the Senate will pass this year bold, far-reaching legislation on this matter so vital to our farmers at home, peoples overseas, and the success of our foreign policy in years to come.

I am also pleased that the President proposes to establish a program of food and fiber reserves. If we are to meet the challenge of world hunger, and also make sure we have enough food for our national emergency needs, it is essential that we keep adequate stocks of all major commodities to meet unexpected emergencies.

TIME FOR COMMITTEE TO FILE REPORT

Mr. LONG of Louisiana. Mr. President, I ask unanimous consent that the

Committee on Finance have until midnight, Wednesday, February 16, 1966, to file its report, with minority views, on H.R. 136 (S. 1912), to amend section 1, 17(a), 64(a) (5), 67(b), 67(c), and 70(c) of the Bankruptcy Act, and for other purposes; and H.R. 3438 (S. 976), to amend the Bankruptcy Act with respect to limiting the priority and nondischargeability of taxes in bankruptcy.

The PRESIDING OFFICER (Mr. TYDINGS in the chair). Without objection, it is so ordered.

THE PRICE-FIXING CONSPIRACY IN BROAD-SPECTRUM ANTIBIOTIC DRUGS

Mr. LONG of Louisiana. Mr. President, there exists today one of the worst conspiracies ever foisted upon the American people. What makes this conspiracy so reprehensible and so shameful is that its chief victims are the aged and the poor, not only in our country but also in many of the most impoverished areas of the world.

For more than a dozen years, American drug manufacturers have been involved in a worldwide cartel to fix the price of "wonder drugs"—broad-spectrum antibiotics—at identical, grossly inflated, and unconscionably high prices.

These drugs, developed in part through Government facilities and which cost about 1.6 cents per pill to make,¹ were, until recently, sold to the American public at 51 cents per pill and now sell for about 30 cents per pill.

Although children, the elderly, and the poor have been and are still, unable to afford such drugs, and although the existence of at least one aspect of this conspiracy has been known to Federal agencies since at least 1958, the cartel continues to operate in all its vigor. In fact, documentary evidence which I shall today make available to the Senate will conclusively show that it is operating not only in the United States but also in Canada and Latin and South America.

Among these documents is a secret code used to disguise price fixing and "payoff" communications. Fictitious names, decoded, become drug names: "Pluto" becomes the manager of a U.S. firm overseas, a "sinner" denotes a person who has dared to depart from unlawful price-fixing agreements. A "disturbed family" refers to a price-cutting situation and a "powwow" is a price-fixing meeting. When decoded, an innocuous-looking letter containing highly personal references and a sprinkling of company names becomes a startling document on price fixing.

The American pharmaceutical firms involved are: Chas. Pfizer & Co., Inc., American Cyanamid Co., Bristol-Myers Co., Inc., the Squibb Division of Olin Mathieson Chemical Corp., and the Upjohn Co.

To understand the scope and effect of this cartel, it is necessary to explore in detail the nature and use of the drugs involved and the steps leading up to the formation of the conspiracy.

BACKGROUND

Antibiotics are widely used by the medical profession for the treatment of

human infectious diseases and are dispensed upon a doctor's prescription. The earlier antibiotics such as penicillin and streptomycin are known as "narrow-spectrum" antibiotics because they are normally effective against either gram-positive or gram-negative bacteria but not both. "Broad-spectrum" antibiotics are effective against both kinds of bacteria, as well as various other disease-producing organisms, and for that reason are commonly referred to as the "wonder drugs."

The major broad-spectrum antibiotics are (1) Parke Davis' Chloromycetin, (2) Cyanamid's Aureomycin, (3) Pfizer's Terramycin, and (4) tetracycline—all of which are marketed under various brand names by the five companies mentioned. All four are effective against substantially the same range of disease-producing micro-organisms and are generally interchangeable in medical use. Aureomycin, Terramycin, and tetracycline, which account for most of the broad-spectrum antibiotic sales, have closely similar molecular structures.

Aureomycin is manufactured and sold exclusively by American Cyanamid Co. under a patent issued in 1949 and was among the first broad-spectrum antibiotics, coming on the market in 1948. Terramycin is manufactured and sold exclusively by Chas. Pfizer & Co. under a patent issued in 1950. Tetracycline, the most widely used broad-spectrum antibiotic, is manufactured by Pfizer, Cyanamid, and Bristol-Myers, under a patent issued to Pfizer on January 11, 1955.

In 1953, Aureomycin and Terramycin were being sold on the market by Cyanamid and Pfizer respectively at identical prices. With the discovery of tetracycline in late 1952, it became necessary to secure a patent on tetracycline because, if tetracycline was unpatentable, its marketing would destroy the existing monopoly price structure for Aureomycin and Terramycin. The reason is that tetracycline was better than the other broad-spectrum antibiotics and was substantially interchangeable with them in medical use.

According to the Federal Trade Commission:

Cyanamid and Pfizer knew that tetracycline, if produced and sold commercially, would be fully competitive with Aureomycin and Terramycin. They both knew or had reason to believe that the value of their respective patents and their dominant positions in the broad-spectrum antibiotic market would be impaired by the unrestricted production and sale of tetracycline by other firms. Moreover, they knew or had reason to believe that, if tetracycline could be sold by other firms in free and open competition, the price of this product as well as that of other broad-spectrum antibiotics would be forced downward as the price of penicillin had been in recent years.²

Mr. President, I digress from my prepared remarks to point out that—if I recall correctly—in open competition, the price of penicillin had been forced down to about 1 percent of what it was when it was first marketed. It is in the public domain and available for any other pur-

¹Footnotes at end of Mr. Long's remarks.