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**Ralph Nader Radio Hour Ep 316 Transcript**

**Steve Skrovan:** It's the *Ralph Nader Radio Hour*.

♪ Stand up, stand up. You've been sitting way too long ♪

**Steve Skrovan:** Welcome to the *Ralph Nader Radio Hour*. My name is Steve Skrovan, and I just want to share a little something with you before we move on. My wife was a little down watching the news yesterday, and she said, "You know, I feel lucky sitting here with my coffee, roof over my head, plenty of food, and good company," indicating me. And I don't know, I couldn't help noticing that I came in fourth [chuckles]... after plenty of food. And here's someone who's no stranger to fourth place, my cohost, David Feldman. Hello, David.

**David Feldman:** Good morning.

**Steve Skrovan:** You are in the hot zone in New York City. We've been practicing social distancing all six years of this show. We've been working remotely. I'm in Los Angeles; David is in New York. How's it going over there, David?

**David Feldman:** I'm in my apartment, and I haven't been outside for a week, so it's pretty much business as usual for me.

**Steve Skrovan:** Well, here's the man who always comes first on this show, Mr. Ralph Nader. Hello, Ralph.

**Ralph Nader:** Hello. This is a serious show, obviously. It's going to be about the coronavirus.

**Steve Skrovan:** That's right. Ralph, you're kind of the antidote to our opening jokes there. Thank you. And he's right. We're going to talk very seriously about some very important topics. President Trump made claims that the anti-malarial drug chloroquine can be used as a treatment for coronavirus, and he's been spreading a lot of inaccurate information in his daily briefings, which is the absolute worst thing you can do in a crisis like this. It has led to panic-buying and shortages of medications. As countries around the world's resources are overwhelmed by the spread of coronavirus, the security of the drug supply chain is called into question. The U.S., after all, is reliant on China and India for the vast majority of our medications.

Our first guest, journalist Katherine Eban, is an expert on the topic of generic drugs and last time she was on the show, she talked about her book, *Bottle of Lies: The Inside Story of the Generic Drug Boom*. Today, she's here to talk about how vulnerable our overseas pharmaceutical supply chain is and how the coronavirus might affect it. That's the first

half of the show, and the second half of the show, we're going to talk to Jamie Love, the director of Knowledge Ecology International.

As the world takes shelter from coronavirus, President Trump continues to look for every opportunity for profit and last week, he attempted to purchase the exclusive rights to the coronavirus vaccine being developed by a German company, CureVac [according to the German newspaper *Die-Welt*]. The desire of some to profit off of life-saving vaccines and medications is nothing new to Jamie Love, who has fought patents on drugs for years, seeking to do away with monopolies and increase the affordability and the accessibility of medications around the world. We've talked about this before on the show: one big success of Mr. Love's was in 2000 when he worked with drug companies to make an HIV and AIDS medication that cost s only \$1 a day, roughly 4% of the cost of other available medications.

As always, in between those two great interviews, we will take a short break to check in with our corporate crime reporter, Russell Mokhiber, and if we have some time left over, we'll try to answer some listener questions. Let's start by talking about what we can expect in the coming weeks with regard to shortages in medications. David?

**David Feldman:** Katherine Eban is an investigative journalist, a Fortune Magazine contributor, and Andrew Carnegie Fellow. Ms. Eban wrote a book titled *Bottle of Lies: The Inside Story of the Generic Drug Boom*, which discusses the risks of drugs manufactured overseas. Ms. Eban has reported on the pharmaceutical industry for more than 10 years. Welcome back to the *Ralph Nader Radio Hour*, Katherine Eban.

**Katherine Eban:** Terrific to join you again. Thanks for having me.

**Ralph Nader:** Welcome again, Katherine. Before I ask you the question about the outsourcing of drugs and active materials in drugs to China and India, there is a notice in the press very recently that there is a testing swab shortage in the United States, and without testing swabs, the whole process of testing humans and getting underway, a better idea of how serious the problem is, who needs to be treated, and what the priorities are, how in the world did we get into a situation where we have a swab shortage? Well, I looked into it, and it turns out that the main manufacturer of swabs exporting to the U.S. is in Italy, and that company is besieged by the coronavirus crisis there. So, it's not just with pharmaceuticals; it seems like our country has been rendered defenseless by Donald J. Trump and his corporate cohorts for maximum profit overseas.

**Katherine Eban:** Yeah, so look, first of all, with the question of diagnostic test kits and the first wave of rage about this was over, where are the tests. But, the tests also require a lot of supplies. They require the swabs. They require re-agents. They require people to administer the tests, and those people require personal protective equipment, or PPE, as

people say. So, there is a huge number of supplies attached to the kits. This basically ripples through our entire supply chain, and if you have a president who is unwilling or reluctant to really implement the Defense Production Act, which would mandate factories to pivot and create supplies, we are left defenseless. And there is no question that these shortages are being flagged throughout the country.

**Ralph Nader:** This is an example of institutional insanity. He's occupationally insane. I mean, he's shoveling hundreds of billions of dollars to the military budget, stockpiling weapons of mass destruction while he starves the domestic budget to the Centers for Disease Control, NIH, the AID program, and even the World Health Organization, which would increase our domestic safety, our domestic security, our domestic national defense. If he had those priorities, Katherine, he'd be institutionalized. We have a very serious Captain Queeg problem in the White House, and we simply can't continue exposing what we've all been exposing about the runaway pharmaceutical industry going to Asia for maximum profits and bringing them back here where we don't even have a company producing penicillin or antibiotics in the United States. Talk about leaving us defenseless. We have to focus on what's going on in the White House.

**Katherine Eban:** What this requires is a well-coordinated, top-of-government response to divvy up, to identify shortages, demand or set into production those things that are in shortage, and then divvy those up as they come in so that the right materials get to the right places where there's a clearly identified need. What we've seen instead is states essentially left on their own to fight for existing supplies with the prices going up and up. We haven't even started yet to talk about the pharmaceutical supply chain where the alarm bells have been blinking red now for months.

**Ralph Nader:** We'll get to that. We'll get to that in a minute. Right now, he's supposed to be the captain of the federal government ship, and he's trying to shove the responsibility down to the governors, but he's not supplying people like Governor Cuomo with the equipment that is desperately needed. And as you pointed out, he has the Defense Production Act, which he has invoked, but he's not using it. He's saying, "Well, we're not going to nationalize industries. You know how that worked out in Venezuela." Can you imagine something like that, saying something like that? Nobody's talking about nationalizing industries. The Defense Production Act authorizes the President to order certain companies to produce certain life-saving equipment for this Coronavirus, and that's been used in the past by past presidents. So you just say, for example, to a company, "You must produce more face masks. You must produce more ventilators, or you must convert production into this area because you do have transferrable expertise." Instead, he stands there every day for an hour and 45 minutes fibbing, failing, flailing, scapegoating others from Obama to who knows

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where else he'll pick on, and boasting about him getting a perfect 10 rating for his performance, and he's failing grievously in his responsibility. But it even goes further. By having the scientists stand up with him at the news conference, they're trying to tell the American people the truth. They're trying to tell them what the projections are and the perils of this virus. And he is up there contradicting them, undermining them, overriding them, and who knows how much he's inhibiting them behind the scenes before they come on for the news conference. I think the scientific community, Katherine, should basically say to Trump, "Let this government scientist, like Dr. Anthony Fauci, have their own separate press conferences and not envelop them in this political ego-maniacal boasting process for his next election campaign." Don't you think?

**Katherine Eban:** I think that would be an excellent idea, but it's obviously a fine balance because I think that those scientists are essentially in a hostage situation, and they are trying to get word out to the American public. They are government employees, and this is the platform they're being given. I don't know what the solution is to that. If your listeners haven't seen it yet, there was a very interesting interview with Fauci in *Science Magazine* with Tony Fauci in which he basically said, "I'm trying to get the truth out; I will continue to try to get the truth out to the best of my ability." Well, the day after that came out, he wasn't at the podium, and that caused speculation as to whether he'd been essentially removed. It's a very, very difficult situation, and obviously, people who understand the science should be leading this response.

**Ralph Nader:** Donald Trump only cares about Donald Trump. We have a seriously unstable person in the White House, and if he fires Dr. Fauci, I think there'll be millions of people demanding Trump's resignation. We need a new captain of the ship. He's got to step aside. We can even give him paid sick leave because he is not invoking the full authority of the federal government. All he wants to do is bask in the sunlight and lie about how he first knew it was a pandemic before anybody used the word. There's a sociopathic, psychotic type of performance here that has to be brought to heel. You have all the major newspapers, Katherine, reporting what's going on, the confusion, the chaos, the delay, the prevarication, the marginalization of sensible people in the federal government, but they don't conclude that he has to resign. Nixon resigned for far less egregious acts. He has to resign and get out of the way.

**Katherine Eban:** Right, and that's clearly not going to happen. I think the more relevant question is for journalists to really get to the bottom of what is happening inside of the federal government and essentially force a coordinated structure that is responsive in the face of this crisis. I certainly agree with you that it's a terrible, chaotic roll-out.

**Ralph Nader:** To get to your area of expertise in terms of the outsourcing of pharmaceuticals to China and India, and the consequences, when you inform our listeners about the perilous situation where people can't even find out where their pharmaceuticals are manufactured--there's no labeling--see what you could recommend that the Congress should do about this.

**Katherine Eban:** Oh yes, and I do have clear recommendations. First of all, let me just talk for a second about the impact of the coronavirus on the supply chain. We've had, for obvious reasons, manufacturing slowdowns in China, and even threats from China that they will not send active ingredients to us. The majority of our finished-dose drugs and active ingredients come from overseas. We are entirely dependent on India and China, and even Italy, to some extent, for drug ingredients. So, these are areas that are being devastated by the coronavirus. Manufacturing production is slowing and there have been very ominous signs, like for example, India saying two weeks ago, that it was going to stop the export of 26 key drugs and drug ingredients, which is calamitous. On the other hand, at the same time, you have the FDA announcing that it can no longer inspect overseas drug plants, and those inspections didn't even work when they were happening. So now, we're literally going to have to be in the position of taking drug ingredients from those plants blindly, with no meaningful oversight. So, at the same time, President Trump is saying there are these miracle cures, which by the way are totally unproven, like the malaria drug, Hydroxychloroquine [also comes in generic form]. And the FDA is actually paving the way to lift the restrictions on plants in China that they did not sufficiently trust [and] the plants in India they did not sufficiently trust to manufacture any drug, and lifting restrictions on those plants to say, now, they can manufacture these necessary ingredients. What that means is that the continued supply of drugs is in doubt. The quality of the drugs that we will continue to get is also in doubt. This is really a perfect storm for our drug supply, and it kind of cuts through the fog and makes very clear what our reliance on these overseas plants means in a time of crisis.

**Ralph Nader:** Some of these labs in India, for example, have been sanctioned or have been documented by the Food and Drug Administration to be very hazardous to people's health in their procedures and processes.

**Katherine Eban:** Absolutely. You've got plants that are falsifying and manipulating quality data, that are ignoring impurity spikes in their drugs. Let me be clear, this is what was happening in the best of times, when there was no crisis. Now, you put the coronavirus on top of that with these overseas dependencies and no visibility into these plants. The FDA tried to reassure everybody by saying, "Well, we have other methods

for getting at the quality, like we're going to be asking for data from these plants!" And I have FDA investigators telling me that that data is not worth the paper it is printed on.

**Ralph Nader:** Why can't they ramp up faster in this country? Tell our listeners what proportion of ready-to-sell pharmaceuticals are produced in China and India, and what proportion of the critical, active materials in these drugs are produced.

**Katherine Eban:** First of all, 90% of our drug supply is generic. What that means for listeners is that if you go to your pharmacy and fill a prescription, the odds are you're getting a generic drug. The majority of those generic drugs are manufactured overseas. 40% alone of all of our finished-dose generics come from India. 80% of the active ingredient in all our drugs, brand or generics, is coming from overseas, mostly China and India, with another significant percentage coming from the northern region of Italy, the Lombardy region, which has been absolutely devastated by coronavirus. So, what we are beginning to see is drug shortages that are tied to the epidemic, and then self-created drug shortages because of the president's contentions from the podium that there are miracle cures that are not yet proven.

**Ralph Nader:** Trump is playing quack doctor among his many personas. Under the Defense Production Act, can't he order Merck and Pfizer and Lilly to produce these drugs here at home? After all, the technological know-how that China and India have been using came from these drug companies and from the National Institutes of Health. Can that be ramped up in a matter of weeks?

**Katherine Eban:** Here's the thing: I am not a legal expert on these matters, but it is very, very complicated to ramp up production of pharmaceuticals. You have plants that are not necessarily sterile; they can't make sterile ingredients. There are plants that can't make antibiotic materials; they can't make those. A lot of the companies you named, brand-name companies with good reputations, have plants in India and China too. It's like can you turn a giant ocean liner on a dime? Not really. What we're seeing is this longstanding crisis that people like me have exposed and other experts have been warning about. Back in August, the Pentagon testified at an Economic Commission hearing that I was also testifying at, saying that this was a national security risk, our dependence on drug ingredients from China. [link to hearing testimony <https://www.uscc.gov/sites/default/files/201910/July%2031,%202019%20Hearing%20Transcript.pdf>] Now, fast-forward here, and it absolutely is. We would need--as somebody was telling me, and I have actually a piece coming out about this shortly--a sort of World War II-style manufacturing effort to remedy this, and how is that going to happen?

**Ralph Nader:** This is the ultimate indictment of corporate-managed free trade, crippling our country's ability to be self-reliant on the most crucial products you can imagine: pharmaceuticals, for example, face masks, ventilators, adequate hospital facilities, even

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adequate staff. We're importing nurses from the Philippines when we could easily train nurses here to meet the needs. But what is most obscure here, and listeners need to know is, in this legislation in Congress, which is now up to almost 1,000 pages, the corporate lobbyists and their lawyers have been pushing for liability waivers so you can't sue them if they're selling you a dangerous product that kills or injures people. The way they're doing it is they're saying, "Well, if it's FDA-approved, then you can't go to court, because it's a safe standard, by definition." As you indicate, the FDA is in a panic from their past derelictions, and they'll approve anything at this time coming in from China and India. Your reaction...

**Katherine Eban:** Yeah, what we just saw happen literally two days ago is that after Trump touted this unproven cure of this old malaria drug, what the FDA did was lift an import ban on an Indian company with a very dubious track record in order to allow it to make the active ingredient for that drug. Again, taking a company that we didn't trust enough one month ago to make any drug, to make now, an active ingredient for a drug, a remedy that is unproven...people who have read the history books understand what our country was like before we even had an FDA, where there was a proliferation of snake oil salesmen selling unproven cures that were killing people. It's interesting, in the middle of this essential lockdown and at night, my kids and I watch *Little House on the Prairie* reruns with Michael Landon, and that show has these snake oil salesmen, quite literally, arriving, selling unproven cures from India. Quite amazing, here we are.

**Ralph Nader:** Not to mention, the internet is flooded with these fake cures and false nostrums, to begin with, without having to have the FDA involved in its stampede and frantic posture to take off the regulatory restraints and have China and India export quickly to our country's pharmacies. Really, you can't really make this up. What mighty superpower--armed to the teeth, able with weapons of mass destruction to blow up the world 300 times in their redundant fanaticism of the military-industrial complex--has left the American people so defenseless, right down to their homestead, their neighborhoods, their communities. And then they turn on the TV, and they see this boastful, egomaniac spewing forth false statements, promising assurances that have no basis, and contradicting the scientists that are right on the stage with him.

**Katherine Eban:** It's an extraordinary moment, but this is a moment in which all the other ills that people have been warning about are coalescing. This sort of threadbare regulatory system that is spread across the entire world, our complete and unacceptable dependence on these foreign countries for life-saving medicine, and really looming signs of greater drug shortages to come. I really fear what is around the corner.

**Ralph Nader:** What is the inventory here? Do they have a six, eight, 10-week inventory of these critical drugs coming in from India and China?

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**Katherine Eban:** I spoke to one expert who basically described our supply chain to me as a 30-30-30 supply chain. What he meant by that is we've got 30 days of drugs on the shelf; we've got 30 days of supply in the middle with distributors and wholesalers, and then we've got about 30 days of active ingredient with the manufacturers. You have, potentially, a 90-day supply at any given time when things are working right. What he's saying is, "Look, if these shipping lanes close, look at all of these countries, and look at these lockdowns that are going on, and India just ordered 1.3 billion people to stay at home." A lot of those people don't even have homes. How is that going to impact the production of finished doses for export? Not to mention that we can't inspect any of those plants. I think that the future of the drug supply is in grave danger.

**Ralph Nader:** Just to let our listeners know, we're not just talking about pharmaceuticals that relate to the coronavirus crisis pandemic.

**Katherine Eban:** For sure, yes.

**Ralph Nader:** For example, these drugs coming in affect people who are taking it for cancer, taking it for high blood pressure, taking it for depression. All the major ailments are being exposed.

**Katherine Eban:** Right. We're talking about any and all drugs--around a 90-day supply in and out.

**Ralph Nader:** What do you think congressional hearings should start doing right away, pursuant to needed legislation? Inform our listeners what we can do in terms of immediate corrective action and intermediate corrective action.

**Katherine Eban:** Immediate corrective action is any steps that can be taken to ramp up drug manufacturing in the U.S.: drug ingredients in finished doses. So, that's number 1; doing that instead of green-lighting shady pharmaceutical plants overseas to make unproven medicine, so the bring-it-home manufacturing in the U.S.

**Ralph Nader:** Trump, right now, under the Defense Production Act, could order the major U.S. drug companies, like Pfizer, Merck, Lilly, as I pointed out, and others to start producing these drugs, is that correct?

**Katherine Eban:** I have to assume that is true. I don't know, for certain, that those plants are under the Defense Production Act, but I have to imagine that he has executive order ability to direct them to do that.

**Ralph Nader:** Katherine, we've talked about this in the past. When the Vietnam War was underway, the second leading hospitalization cause for U.S. soldiers was malaria, and so the Pentagon went to the U.S. drug companies and said, "Step up, please. We

want you to develop anti-malarial drugs and possible vaccines," and the drug companies said, "Get lost. It's not profitable enough." So the Pentagon said, "Really?" and they started their own drug company inside Walter Reed Hospital and Bethesda Naval Hospital, PhDs, MDs, and they developed, with quite a high degree of speed, the three out of four leading anti-malarial drugs in the world.

**Katherine Eban:** So, that could happen, and you could turn the Defense Department into a drug manufacturer. For example, long before this crisis hit, the governor of California came out and said, "You know what? California wants to go into the generic drug manufacturing business." And when Elizabeth Warren, was running for president, one of her platforms was to have the U.S. Government manufacture generic drugs in shortage, which was to essentially nationalize the production of these pharmaceuticals. Another thing that we're beginning to see is nonprofit drug startups in the U.S. begin to sort of coordinate supply demands from hospital systems and start U.S. manufacturing under a transparent system in which they disclose exactly where their drug ingredients are made. That is another issue like when this immediate crisis, should it hopefully, at some point lift, consumers need country-of-origin labeling on all their drugs and drug ingredients. We need systematic testing and unannounced inspection by FDA of any drug plant anywhere in the world, and stringent enforcement by the FDA of quality violations. These are all things that have to happen. Frankly, the big pharmacy chains--CVS, Walgreens--why aren't they testing the drugs they dispense? They should be.

**Ralph Nader:** They certainly have the capability to. The insurance companies have the Underwriters Lab in Ohio where they have tested electrical equipment, for example, for decades. That's a good point. We're talking with Katherine Eban, who is the author of *Bottle of Lies*, which came out in 2019, but even before that, she's been warning and warning the American people about what she's just been talking about, and been largely ignored by the government in Washington. But, recently, you testified in Congress. Could you see any prospect where there can be fast congressional hearings now on these very laser-beam necessities?

**Katherine Eban:** If we lived in a reality-based world, as opposed to some strange science-fiction universe, this crisis would lead to a complete reorganization of our drug supply. It would clearly happen because it is so obvious that it has to happen, which is that the U.S. Government has to incentivize, in every way possible, the return of manufacturing to the U.S. for these crucial drugs and drug ingredients. It needs a transparent system of regulation, a transparent and systematic system for testing these drugs, and country of origin labeling. This is what has to happen.

**Ralph Nader:** Katherine, it isn't like the government hasn't been coddling the U.S. pharmaceutical industry. They get huge tax credits for doing research they should be

doing without tax subsidies, number one. They get free research and development down to clinical trials by the National Institutes of Health, complements of the U.S. taxpayer. There's no reasonable price controls the way there are in Canada, Mexico, and Europe, and elsewhere so they can charge the American people through the roof. And what do they do? They export the production to China and India so they can make even more money. This is what I mean, listeners, when we go around this country talking about our problems, it's the giant corporation people, out of control, except that it controls our government.

**Katherine Eban:** Right, and I contend that it is actually the lack of meaningful price controls that essentially has forced us into the arms of these lowest-cost providers overseas. How is it that the cheapest drugs possible are now considered an option? It's because we have this highest price drugs imaginable. Essentially, there is the lower the price goes, the less incentive there is for quality. It's practically an invitation for these drug-makers to cut corners and to start faking data.

**Ralph Nader:** You pointed that out in a very detailed documented way in your book, *Bottle of Lies*. By the way, listeners, it isn't just a matter of price and adequate supply in this country. There's real dangers here to patients. 140 Americans died on the operating table about 10 years ago because there was a contaminated blood thinner that came to this country from China, and there was litigation on that, which is one reason, by the way, the drug companies want Congress to protect them from liability.

**Katherine Eban:** That was the Heparin crisis, and it was after that crisis that the FDA decided, Alright, what we have to do is we have to open these overseas offices and post people on the ground in India and China in various spots so that we have real visibility into what's happening in the countries that are making our drugs. You know what happened? Those overseas offices just became hubs of dysfunction. They were never properly thought through. They were completely understaffed to the point where we had one FDA investigator I write about in *Bottle of Lies*, Peter Baker, and for a time, he was literally the only FDA investigator in China to inspect 400+ plants.

**Ralph Nader:** That was an amazing part of your book, *Bottle of Lies*, the story of Peter Baker, the valiant, conscientious Peter Baker. It's really worth reading, listeners. It really gets you motivated so that you're much more alert when you go down to your pharmacy or you have to be treated by your doctor, because sometimes they have to be educated in ways that they have not been trained, given all the material that's coming out now about the pharmaceutical industry. Before we conclude, Katherine, what's the best way for people to get more information from you?

**Katherine Eban:** Absolutely. For starters, I know people may not be going out to bookstores right now. The book can be ordered on Amazon on barnesandnoble.com or ordered through any of your independent bookstores that are suffering right now, for sure. My website is katherineeban.com. I have a lot of information for consumers there, a guide to investigating your own drugs, as well as frequently asked questions, and your listeners can contact me through that website.

**Ralph Nader:** Eban is spelled E-B-A-N.

**Katherine Eban:** That's correct.

**Ralph Nader:** Thank you very much, Katherine. We hope to see you up testifying on Capitol Hill and interviewed on PBS and NPR, if they can wedge you in between the quiz shows. [laughter]

**Katherine Eban:** Thanks, Ralph. Always a pleasure to speak with you.

**Ralph Nader:** You're welcome.

**Katherine Eban:** Okay, talk to you.

**Steve Skrovan:** We've been speaking with journalist, Katherine Eban, about how we can expect coronavirus to affect our drug supply chain. We have a link to her website at ralphnaderradiohour.com. We're going to take a short break, but when we come back, we will hear from Jamie Love, the director of Knowledge Ecology International, about a letter he wrote to Nancy Pelosi about changes they would like to see in the recent coronavirus bill. First, let's check in with Russell Mokhiber, our corporate crime reporter, in Washington D.C.

**Russell Mokhiber:** From the National Press Building in Washington, D.C., this is your Corporate Crime Reporter Morning Minute for Friday, March 28, 2020. I'm Russell Mokhiber. Keith Anderson, the co-founder of BlackRock, says that, "Any government bailout of corporations should come with strings attached. The vast majority have spent the last decade of unprecedented economic expansion buying back their outstanding shares as Royal Caribbean Cruises and Delta and American Airlines have done in an effort to increase their per-share earnings and their share prices," Anderson wrote in a letter to the *New York Times*. He said, "While I hope that citizens of our country who are most in need and the small businesses that have no access to capital markets are in the front lines for assistance, when it does come time to lend a hand to these public companies, any loan or bailout should also provide a reward to the citizens of our country who are lending the money. I would suggest stock warrants attached to any loan just as a private investor would require when bailing out a troubled company." For the Corporate Crime Reporter, I'm Russell Mokhiber.

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**Steve Skrovan:** Thank you, Russell. Welcome back to the *Ralph Nader Radio Hour*. I'm Steve Skrovan, along with David Feldman and Ralph. How do we keep drug companies from gouging American taxpayers in a crisis, especially when the research and development of the drugs was done with taxpayer money? David?

**David Feldman:** Jamie Love is the director of Knowledge Ecology International, an organization that engages in global public interest advocacy, including focusing on new solutions to public health and advocating for access to new drugs, vaccines, and medical technologies. Mr. Love advises UN agencies, national governments, and public health NGOs [nongovernmental organizations]. Welcome back to the *Ralph Nader Radio Hour*, Jamie Love.

**Jamie Love:** Good afternoon. Nice to be on the show.

**Ralph Nader:** Welcome back, Jamie. I think listeners need to know that you were in the forefront unsung, of breaking the \$10,000 per patient price for HIV drugs that the big U.S. manufacturers were trying to impose on African patients. And you went all over the country and the world and you got an Indian manufacturer to do it for \$300 per patient per year, and it's gone down ever since. You just sent a letter a few days ago to Nancy Pelosi, Speaker of the House, and I want you to explain, in the simplest of terms, because this can get very complex, what this letter wanted Congress to do, and whether they listened to you in the pending \$2 trillion bill that they're about to pass.

**Jamie Love:** The letter focused on the rights that the U.S. Government has and the money that it's spending, the taxpayer money that they're spending on the development of new drugs and treatments for COVID-19. Right now, the U.S. Government is going to spend more money to fund research on coronavirus in the next 180 days than they spent in the last 180 years.

One of the issues and concerns that we have is what protections are there in place for the people who are funding this research to make sure that the products are widely available and priced affordably? We identified three areas in the existing law that permits the U.S. Government to expand the rights beyond what would be considered normal. One of those is there's a provision in the law that says when there are exceptional circumstances, the United States Government can take title to patents that it funds from contractors. Right now under the Bayh-Dole Act, since 1980, the contractors, whether it's a university or a business, can actually become the owner of a patent even if the U.S. Government is funding the research. That was one of the important privatization provisions in the 1980 Bayh-Dole Act. But there's an exception to that in cases of exceptional circumstances, and we think COVID-19 fits everyone's definition of

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what is in exceptional circumstances. Secondly, in addition to that, the Bayh-Dole Act also has two other areas where the U.S. Government, we think, should act. One is that we are allowed, by entering into an agreement with someone, or some institution like the World Health Organization or a foreign government, or an organization like the Red Cross or Doctors Without Borders, we can enter into an agreement with those type of organizations or entities and expand the public's rights beyond what we normally have. Right now, there's a royalty-free right on patented funds, and they get these so-called rights on patents they fund. But, you can actually have other rights that make it easier to move products through retail distribution channels and also to help people in foreign countries if you put that agreement in place. The third thing is a provision in the law that says that the United States can put a contractual provision into a funding agreement that allows us to have access to patents that are funded not by the government, but by a third party as part of this new funding agreement we have. So we could leverage the U.S. investments to get rights to other patents. But in order for that to happen, the government has to do certain things right now, and we identified what that would be. What we're saying is if you're really serious about providing public protections for the COVID-19 crisis, you would do all three of these things and you'd do them right now. And all the things I've described, you can't come back six months later and do it retroactively. It has to be done before you sign funding agreements. And we're going to be spending billions of dollars right now, and it's going to go out very fast. We're also trying to lift the limit on some of the contracts to over \$100 million that can be signed very quickly. These are going to be big numbers, and we're trying to get more protections in the law.

**Ralph Nader:** What kind of response have you had from Nancy Pelosi, other members of Congress who may be deeper into the subject, and the White House?

**Jamie Love:** We haven't really been engaged with the White House, but we have had some conversations with the Department of Health and Human Services. Actually, we have a call with them today, and they've, so far, been very responsive and willing to engage with us. We have not had any engagement with the White House, but that's probably my fault. As far as Pelosi's office, we have not had a response or we've not seen any indication that they were paying any attention to what we said. We have had calls with other members of Congress and their staff; I think there's some understanding. The problem, I think, partly, is there's just so much going on right now. They're just drowning in information and drowning in emergency situations. To get members of Congress to focus on these things has been difficult because they're worried about respirators, worried about people getting unemployment checks; there's so many different things going on right now. What we're talking about are things that may or may not be important six months or a year from now, and they're not perceived to have

the same immediacy in terms of their attention as dealing with something that's happening right now. We appreciate that, but we also know that it's a case if you don't worry about the future, pretty soon the future is today.

**Ralph Nader:** What likelihood is there for congressional hearings? What you're proposing is not going to get in the \$2 trillion bill. It's probably too late for that, but to get free-standing legislation, do you have any allies in the House and the Senate?

**Jamie Love:** We've asked people in the Congress to consider even just easy things, and right now would be, for example, letters as sort of set out policies, because the things we're describing do not require legislation. You could use legislation to sort of force a policy, but you don't need that under the current law. Now, we think that some members of Congress may send a letter up asking that [Alex] Azar [U.S. Secretary of Health and Human Services] invoke the exceptional provisions clause in the Bayh-Dole Act so the government can take title to the patents it is funding. We haven't seen the letter yet, though, but we're hoping that we can see that letter go out. Also, we've been talking to other governments, and yes, the day before yesterday, the President of Costa Rica sent a letter to the World Health Organization asking the WHO to set up a global pool for rights and patents, data, and other rights and other technologies and data that can be used worldwide, royalty-free or reasonable royalties, for all countries, all members of the World Health Organization to address the COVID-19 crisis. We're also hoping that the United States Government supports the Costa Rica proposal, and we've also talked to people on the Hill about that.

**Ralph Nader:** On the larger plane, Jamie, what's your view here of so much of the drug production in this country outsourced to China and India, and stripping us of self-reliance as no manufacturer produces antibiotics, as I've said, in the U.S.? What's your view of that? You've traveled all over the world; you've talked to ministers of health; you've been to China, and India, and Japan, and elsewhere. Give us your views.

**Jamie Love:** I think that what you see right now is people have to take a hard look at the idea that they don't have domestic capacity. I don't think that every country needs to make every product it uses, but they have to have a sufficient amount of industrial capacity that, in cases like this, they can protect their own people. I think that you see countries now proposing export controls and sort of hoarding medicines, not allowing things to be exported to foreign countries. I think drugs fit into this category, certainly. The U.S. has actually gone after foreign countries when they've tried to have requirements of local manufacturing for pharmaceuticals. U.S. has forced a lot of countries around the world to eliminate provisions in their national law which would

require local manufacturing. And the U.S., actually it's one of the things the U.S. brings trade sanctions to the special 301 list that the United States Trade Representative manages every year. I think that now, the U.S. is, itself, a victim of its own rhetoric, because we don't have a very active policy. Also, the NIH itself has been very liberal in terms of granting waivers of U.S. to domestic manufacturing for a number of products.

**Ralph Nader:** Explain that.

**Jamie Love:** Under the law, if the United States Government is a funder of a patented invention, and that's recognized, and one of the problems we have is that the National Institutes of Health [NIH] has done a bad job of requiring companies, or universities, or other people who get government grants to disclose whether they use government grants. But when government money is used and it's related to the invention, there is a requirement in U.S. law that there be local manufacturing unless the requirement is waived by the funding agency. There was one case, for example, when they were trying to develop the Zika vaccine where the U.S. Government was going to fund the development of the vaccine and it was going to be produced in France. So, the U.S. Government itself, when they fund inventions and they fund the development of products, it has the ability, in those cases, to be very forthright in basically trying to have manufacturing in the United States.

**Ralph Nader:** Steve and David, do you have any observations or questions of Jamie Love?

**Steve Skrovan:** Yeah, Jamie, just from a layman's point of view as I'm listening to this, let me make sure that I understand what you're saying--is that you're worried that taxpayer-funded research and development for these pharmaceuticals is being handed over to private industry, and that there are not enough restrictions on them so they could potentially price gouge and maybe do other things that are not in the public interest. Am I getting that?

**Jamie Love:** Pricing's a problem. It's a huge problem. My wife takes a drug that has an invoice price of \$470,000 a year, and obviously, we don't pay for it because we couldn't pay \$470,000 every year for treatment for a condition she's been treated on for the past 10 years. But you probably pay for it because it's just one of the reasons why health insurance premiums are as high as they are today. Pricing is a problem. Sometimes, there is crisis of access. If COVID-19 really takes off like some people are predicting, it could be as much as half the population infected in the next year and a half or whatever. Well, that would just massively stress out any supply infrastructure we have right now. The ability to have multiple parties having the right and freedom to manufacture things so you're not relying on a single supplier could be a good thing. There are cases



we've worked on in the past like Fabrazyme [enzyme replacement therapy], for example, which is a treatment for Fabry's Disease. They had contamination problems in the plant. It was actually manufactured in the United States, but they had contamination problems, and they had to shut down a lot of production, and they ended up rationing the patients in the United States to just a fraction of what was the recommended dose, and a lot of patients got very ill because of the rationing. In Europe, where they had two suppliers, two companies competing against each other, they had zero rationing for exactly the same indication. So only the United States was really faced with the restrictions of supply and the rationing and patients getting sick as a consequence. In Europe, all the patients were basically protected. The difference was there was one supplier in the United States and there were two suppliers that competed against each other in Europe.

**Ralph Nader:** We're talking with Jamie Love, economist, advocate, founder of Knowledge Ecology International. Jamie, how would people get more information? You have a lot of clear information on your website.

**Jamie Love:** Our webpage is very content-heavy. We just basically put up what we do routinely, and we have a page called "Our Work", which is to live links to things. We have over 3,000 webpages.

**Ralph Nader:** Good. Well, we're out of time. Thank you very much, Jamie, and to be continued. We hope that what you're trying to do, we'll get to hear some critical members of Congress, because I think even though the government has the authority to do all you want them to do, they need a real push and pressure from Congress and visible public hearings. Thank you very much, Jamie.

**Jamie Love:** Thank you, Ralph, and it's always great to talk.

**Ralph Nader:** Indeed.

**Steve Skrovan:** We've been speaking with Jamie Love, the director of Knowledge Ecology International, about their effort to protect public interest and make medications affordable and accessible throughout the Coronavirus pandemic. Ralph, you had a few words you wanted to share with our audience.

**Ralph Nader:** Yeah, I came across a remarkable column by Anthony Piel, who was the former general legal counsel of the World Health Organization. He's now retired. It appeared in the *Lakeville Journal* in Connecticut on February 6, and it really made a very powerful point, and I want to just read a few sentences from his column. He said, "The biggest outbreak that he saw was the 1994 epidemic of drug-resistant El-Tor, it's called, a vibrio disease variant of cholera, which broke out in Rwanda, Burundi, and Eastern

Congo on the hills of the Hutu-Tutsi genocide. On any day along the dirt road from Rwanda to Goma in East Congo, we could lose up to 3,000 lives per day. In addition to other aspects of the horrendous human cost, it was a brutal nightmare. In a two-year period, 350,000 people died because of this disease variant of cholera. You could be infected at breakfast and be dead by lunchtime. The World Health Organization emergency response went immediately into effect, drawing on hundreds of partners, including the U.S. Army, through which I, Anthony Piel, was liaison officer until a young doctor, I think she was from Peru, suggested a furan chemical solution that we tested. It worked. That ended El Tor. Not a single case reached London, New York, Tokyo, or Beijing, and the world knew almost nothing about it." He ends by saying, "If all countries work together and apply proven techniques for control of communicable diseases, these can be promptly overcome." This is a very good comparative narrative about that and other deadly epidemics that struck African countries with no health infrastructure, but the WHO came to the rescue." Listeners should know that Donald Trump wanted to cut some of the contribution to the WHO in his budget to Congress. I don't think he succeeded, but the WHO's budget, remember it's called the World Health Organization dealing with all kinds of medical problems, dealing with all kinds of epidemics, pandemics, prevention, anticipation, emergency response. David and Steve, its entire budget is less than the budget of two major U.S. hospitals.

**Steve Skrovan:** Wow, yeah, those are the priorities. Let's do some listener questions. This question comes from Karen L. McClellan, and Ralph, I know you've got strong opinions about this because it has to do with the credit economy. Karen writes, "I realize now paying cash for purchases was a huge mistake, particularly large purchases when I bought a piece of property and made large improvements. I have no debt whatsoever, yet I'm considered a credit risk with a thin file, recommending I incur at least five revolving charge accounts or loans, making minimum payments each month to show my credit-worthiness, regardless of the fact that it will cost me three to four times the original purchase in the end." She says, "The entire situation seems to show how rigged these credit inquiries are created to benefit these companies who make profit on the backs of the public, and it's frustrating to understand, other than the reality that the financial institutions are making bank. I don't buy products or services unless I can afford them. I have no credit cards, revolving loans or mortgages, yet I am considered a credit risk. What is wrong with cash, other than the fact that all these financial institutions, including credit reporting agencies, aren't making a profit by my refusal to acquire insurmountable debt? I can't wrap my head around this reality."

**Ralph Nader:** Karen, you've described what I call "corporate coercion". We ought to start using that word because it's the prelude to corporate crime. It's the prelude to incarcerating you in this credit/debit economy where they can control your money,

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charge you penalty here, charge you an excessive of charge there, and get away with it. That's why they don't like cash customers, because cash customers have more power, and they retain more power. That's why they want more and more stores just to accept credit card and debit cards and not cash. But cities and states are now moving to prevent that and to protect people's right to use legal tender and cash. Massachusetts has long prohibited denying people buying things with cash by companies. The second thing is this is, overall, the grotesque example of corporate power. If you are prudent, if you don't go into debt, if you don't have a credit line because you're paying cash on the barrelhead, you are denied or harassed when you want such things as home insurance. I know a friend who bought a house, who's always paying cash, has no debt, went to the insurance market and said, "I want to buy homeowner's insurance," and they said, "No, you don't have a credit history. You have to get credit cards and set up a credit history," and she said, "What are you talking about? I have the best credit you can imagine, 100% cash, no debt," and it took like several hours back and forth before she found a homeowner's insurance company that provided her with insurance. And that is played out throughout the economy, and we have to put a stop to it. There should be a federal law that says, "Don't you dare harass, exclude, or otherwise penalize or deny the right of cash customers to buy what they need."

**Steve Skrovan:** Your latest column is how the Federal Reserve practices corporate coercion by keeping interest rates low and forcing savers to have to buy stocks in order to get any interest. [<https://nader.org/2020/03/18/the-federal-reserve-dictatorship-runs-amok-against-savers/>]

**Ralph Nader:** Yeah, they're driving savers into the stock market because savers are making now, a fraction of 1%, and because the Federal Reserve is driving interest rates to zero. That's hundreds of billions of dollars denied to hundreds of millions of savers in this country who rely on that income to buy things and generate consumer demand. This is good for the economy, but the Fed only sees one part of this ledger, the big bank part, the financial institution part. They don't see any need to pay attention to people's life savings now getting nothing in terms of income. My column basically focused on that and urged a consumer's union, the Consumer Federation of America, to start fighting for America's savers. Imagine penalizing saving. That's the grotesque directory of a corporate-dominated political economy, using government and private corporate power. <https://nader.org/2020/03/18/the-federal-reserve-dictatorship-runs-amok-against-savers/>

**Steve Skrovan:** To juice the stock market, which now is in negative territory.

**Ralph Nader:** Yeah, that's their prime goal, is to juice the stock market, print enormous amount of money, which they camouflaged with fancy names, like "quantitative easing", and bail out the big guys, leaving the hundred million middle-class small

debtors stranded. You can go get this column, and you can sign up for my column, and get it free automatically every week by going to <https://nader.org/>

**Steve Skrovan:** Alright, well thank you for your questions. Keep them coming on the *Ralph Nader Radio Hour* Website. I want to thank our guests again, Katherine Eban and Jamie Love. For those of you listening on the radio, that's our show. For you podcast listeners, stay tuned for some bonus material we call the Wrap Up. A transcript of this show will appear on the *Ralph Nader Radio Hour* Website soon after the episode is posted.

**David Feldman:** Join us next week on the *Ralph Nader Radio Hour* when we welcome back constitutional scholar, Alan Hirsch, to talk about his new work, *A Short History of Election Crises*. Thank you, Ralph.

**Ralph Nader:** Thank you, everybody. I think our book, *Fake President*, is more relevant than ever, given Donald Trump's daily news conferences. It helps decode this propaganda master and this boastful misleader, and that's necessary now because it seems like he is pulling the wool over too many people's eyes. It's particularly relevant now when we need the citizenry to have a clear-eyed view of his fumbling, mumbling boastfulness and putting Donald Trump number one over the need to be a commander and actually respond with the whole widespread efforts and facilities of the federal government to the coronavirus epidemic.

♪ Stand up. Oh, you've been sitting way too long ♪

♪ Oh, stand up. You know what's right and you know what's wrong ♪

♪ Rise up. Don't let the system pull you down ♪

♪ Stand up, stand up. You've been sitting way too long ♪

♪ Oh, stand up. Oh, you should stand up ♪

♪ Step up. I think that you should step up ♪

♪ Rise up ♪