License to Kill

Gore guns for Third World countries trying to make cheap AIDS drugs

July 1, 1999 By Doug Ireland

While Bill Clinton and Al Gore spend billions to blast the Serbs into submission, ostensibly to save lives, their international AIDS policy is politically smart—bombing Third World countries to save profits, not people with HIV. The administration, in cahoots with the pharmaceutical industry, is using economic and political blackmail to stop developing countries from making inexpensive copies of patented AIDS drugs.

Take Thailand, with nearly a million infected with HIV. The United States has been applying immense pressure to block Thai companies from producing generic versions of ddI, a nucleoside analog created by our government's own researchers and marketed worldwide exclusively by Bristol-Myers Squibb. Also targeted are Thai generic versions of Bristol-Myers and Pfizer drugs used to treat cryptococcal meningitis, an often-fatal fungal brain infection affecting some 200,000 HIV positive Thais.

At issue is an obscure portion of international trade law known as compulsory licensing, designed to expand access to patented or copyrighted products considered essential goods and services. Under rules of the World Trade Organization—of which the United States is a charter member—countries with a public health crisis can use compulsory licensing to manufacture drugs more cheaply, as long as they reasonably compensate the patent holders.

Yet the Clinton-Gore administration is adamantly opposed to compulsory licensing by other countries, even though U.S. law permits it. Gore—currently raising money for his presidential campaign—has been the administration's point man in defending these companies' monopolies. This may come as news to the gay fatcats whom Gore is courting so assiduously, but it doesn't come out of the blue: Gore's chief domestic policy advisor, David Beier, was the main lobbyist for Genentech, a biotech behemoth. Co-chair of the U.S.–South Africa Binational Commission, Gore is pummeling South Africa—which has the world's fastest-growing infection rate—to abrogate its recent law allowing compulsory licensing of pharmaceuticals. As the Watergate saying goes, "Follow the money."

Most drugs, including antiretrovirals, are relatively inexpensive to produce. As David Scondras, an activist campaigning for lower drug pricing, wrote recently in *AIDS Treatment News*: "For example, AZT in bulk can be purchased for 42 cents for 300 mg from the worldwide suppliers; this price

reflects profits not only to the manufacturer but also to the middleman bulk buyer. The same drug retails at my local pharmacy for $5.82 per pill. This ridiculous price bears no real relation to the cost of production."

The primary reason the pharmaceutical giants are fighting so hard against compulsory licensing of AIDS drugs abroad is not because of the potential to lose profits *there*—Third World people and governments can't afford to pay U.S. prices anyway. Instead, they fear that if other countries make those drugs available to their PWAs at a tiny fraction of the retail cost, it would set off a major price-gouging scandal *here*, in the United States, when the true size of drug companies' markups are revealed.

Rep. Jesse Jackson Jr.'s HOPE for Africa bill (see "Keep HOPE Alive") would prohibit the use of U.S. funds to undermine African intellectual property and competition policies designed to increase the availability of vital medicines. But as Richard Laing, MD, a Boston University public health expert, points out, even the Jackson bill is no panacea for the continent's epidemic, since in most of sub-Saharan Africa, "where a dollar a year per person is spent on health care, the vast majority struggle to have access just to simple antibiotics, and the AIDS numbers are too big for compulsory licensing to make a difference."

The Clinton-Gore administration has engaged in a series of grotesque and secretive maneuverings to avoid having to consult with or debate public health leaders on these issues. But a March conference in Geneva, organized by Ralph Nader's Consumer Project on Technology, Doctors Without Borders and Health Action International, brought together 60 nongovernmental organizations from around the world to mobilize opposition to U.S. policy, and activists in the United States are now forging a coalition. The president's Advisory Commission on AIDS has finally consented to take up the issue this summer. Still, since Clinton has so often ignored his own commission's recommendations, it will take a major public outcry to alter U.S. policy—especially given the puissant lobbying of the multinational monopolies.

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