

U.S. Probe Sought Of Quinine Cartel

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Sen. Philip A. Hart (D-Mich.) said yesterday he will ask the Justice Department to determine whether a Dutch-controlled cartel is manipulating the price of quinine and violating a 1928 antitrust injunction relating to its operations in the United States.

Hart's statement came at the end of the second day of hearings by the Senate Subcommittee on Antitrust and Monopoly which he heads. It is investigating why the cartel, Combinatie, was allowed to buy up all but 1 million ounces of 9.8 million ounces of surplus U.S. quinine at an average price of 20 cents an ounce and is now selling quinine at \$2.58 an ounce.

Yesterday's witnesses, officials of a U.S. importing firm which buys from the cartel, put the blame for soaring prices on supply shortages rather than manipulation by a monopoly.

Harry Y. de Schepper, president of R. W. Greeff & Co., of New York, said there is an

acute shortage of bark from the cinchona tree, from which quinine is derived.

He blamed the shortage on deterioration of Dutch-created cinchona plantations since Indonesian independence, an export embargo decreed by President Sukarno, the immaturity of new plantings in the Congo and a freeze on the remaining U.S. stockpile of 4.1 million ounces because of Vietnam requirements.

But Jerry Cohen, subcommittee Counsel, read from a confidential wire to the State Department last December from the Embassy in Djakarta which said in part: "An abundant supply of additional raw bark is available" in Indonesia.

He also introduced a State Department memorandum of last February which discounted the Sukarno embargo and claimed that "substantial quantities" of bark were being exported from Indonesia by private interests.