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## **Time to End the Free Ride** **by Senator Larry Craig**

The Merriam-Webster Dictionary has defined the word “freeload” as a verb, meaning “to impose upon another’s generosity or hospitality without sharing in the cost or responsibility involved.” We’ve all experienced a freeloader in one way or another, and it almost always leaves a sour taste in the mouth. If someone uses a good or service and possesses the means to pay or at least share the cost, they ought to do so.

When it comes to the world market for prescription drugs, however, that isn’t happening. Many nations around the world, including some of the most prosperous outside the United States, have decided to freeload off the prosperity of the U.S. economy and the American consumer, and it’s time we bring it to an end.

How are they freeloading? Let me explain.

A number of nations, including much of western Europe, have effectively placed price controls on prescription drugs sold within their borders. By negotiating the price pharmaceutical companies can charge, foreign governments are basically dictating the price. But economic history has shown that price controls like these create a whole host of problems. Price controls severely limit or eliminate the profits companies earn.

Like it or not, these profits are what allow companies to research and develop newer and better drugs. If pharmaceutical companies hadn’t made profits 10 or 20 years ago, we wouldn’t have groundbreaking new drugs today to treat many forms of mental illness, cancer, AIDS, or many other diseases and conditions.

Because pharmaceutical companies earn little to no profits in these foreign markets, they are left with one market that is big enough and wealthy enough to tap into: ours. The U.S. market is the only significant market in the world that is profitable for prescription drug manufacturers.

That’s no fault of the United States – we’ve always respected the value of free markets. It’s the fault of the foreign governments who have set drug prices at artificially low levels. Prescription drug users in many other nations reap the benefits of cutting-edge drugs developed in the United States, but consumers in those countries don’t help pay for the research and development it takes to create those drugs and bring them to market. That fits the definition of freeloading like a glove.

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With this in mind, I decided to vote in favor of a recent effort to allow U.S. consumers to re-import prescription drugs from Canada, Japan, western Europe and several other countries. If U.S. consumers start buying up surplus prescription drugs in these countries, it will likely create a shortage in those countries. But that is what normally happens when governments institute price controls – it creates a shortage. These countries should no longer be allowed to avoid the consequences of their meddling in the free market. Congress should allow our consumers into their markets.

Once they experience shortages, I believe these countries will begin to lift their price controls and make their markets more profitable to drug manufacturers. If that happens, drug prices in the U.S. would likely come down, as hundreds of millions of consumers begin to share a load that was, up to now, borne solely by U.S. consumers.

It's time to end the ride and remind the freeloaders about the free market.