HON. RON PAUL OF TEXAS IN THE HOUSE OF REPRESENTATIVES July 24, 2003

Reimportation of Prescription Drugs Mr. Speaker, I am pleased to be an original cosponsor of HR 2427, the Pharmaceutical Market Access Act, because I believe it is an important bill that will benefit all Americans. As my colleagues are aware, many Americans are concerned about the high cost of prescription drugs. These high prices particularly affect senior citizens who have a greater than average need for prescription drugs and a lower than average income. Of course, some of these seniors may soon have at least part of their prescription drug costs covered by Medicare.

Medicare is already on shaky financial ground, yet will soon be subsidizing prescription drug costs. This is why Congress must address the issue of prescription drug costs. Of course Congress should respect our constitutional limits, and not further expand the role of government in the health care market.

Fortunately, there are a number of market-oriented policies Congress can adopt to lower the prices of prescription drugs. This is because the main reason prescription drugs cost so much is government policies that give a few large companies monopoly power. For example, policies restricting the importation of quality pharmaceuticals enable pharmaceutical companies to charge above-market prices for their products. Therefore, all members of Congress who are serious about lowering prescription drug prices should support HR 2427.

Opponents of this bill have waged a hysterical campaign to convince members that this amendment will result in consumers purchasing unsafe products. Accepting this argument not only requires one to ignore HR 2427's numerous provisions that ensure the safety of imported drugs, it also assumes that consumers will buy cheap pharmaceuticals without regard to whether they are buying quality products. The experience of my constituents who are currently traveling to foreign countries to purchase prescription drugs shows that consumers are quite capable of purchasing safe products without interference from the nanny state.

Furthermore, if the supporters of the status quo were truly concerned about promoting health, instead of protecting the special privileges of powerful companies, they would be reforming current policies that endanger health by artificially raising the cost of prescription drugs. Oftentimes, lower income Americans will take less of a prescription medicine than necessary to

save money. Some even forego other necessities, including food, in order to afford their medications. By reducing the prices of pharmaceuticals, HR 2427 will help those who have to choose between prescriptions drugs and other necessities.

Other opponents of this bill have charged that creating a free market in pharmaceuticals will impose Canadian style price controls on prescription drugs. This is nonsense. Nothing in HR 2427 gives the government any additional power to determine pharmaceutical prices. HR 2427 simply lowers trade barriers, thus taking a step toward ensuring that Americans pay a true market price for prescription drugs. This market price will likely be lower than the current price because current government policies raise the price of prescription drugs above what they would be in the market.

Today Americans enjoy access to many imported goods that are subject to price controls, even goods that receive government subsidies in their countries of origin. Interestingly, some people support liberalized trade with Communist China, which is hardly a free economy, while opposing HR 2427! American policy has always been based on the principle that our economy is strengthened by free trade even when our trading partners engage in market distorting polices as price controls and industrial subsidizes. There is no good reason why pharmaceuticals should be an exception to the rule.

Finally, Mr. Speaker, I wish to express my disappointment with the numerous D.C.-based “free-market” organizations that are opposing this bill. Anyone following this debate could be excused for thinking they have entered into a Twilight Zone episode where “libertarian” policy wonks argue that the federal government must protect citizens from purchasing the pharmaceuticals of their choice, endorse protectionism, and argue that the federal government has a moral duty to fashion polices designed to protect the pharmaceutical companies’ profit margins. I do not wish to speculate on the motivation behind this deviation from free-market principles among groups that normally uphold the principles of liberty. However, I do hope the vehemence with which these organizations are attacking this bill is motivated by sincere, if misguided, principle, not by the large donations some organizations have received from the pharmaceutical industry. If the latter is they case, then these groups have discredited themselves by suggesting that their free-market principles can be compromised when it serves the interests of their corporate donors.

In conclusion, Mr. Speaker, I once again urge my colleagues to prove they are serious about lowering the prices of prescription drugs and that they trust the people to do what is in their best interest by supporting HR 2427, the Pharmaceutical Market Access Act.