Taxpayers Fund Pharmaceutical Research, but Don't Reap Benefits

When a pharmaceutical company markets a drug developed through government-sponsored research, the taxpayers who fund this research receive little benefit from this investment.

The *Rx Competition, Free Market, and Cost Savings Amendment* will institute a return on investment system to pay back taxpayers for government research.

- 45 of 50 top-selling drugs got government subsidies totaling nearly $175 million[1]
- 33 of 35 new drugs received NIH or FDA money for testing, discovery or development[2]
- In recent years, the rate of return on investment in the pharmaceutical industry has been as high as 36%. [3]
- Drug-maker Bristol Myers Squibb earned $9 billion from Taxol, which has been used to treat a million cancer patients, but NIH got back only $35 million in royalties, a paltry .38%. Clearly, American taxpayers are not getting a good return on their investment.[4]

"NIH money comes with few obligations, like a bank loan that never comes due."[5]

---

[1] *According to a study in The Boston Globe* Public Handouts Enrich Drug Makers, 4/5/98.
[2] Ibid.
[3] *CorpWatch* "USA: The Pharmaceutical Industry Stalks the Corridors of Power" 2/13/01.
[4] U.S. General Accounting Office (GAO). Technology Transfer: NIH-Private Sector Partnerships in the Development of Taxol. GAO-03-829, June 4.
[5] *According to a study in The Boston Globe* Public Handouts Enrich Drug Makers, 4/5/98.