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ISSUES & INSIGHTS

VIEWPOINT

Drug Industry Set Pace For Armstrong Victory

BY DAVID GRATZER

HAS yellow ever looked as beautiful as on Sunday, when Lance Armstrong rode victoriously on the Champs Elysees wearing the Tour de France's bright yellow jersey reserved for champions?

And what a champion! He is perhaps the greatest cyclist ever, achieving the impossible: six straight triumphs in the grueling 2,000-mile race. But as people across America celebrate Armstrong's achievement, the industry that helped make it possible is threatened as never before.

Armstrong is a cancer survivor. In 1996, the previously healthy cyclist told his doctor about his groin pain, headaches and shortness of breath. His work-up revealed advanced testicular cancer, with 12 tumors in his lungs and two in his brain.

The story of his illness and recovery is well-known. But here's a detail often glossed over: 30 years ago, such a diagnosis was essentially a death sentence. Today, 96% of Americans survive the illness, just as Armstrong did. The biggest improvement in care? Better drugs. Chemo now typically takes under three months and is highly effective.

Medical progress hasn't just let Armstrong win. It's also transformed the lives of millions of cancer patients. In the 1950s, childhood leukemia claimed almost all of its young victims; today, most of these children reach adulthood. Other "terminal illnesses" — such as Hodgkin's lymphoma — are now readily treatable. And the overall picture is impressive: The Centers for Disease Control and Prevention has reported that cancer patients diagnosed between 1995 and 2000 had a 64% chance of survival.

Tripling The Survival Rate

Only three decades ago, the survival rate was just 50%. How does that translate into lives saved? The number of cancer survivors in the U.S. has tripled over 30 years.

The future looks even brighter. Drugs under development hold amazing potential, like a vaccine for cervical cancer that would stop the disease before it started.

But here's the irony: While medical progress has saved millions and has the potential to help so many more, politics may end up killing the necessary incentives. Between budgetary concerns and populism, politicians flirt with undermining basic patent rights through various price-control schemes and efforts to assist generic drug makers.

Despite attempts at reform, the Food and Drug Administration grows more bureaucratic, driving up the cost of drug development from $138 million 30 years ago to $900 million today. In Washington and the state capitals, the impetus is to increase government regulation and control, a prescription for change as harmful and dated as bleeding.

'Reimporting' Price Controls

Take the present debate over drug reimportation. Supporters, including a bipartisan coalition of senators, congressmen and governors, want Americans to be able to buy prescription drugs at Canadian prices, essentially "reimporting" price controls.

The momentum for this legislation is so great that Roy Vagelos, a former chairman of Merck, calls the prospect of price controls for pharmaceuticals "inevitable." Yet price controls would be a disaster, turning the pharmaceutical industry into a giant regulated utility, and thus undermining the incentives for innovation.

Drug companies – like all businesses – are motivated by profit. It is this incentive that pushes them to invest so heavily in research. They now spend roughly $6 billion a year on cancer research, investing in everything from basic science to advanced clinical trials. Without powerful monetary incentives (and the capital needed to underwrite the process), no one would take on the challenge.

It's become popular to quote Canadian drug prices on the campaign stump. Notice what reimportation supporters don't talk about: great Canadian successes in pharmaceutical development. Indeed, the nation that gave the world insulin is effectively a backwater for medical innovation. There's no way around it: If Americans want new cancer treatments, they need a profitable drug industry.

Armstrong's victory is something for all to celebrate. It's also worth celebrating the medicine behind his success. Earlier this year, Armstrong said of the pharmaceutical firm that made his chemo agents: "This is a company that, had they not been in existence, these drugs would not have been in existence. I wouldn't be alive. That's the bottom line."

Some in Washington have made sport of the pharmaceutical industry. Let's just remember that for Lance Armstrong — and millions of others — drug innovation has meant the difference between life and death.

Dr. David Gratzer, a physician, is a senior fellow at the Manhattan Institute.