California Should Say No to Socialized Drugs

California’s Governor wants to make California “the first state to sell its own generic prescription drugs.” The state would contract with drugmakers to produce generic medications. The drugs would be sold under the state’s own label. The Governor thinks government ownership of medication will increase competition and lower costs.

But government ownership is socialism, which always leads to shortages. Drug costs are not high because the private market sells them; drug costs are high because of third-party payment and federal regulation. Government ownership of drugs will not lower costs, but it guarantees that patients will lose access to the drugs they need. If the government owns and sells medication, it will soon squeeze out any medications that the government chooses not to buy. Californians should say no to socialized drugs.