Matthew Austin

Business Ethics

Wennemann

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21) Drug Company Monopolies and Profits

In the *“Drug Company Monopolies and Profits Case”* in Velasquez’s *Business Ethics,* states that drug companies in the United states are given the opportunity to make serious money from the new drugs that are created by them. They way that they are able to do is because they are granted a 20 year patent on their new pharmaceutical drugs. So, these companies have high monopoly profits. In Fortune 500s they were making double to over four times the average rates of all other industries. They are doing so by charging from 5,000 to 500,000 percent over the cost of their ingredients. On top of that only a miscues fourteen percent of their profits went into research of new drugs, seventeen percent goes to dividends and thirty-one percent goes to advertising. After doing the math that, leaves forty-one percent for the company owners if split multiple ways a single person still makes over hundreds of thousands of dollars for one person. To put these profits into an extreme ethical and moral perspective, keep the *Heinz Dilemma* in mind. The scenario of a woman who was near death. There was a one known drug that could save her. The catch was that the doctor who only paid $200 to make the product was charging over $2,000. The husband, Heinz, who only had half of the cost of the drug, $1000, was still refused by the doctor. Heinz was put into a dilemma so he breaks into the doctors laboratory and steals the drug. These two cases are very similar except that the majority of the people who really need the drugs are given the option of getting the drugs, only death or extreme financial death. Thus the person who is at fault is the producer of the drug who charges extreme amounts for something that initially cost so cheap. In my opinion, the corporations and doctors like the scenario should be held responsible for the ethical and moral wrongdoings. And should also be held accountable for the amount of lives that they could have saved. and moral fallacies that they created as well, thought that may be extreme. To combat this the profits of creators of drugs should be regulated by the same policies that allow them to make charge over 500,000 percent over the initial drug cost. The drug corporations and the doctor in the Heinz Dilemma are basically putting a price on life, when every life is priceless.