Martand and I negate the resolution.

Our First Contention Is Small Businesses

Atun of the RGT 18 observes small businesses drive innovation, generating 90% of new drugs. Price controls, however, harm small businesses through consolidation.

Hassett of the WHO explains because of a lack of regulation on the pharmaceutical industry, little barriers exist for small companies to enter the market.

Unfortunately, price controls reverse this in two ways.

First is by decreasing innovation.

Vernon of UPenn 05 concludes price controls will decrease research and development investment by 73 percent due to profit drops. This is problematic for smaller firms, as **Ding 06** writes as research and development decreases mergers and acquisitions increase.

Second is by upfront costs.

While very few barriers exist for small companies currently, **The First Post** c oncludes affirming places larger pharmaceutical companies at a structural advantage in the industry, as they would be able to afford the additional burden placed on companies through regulatory costs. This leads **Hassett** to conclude larger companies will have the leverage to buy out the lion's share of smaller ones, essentially consolidating the industry.

The first impact is decreased development.

Houcop of Harvard 16 concludes, although monopolization increases innovation in a specific merger, it decreases overall R&D by an upwards of 20% due to a decrease in small businesses. This is devastating, for **Yamada of the University of New Jersey 10** continues the production of each new drug reduces total deaths by 100,000 per year.

The second impact is slashing federal budgets.

Lichtenberg of Forbes[11] quantifies every dollar in spending on new pharmaceuticals saves 6 dollars in

other healthcare costs. Thus, upon increasing healthcare spending, **Leonard of USNews** [15] concludes states will raise taxes or sacrifice other programs in order to make room in budgets.

Our Second Contention Is A Generics Shortage

The number of generic drugs in the US market is on the rise. The **IMS Institute 16** writes that in two years, 92 percent of prescription drugs will be dispensed as generics. These drugs are crucial, as **Kesselheim of JAMA 17** continues generics are the only form of competition that substantially decrease

drug prices while maintaining beneficial medical properties. **The GAO 16** corroborates prices have dropped 59% since 2010.

Affirming, however, reverses this trend by creating shortages.

Weschler of Pharmtech 16 writes generic supply shortages are primarily caused by manufacturing failures. Thus, increased investment in manufacturing has worked to decrease the number of shortages in recent years. Unfortunately, **Sullivan of Policy Med 18** writes price controls will reduce generic manufacturers' profit margins to 6%, leading **Gottlieb of the AEI 11** to conclude generic manufacturers will not make long term investments into production without being able to raise prices in the future to recoup costs. This is why **Dean of Emory 18** quantifies price controls reduced the market share of generics by 14.5% empirically.

This impact is death.

Nix of Heritage 11 explains when the US imposed price controls on medicare, generic suppliers left the market leaving half a million patients without treatment.

Our Third Contention Is Developing Nations

Currently, high profit margins in America enable philanthropic actions of big pharma in the developing world. **Lamattina of Forbes 15** writes large firms are currently developing treatments for diseases unlikely to make a profit specifically for developing states. The **AMF** concludes research on diseases for these nations has doubled in the last decade.

Sachs of the Guardian 12 contextualizes this, writing expanded funding has allowed for progress against AIDs and Malaria, as well as a complete eradication of polio in these countries. This progress, however, is primarily funded by US prices as **Felice of Harvard 18** confirms 80% of corporate pharma profits come from domestic price increases.

Unfortunately, **Sood of USC** finds price controls would decrease revenues of US pharma companies by 26%, implying two devastating ramifications.

The first is hiking prices.

Currently, **Mankad of the Guardian 16** writes high American prices allows companies to sell drugs at lower costs in the developing world. **Comanor of Health Affairs 11** quantifies these countries pay less than 27% of the US cost for drugs. These discounts are essential as **Gremlin of the IJB 01** quantifies they've increased global access to drugs 7 fold. Unfortunately, affirming jeopardizes access as **Mello of Stanford 18** writes lost revenue under price controls would force companies to compensate by raising prices in the developing world. This would be disastrous as **Gremlin** confirms if companies raise prices to break even, global access to drugs will decrease by 23 percent.

The second is decreased research.

Drops in research and development will, uniquely harm developing countries as **Forbes** specifies research on these neglected diseases will be cut first since it yields low profits. As a result, **Finklestein of MIT 05** concludes every 1% decrease in drug companies' revenue lowers the number of marketed vaccines in these countries by 3%. Ctricially, without pharma funded vaccines, **Berezow of the ACSH**[16] concludes 1.5 million people will die annually from measles alone.