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Press Release - Muskie Plan to Cut Prescription Prices

Edmund S. Muskie

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MUSKIE PLAN TO CUT PRESCRIPTION PRICES

Senator Edmund S. Muskie, continuing to hammer away for reform against high taxes and high prices, today proposed action to cut the price of prescription drugs.

"Drug companies price their products up to 20 times of their actual cost," the Democratic presidential candidate said in campaign speeches in Florida.

He described "skyrocketing drug prices" as a "national disgrace," and he proposed that Congress strip pharmaceutical companies of their present 17-year patent monopoly on basic prescription drugs.

Specifically, he called for the reduction of the patent period to three years.

"This," he said, "would significantly reduce the price of at least 80 percent of all prescription drugs."

That is the percentage of drugs monopolized by 17-year patents. Reducing the period to three year-, the Senator stressed, would "re-introduce competition into the prescription drug market. Anytime a drug company overcharged for a certain drug, a competitor could come in and undersell him, thereby driving the prices of drugs down to a more reasonable level."

His proposal would require drug manufacturers, after the three year period, to issue licenses to any other qualified company in exchange for a reasonable royalty.

The three year period, plus the royalty, the Senator said, would cover the original manufacturer's investment and research costs. He pointed out the price of penicillin dropped 99.8 percent when it became competitive. Big business, the Senator insisted, should "not make big profits off the illnesses of our citizens."

Additionally, he pounded on the need for tax reform, re-emphasizing his National Fair Share Program that, among other measures, would close \$14 billion in federal tax loopholes.

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