Drug Price Competition and Patent Term Restoration Act of 1984

Remarks on Signing S. 1538 Into Law. September 24, 1984

Well, please sit down. Thank you all. I don't know why it is on some of these hot rallies out in the countryside the chairs are black instead of white, and they get very warm when you stand too long.

Members of the Congress who are here and distinguished guests and ladies and gentlemen, welcome to the Rose Garden. I know we've all had a busy day, but I'm happy we were able to arrange this ceremony.

I don't know whether you're aware or not, but I just returned from New York—literally minutes ago—where I addressed the United Nations on what the United States has been attempting to do—[*applause*]—well, thank you very much—what I was trying to do to help move the world closer to an era of lasting peace and freedom and human dignity. I'm certain you share my hope that the initiatives that were presented to the General Assembly will lead to a new beginning in the search for a safe and a proud future.

But now let me turn my attention to the real reason we're here this afternoon, signing into law the Drug Price Competition and Patent Term Restoration Act of 1984. And before I say anything else, I want to thank Senator Orrin Hatch, who sponsored this important legislation in the Senate, and Congressman Henry Waxman, who was the chief sponsor in the House. The legislation will speed up the process of Federal approval of inexpensive generic versions of many brand name drugs, make the generic versions more widely available to consumers, and grant pharmaceutical firms added incentives to develop new drugs.

Everyone wins, particularly our elderly Americans. Senior citizens require more medication than any other segment of our society. I speak with some authority on that. [*Laughter*] They use about 25 percent—*we* use about 25 percent of all the drugs sold. [*Laughter*] With this bill, elderly Americans will have access to safe and effective drugs at the lowest possible cost. Fact is, it's estimated that consumers will save more than a billion dollars over the next 10 years.

The bill will promote medical breakthroughs and drug innovation by granting drug companies up to 5 more years of patent protection for new drugs. And this extension will help compensate for the years of patent life lost due to the time-consuming, but essential, testing required by the Food and Drug Administration.

And I might add that the American people will benefit, because the Federal Government, the largest single consumer of drugs, will be able to purchase generic drugs at significantly lower cost. In 1983 alone, the Federal Government spent an estimated $2.4 billion for drugs through the medicaid program and in veterans and military hospitals. And we're all for lowering government costs.

There's also a textile provision in the legislation which requires that clothing sold in the United States be conspicuously labeled to show country of origin and that mail-order and other catalogs indicate whether clothing was made in the U.S.A. or imported.

So, when you add it all up, this bill will provide regulatory relief, increased competition, economy in government, and best of all, the American people will save money, and yet receive the best medicine that pharmaceutical science can provide.

And now, on this warm day I think it's high time that I get over and sign the proclamation. I did just get off the helicopter—I'm signing the proclamation at 5 o'clock. I'm signing a bill. [*Laughter*]

[*The President signed the bill.*]

Thank you all for being here.

Note: The President spoke at 3:30 p.m. at the signing ceremony in the Rose Garden at the White House.

As enacted, S. 1538 is Public Law 98–417, approved September 24.