I do hope you can do something to help us seniors.

When she writes, ''No way can I afford to pay for my medicine,'' that essentially sums it up.

We can talk about people buying prescription drugs over the Internet; we can talk about the patent issue, both involving substantial sums of money. Whatever that person needs in Grants Pass—and the letter goes on to say she has no insurance coverage for her medicine—seniors need legislation that actually provides coverage through the insurance system to help pay for prescription drugs.

Another letter comes from Medford, OR. We can see the stack of bills going to a pharmacy in Medford, Southern Oregon Health Trust Pharmacy. This individual has spent $1,664 recently on prescription drugs in Medicare. She is sending bills to our office. Unfortunately, she doesn't get any help through the various insurance coverages she has. This is representative of what we have been hearing. She also goes on to point out that this large stack of bills she sent me does not even include some of the over-the-counter drugs she is taking such as ibuprofen.

These cases illustrate very well why our country cannot afford not to cover prescription medicine. All of these articles, including Time magazine, are always questioning whether the Nation can afford to cover prescription medicine. I have contended for some time now we cannot afford not to cover prescription medicine. These bills I have been reading from on the floor of the Senate show seniors can't afford drugs that help to lower cholesterol, help to lower their blood pressure. These are drugs that help older people to stay well.

Prescription drug coverage for seniors has been a priority ever since my days with the Gray Panthers before I was elected to Congress. Frankly, it is much more important today than ever because these drugs that so many seniors write that they cannot afford today help seniors to stay well. The variety of anticoagulant drugs that help to prevent strokes, as I have commented on the floor of the Senate in the past, might cost $1,000 a year for an older person to buy them to stay healthy. Compare that to the costs incurred if a senior suffers a stroke. If a senior cannot get an anticoagulant drug to help stay healthy and avoid a stroke, that senior might incur expenses of more than $100,000.

The question for the Senate is, Are we going to help frail and vulnerable seniors with prescription drug coverage that will cost just a fraction of the expenses that will be incurred through Medicare Part A, the hospital portion, and Medicare Part B, the outpatient portion, if the senior cannot get help and ends up getting sick and, very often, incurring extraordinary expenses?

The third letter I read comes from a woman in O'Brien, OR. She has spent more than $2,000 through November of 1999 on her prescription drugs, and just in recent days she has taken on a job in hopes she will be able to pay for her prescriptions. She is 78 years old. At present, she has her Social Security and Medicare. She now has taken on a small job in hopes she will have the funds to pay for her prescription medicine. She writes that she hopes the Snowe-Wyden legislation becomes law.

Other colleagues have different approaches. We appreciate that. What is important is we move forward together. Let's show the authors of all these recent articles in Time magazine, in the New York Times, and various other publications that are skeptical about whether the Congress can tackle a big issue such as this; let's prove them wrong. Let's show, in spite of a fairly polarized political climate in America today, when there is an important program, this Congress can come together.

I will keep coming to the floor and urging seniors to send in copies of their prescription drug bills. The poster lays it out: Send their bills to their Senator in Washington, DC. The Snowe-Wyden legislation, SPICE, for the Senior Prescription Insurance Coverage Equity Act, is a bill that, on a bipartisan basis, can be supported in the Senate. If other colleagues have different ideas, let's get them out on the table. Let's come up with a marketplace approach to holding down the costs of medicine.

These bills show access to coverage is very key, but holding down the costs of medicine is very key as well. There is a right way and a wrong way to hold down those costs. The right way is to use a model such as the health care system for Members of Congress. That is what is behind the Snowe-Wyden legislation that provides choice, competition, and marketplace forces for holding down medicine.

There is a wrong way—the various approaches that call for price controls. The real danger behind price controls is that the costs for anybody who is not in the price control group will be shifted on to other Americans who are having difficulty paying for medicines as well. It would not be a particularly useful thing for the Senate to come up with a price control regime for folks on Medicare and then have the costs shifted over to a divorced woman who is 27 years old with two children who is working her head off to try to help her family and help them pay for expenses and then her bills would go up because costs would be shifted to her.

I intend to keep coming back to the floor of the Senate and reading from these bills. Today I have read accounts from Medford, from Grants Pass, and from O'Brien. Seniors cannot afford today to cover prescription drugs.

When public opinion polls are taken, coverage of prescription drugs for older people is now one of the top two or three concerns in America—not just for seniors but for all Americans; certainly for the sandwich generation. Perhaps a young couple in their forties who have to try to provide some assistance to a parent who could not afford prescription medicine is following this issue. It is not just a seniors' issue; it is an issue for families; it is an issue for the quality of life of our country.

The Snowe-Wyden legislation is a bipartisan bill where more than 50 Senators have already indicated they will support the funding mechanism in prescription drug coverage as one way to proceed.

I am sure our colleagues have other ways to go. But what is important is to show the skeptics across this country who are writing in magazines and saying in news reports that nothing can be done that we can come together on a bipartisan basis and provide real relief for the Nation's older people.

I hope seniors will, as this poster indicates, continue to send copies of their prescription drug bills to us in the Senate, each of us in Washington, DC, because I intend to keep coming back to this floor again and again until we can secure passage of this legislation.

I do not want to see the attention of the Senate diverted to questions of the role of the Internet and patents and the variety of matters because, while they are important, they do not go to the heart of what is needed in this country. What is needed in America for the millions of seniors who are spending half of their income on prescription drugs—and that is what I have been describing on the floor of the Senate—is insurance coverage. They need coverage which will pick up that part of their insurance bill that goes for prescription drugs. That is what the Snowe-Wyden legislation does on a bipartisan basis.

We are going to keep coming back to the floor of this body to talk about the need for prescription drug coverage for the elderly. There are bipartisan proposals to do it.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. LEAHY. Mr. President, what is the parliamentary situation?

The PRESIDING OFFICER. The Senate is conducting morning business until 2 o'clock.

Mr. LEAHY. I thank the distinguished Presiding Officer.

The PRESIDING OFFICER. The minority controls 5 more minutes.

Mr. LEAHY. Mr. President, I ask unanimous consent I be allowed to continue for not over 10 minutes in defense of the distinguished majority leader following an editorial in one of our papers today.

The PRESIDING OFFICER. Without objection, it is so ordered.

RESPONDING TO CRITICS OF THE NORTHEAST DAIRY COMPACT

Mr. LEAHY. Mr. President, I read an editorial this morning in the Wall Street Journal that made incorrect

statements about both the distinguished majority leader, Senator LOTT, and the Northeast Dairy Compact. In fact, the editorial was totally, factually wrong. If the editorial writers would have checked their facts, they would have known that.

Basically, the writers used arguments of opponents of the Northeast Dairy Compact, and they used those arguments without any determination of whether they are accurate or not. This time they used the arguments to go after the distinguished majority leader and others who supported the compact. They have used the so-called facts other times, but, again, they have always used them in the same wrong arguments.

I have referred many times to the major GAO study that was issued on milk prices. I have referred to the detailed OMB study on the compact. Opponents never offer any proof for their arguments. I am fed up with the Compact being criticized as a back room deal because I remind everybody that we actually had a vote on it, albeit in the form of a cloture motion, but we had a vote on it on the floor of the Senate and a majority of Senators, Republicans and Democrats alike, voted for it. The majority voted for it this year. Now those who oppose it are using filibusters and parliamentary dodges because they know that they lost the vote.

I am fed up with opponents attacking the compact as a special interest cartel, a compact which is made up of family farms, considering the largest opponent of the compact is Philip Morris, the tobacco giant which owns Kraft. The supporters are family farmers; the opponent, Philip Morris. It does not sound as if the supporters are really a cartel.

I am fed up when opponents of the compact say milk prices are higher in New England when typically milk prices are higher in Wisconsin and Minnesota than they are in New England. The places that do not have the compact and who are attacking it the most charge their consumers more for milk on average than the area that does have the compact.

GAO did a study of this and they looked at milk prices during the first six months after the Compact was implemented. GAO found that consumers in New England were able to buy milk considerably cheaper than in Wisconsin or Minnesota. The editorial writers and opponents of the compact do not point this out. Why do they not point this out? Because it points to the success of the compact and does not support the arguments made by the cartels that are opposed to it.

Let me read some examples from the GAO report. For example: In February, 1998 the average price of a gallon of whole milk in Augusta, ME, was $2.47. The price in Milwaukee, WI, was $2.63, and in Minneapolis, MN., it was $2.94 per gallon.

Take another New England city, Boston. In February 1998, the price of a gallon of milk was $2.54 as compared to Minneapolis, where the price, on average, was $2.94 a gallon.

Or let's look at the cost of 1 percent milk for November 1997. In Augusta, ME, it was $2.37 per gallon, the same average price for Boston and New Hampshire and Rhode Island. But in Minnesota, the price was $2.82 a gallon, in other words, 45 cents more per gallon in the area that opposes the compact as compared to the much lower price in the area that has the compact.

I could go on and on and compare low New England retail prices with higher prices in cities outside of New England. I invite anybody to review this GAO report.

There is another report on the compact that was done by OMB. They issued a report which found the retail milk prices in New England, after the Compact was in place, were, on average, lower than for the rest of the Nation.

The Wall Street Journal editorial page writers have ignored both the GAO report and the OMB report. Why? These are factual and objective reports that the Journal should have reviewed.

It is clear that our compact is working perfectly by benefiting consumers, local economies, and farmers, something that is not stated in the editorial that attacked Senator LOTT.

I am especially fed up when opponents say the compact blocks interstate trade in milk when OMB reports the compact has increased the sales of milk into New England as neighboring farmers in New York, who did not have the Compact, take advantage of it. OMB reported that while the Compact was in force for the first six months, there was an 8 percent increase in milk sales into the region. Instead of blocking interstate commerce, I would say an 8-percent increase in interstate commerce is an 8-percent increase in interstate commerce.

I am fed up when opponents say the compact does not help dairy farmers stay in business, when it greatly increases their income. My best guess is dairy farmers, just as wheat, corn, or soybean farmers, when their income increases, they are more likely to stay in business. I recognize the Nation's major opponent of the compact, Kraft, owned by Philip Morris, does not want farmers to have the additional income the compact provides. But opponents of the compact should not argue it does not give farmers more income when, in fact, it does.

Opponents of the compact say farmers in Wisconsin and Minnesota are going out of business, even though this is comparing apples with oranges. Even though the compact doesn't have an effect on them, they say we should not have a compact in the Northeast. Let farmers in the Midwest set up their own compact. I would vote for a compact for them or any other reasonable proposal that helps their farmers. Do not condemn one section of the country that is doing fine and protecting their farmers when, if they wanted to, they could do exactly the same thing in their own part of the country.

I wish to mention for a minute what the compact replaces. Opponents of the compact prefer prices to be set by Federal bureaucrats. Supporters of the compact prefer pricing to be determined by consumers and local representatives, not by the Federal Government. The Governors and legislators in the six New England States had five goals in mind when they enacted the compact into law in each of their States. They wanted to assure fresh local supplies of milk to consumers at lower prices than found in most of the Nation. They wanted to keep dairy farmers in business. They wanted to protect New England's rural environment from sprawl and destructive development, and they wanted to do this without burdening Federal taxpayers.

The Northeast Interstate Dairy Compact has delivered beyond the expectations of those Governors and State legislatures. The compact provided an added benefit. It has increased interstate trade into the region as neighboring farmers have taken advantage of the compact.

This great idea, coming from those six New England States, has created a successful and enduring partnership between dairy farmers and consumers throughout New England.

Thanks to the Northeast Compact, the number of farmers going out of business has declined throughout New England for the first time in many years.

It is unfortunate that some still favor Federal bureaucrats running this farm program. We ought to instead be blessing this compact. Here is something not run by the Federal Government, not costing the taxpayers anything, but being done by the people who are affected by it. Indeed, half the Governors of the Nation, half the State legislatures in the Nation, asked that the Congress allow their States to set their own dairy policy through interstate compacts that cost taxpayers nothing. It costs taxpayers nothing. Let me say it again: It costs taxpayers nothing. Why do people oppose a program that is not costing taxpayers anything and affects just the people in the region who want it?

This dairy compact passed with overwhelming support in almost all these States—Republicans and Democrats in the legislatures; Republican and Democratic Governors. Major environmental groups have endorsed the Northeast Dairy Compact. A New York Times and National Geographic article discussed the importance of keeping dairy farmers in business from an environmental standpoint.

Consumer prices are lower, farm income is higher, and no increased costs to taxpayers. One wonders, why does anybody oppose it?

One asks, why is it opposed? The answer is simple: Huge milk manufacturers, such as Suiza, headquartered in

Texas, Kraft, which is owned by the tobacco giant Philip Morris, and other processors represented by the International Dairy Foods Association oppose the compact because they want to keep the money themselves. They do not want the farmers to have any of these profits.

Even the most junior investigative reporter could figure out the answer. All anyone has to do is look up the donations made by these and other giant processors. All the negative news stories about the compact have their genesis in the efforts of these giant processors and their front organizations.

I say this again on the floor, just so people understand, because it was an unfair editorial in singling out the distinguished majority leader of the Senate using facts which bear scrutiny. Indeed, one of the corporation front organizations, Public Voice for Food and Health Policy, apparently could not continue to exist when it was obvious that their policies were determined by corporate dollars rather than good policy. They had to close up shop when they lost their conscience.

I have detailed the close alliances between their lead executive who handled compact issues for them and the job he negotiated to represent the huge processors a couple of times on the Senate floor.

I will give the press another lead on the next public interest group whose funding should be investigated—the Consumer Federation of America. Indeed, one of their officers—formerly from Public Voice—is being taken around Capitol Hill offices by lobbyists representing processors. A glance at who funds their functions and efforts will be as instruction as investigations of Public Voice.

Why should Philip Morris or Kraft want to use these organizations instead of directly going to the editorial boards of the New York Times or the Washington Post to badmouth the compact? The question does not need me to provide the answer.

What would be the best attack—whether true or not—on the Compact that might swing public opinion?

It might be to simply allege that milk prices are higher for children in the school lunch program. Who would the editorial boards more likely listen to regarding school children: a public interest group or a tobacco company?

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. GREGG. Mr. President, are we in morning business?

The PRESIDING OFFICER. We are.

INTERNET TAX MORATORIUM

Mr. GREGG. Mr. President, today marks the 1-year anniversary of the Internet tax moratorium and the setting up of a commission to look into the manner in which we tax the Internet. This moratorium was to last for 3 years, and the commission was to meet and begin the process of trying to determine how best to deal with the variety of proposals to place taxes on the use of the Internet, products which are sold over the Internet, and services which are supplied over the Internet.

Obviously, the Internet represents a watershed mark possibly in history as to economic activity. It is a period in which we have seen the Internet become an economic engine of immense proportions for our Nation and for the world. The Wall Street Journal reported on October 18 that electronic commerce not only positively affects economic activity but has had a very positive impact on reducing the rate of inflation.

Products sold over the Internet are actually forcing down prices as competition occurs and products, such as prescription drugs, have been found on the Internet to be 28-percent cheaper and apparel 38-percent cheaper. The overall index found that products generally were about 13-percent cheaper on the Internet. The Internet has not only been a wonderful economic engine; it also has been a force for maintaining and controlling inflation during this period of dramatic prosperity.

Of course, the Internet is growing at an incredible rate. Over the last 12 months, Internet economic growth has been about 68 percent, which is a huge rate of growth compared to a national economic rate of growth which is somewhere in the 3- to 4-percent range, if we are lucky. The role of the Internet in our society is immense today and is getting even more significant.

The question is, How do we deal with it in the context of taxes? There is a large number of communities and a number of States in this country that wish to assess on Internet transactions their local sales tax activity, much the same as they attempt to assess catalog sales. There are something like 30,000 jurisdictions which could assess taxes on the Internet.

The effect, of course, of having this diffuse and extraordinarily large group of taxing authorities—50 States and 30,000 subjurisdictions of those States—with a potential of taxing the Internet at various rates could, quite simply, grind to a halt this wonderful engine of economic activity and prosperity into which our Nation has gone.

Literally, if we allow the Internet to be subject to this variety of taxes and this variety of tax authorities, and the imagination and creativity we always see from various Government entities when it comes to taxing, literally we could end up stopping the Internet as an effective force for economic expansion and prosperity.

Furthermore, the concept of taxing the Internet, which is clearly a national and really a global instrument of commerce, appears, to me at least, to fly in the face of our Constitution. The commerce clause of our Constitution is pretty specific. Section 8, clause 3, of the Constitution reads:

> The Congress shall have Power . . . To regulate Commerce with foreign Nations, and among the several States, and with the Indian Tribes.

There can be nothing that is a form of commerce more among the several States than the Internet as it presently is expanding, growing, and becoming a force for economic activity.

Thus, the taxing of the Internet by all these different entities would clearly, in my opinion, raise serious constitutional problems. In fact, the Supreme Court addressed this issue when it came to catalog sales in the Quill case, where the Supreme Court essentially ruled that States, unless they have a nexus relationship with the seller of the assets, do not have traditionally the ability to tax that transaction.

Secondly, Congress needs to look at the issue of taxation because of the extraordinary, as I have mentioned, chilling effect it would have on commerce generally. We, as a nation, as the creators and inventors of the Internet and, therefore, controllers not only of the initial and expanding technology, but also of the language which dominates the Internet, have put ourselves essentially as a nation on a rocket sled of economic activity. We have expanded and accelerated at an extraordinary speed past the rest of the world towards economic prosperity.

I recall, rather vividly, in the late 1980s when the ''woe is me'' crowd was saying that Japan was going to overtake the United States in all functions of economic activity, and that our economic model for prosperity simply could not compete with the Japanese economic model of prosperity, which was intimidating and which remains significant.

But the fact is that it did not work out that way. It did not work out that way because America's strength is our entrepreneurship and our inventiveness. We took that entrepreneurship and inventiveness and we created this massive new vehicle for economic activity called the Internet. Thus, instead of being overwhelmed by our friends and neighbors and allies in the industrial world, we have, instead, exploded past them in the ability to produce prosperity and economic activity, in large part because of the Internet and the offspring of technology which it has created.

So we do not want to do anything which jeopardizes the unique and special international lead that we have in this area. Yet allowing thousands of different jurisdictions to tax the Internet would do exactly that. It would jeopardize that lead and undermine and, as I said, possibly bring to a complete halt the use of the Internet as an element of commerce.

The third thing we must be sensitive to in this area of the Internet is the international implications beyond the questions of trade. It has been suggested by people at the U.N. that the U.N. should start to fund itself by putting in place a tax on e-commerce and e-mail. At first it was an outrageous suggestion, but it is the type of suggestion you get at the U.N. from people