

do all that we can to preserve our maritime legacy for future generations, and the FMC plays a key role in the commercial component of this legacy.

Mr. President, I would also like to recognize Senator MCCAIN, Chairman of the Commerce Committee, for his leadership, and for making it possible to move the nominations of both Governor Brennan and Anthony Merck prior to adjournment. I am grateful to Senator MCCAIN and to Majority Leader LOTT for their efforts to move this nomination expeditiously—and to my colleagues for their support.

Finally, I would like to offer my heartfelt congratulations to Governor Brennan. I am very pleased that the President recognized that he would make a valuable contribution to the FMC. As senior Senator from Maine and a member of the Commerce Committee, I look forward to working with Governor Brennan on maritime issues in the years to come.

Mr. President, once again, I would like to thank Chairman MCCAIN Majority Leader LOTT, and my colleagues, and I yield the floor.

THE RISING COST OF PRESCRIPTION DRUGS

Mr. JOHNSON. Mr. President, I want to address an issue of critical importance to millions and millions of Americans, an issue I have come to the floor previously to discuss and an issue that has become one of my highest legislative priorities, the lack of affordable prescription drugs.

Today, nearly thirty five percent of Medicare beneficiaries, 14 million people, have absolutely no coverage for prescription drugs. Unfortunately, these are also the same individuals who consume the majority of prescription drugs in our country. Studies indicate that eighty percent of retirees take at least one prescription drug every day and those over the age of sixty-five take on average, eighteen and a half prescription drugs per year.

Older Americans spend a tremendous amount of money out of pocket on their health care expenses. It is estimated that seniors spend an average of fourteen percent on hospital admission costs, thirty one percent on physician visits, thirty four percent on prescription drugs and twenty one percent on other health care related expenses. Prescription drugs have become the number one health care expense for senior citizens in our country.

I came to the floor a few weeks ago to talk about this very same issue, but I am addressing this issue again because I believe this matter is too critical for Congress to ignore. It appears as though Congress will not reach an agreement before we adjourn for the year, or even have a meaningful discussion, on how we will provide relief to the millions of needy seniors throughout our country and my state of South Dakota who struggle every day to pay for their medications.

While prices for the prescription drugs most often used by older Americans are skyrocketing far beyond inflation, recently the pharmaceutical industry reveled in record breaking stock prices and an announcement of a proposed multi-billion dollar merger between Warner Lambert and American Home Products. This proposed deal would form the biggest merger in the history of the drug industry and create the largest drug maker in the world. The transaction between Warner Lambert and American Home Products is worth nearly seventy three billion dollars, billions more than the federal government spends on most of their thirteen individual appropriation bills.

News of this proposed merger, prompted another drug industry giant, Pfizer, Inc. to announce a counter offer to buy Warner Lambert at a cost of eighty two and a half billion dollars.

On the heels of the pharmaceutical industry's financial exploits, "Families USA: The Voice for Health Care Consumers" recently released a report indicating that more than two thirds of the fifty most commonly prescribed drugs for seniors increased in price nearly two to three times faster than the rate of inflation. Last year, wholesale prices for fifty prescriptions commonly filled by the elderly rose by six and a half percent even though the overall inflation rate that year was just one and a half percent.

For example, the drug Lorazepam, used to treat Parkinson's disease, increased three hundred and eighty five percent over the last five years. The report also found that while the median profit for all Fortune five hundred companies was four and a half percent, manufacturers of drugs most commonly prescribed to seniors relished in profits at or above twenty percent in 1998.

The findings in the Families USA study reflect similar results that I found in a study that I had requested from the House Government Reform Committee on drug prices paid by South Dakota seniors.

The South Dakota study found that South Dakota's elderly pay more than twice as much for their prescription drugs as does a pharmaceutical company's favored customers, such as HMO's, large insurance companies or the federal government. The study found that price differentials are as high as one thousand four hundred and sixty nine percent for some drugs.

For the last several months, I have been holding meetings in communities across South Dakota on the subject of prescription drug prices. The response from seniors and young people alike on this issue has been overwhelming to say the least.

I have received nearly five thousand postcards and hundreds more letters in response to my request for South Dakotans to contact me with their opinions on this issue. I have asked South Dakotans to become a Citizen Cosponsor of the prescription drug legislation

that I introduced with Senator KENNEDY, called the Prescription Drug Fairness For Seniors Act". Our bill would allow Medicare beneficiaries access to the same low prescription drug prices that the drug companies offer their "favored" customers, such as HMO's, large insurance companies and the federal government. This bill ends the price discrimination that now exists against the segment of the society who rely on prescription drugs the most, older Americans. South Dakotans have told me that they support this effort to make prescription drugs affordable.

Mr. President, we are forcing our senior citizens to make the unimaginable choice between "heating and eating" or buying their medication. This is a choice that no human being should have to make.

With the proposed drug industry merger between Warner Lambert and American Home Products, and the recently released Families USA study, today highlights two more examples which reinforces my belief that we need legislation to help lower the high cost of prescription drugs for American consumers.

A seventy three billion dollar drug industry merger has the potential to decrease any competition that still exists in the industry. Stock prices for the pharmaceutical industry are at an all time high which adds to their record profits. The losers for all of this are the American consumers who are forced to pay increasingly higher prices for prescription drugs.

By joining forces, these two drug companies expect a total cost savings of over one billion dollars over three years by spreading the cost of developing new drugs, while increasing the sales force needed to market old and new products. If this merger deal goes through, I wonder if the drug companies would be willing to pass along any of their one billion dollar savings to the thousands of seniors that I have heard from across South Dakota who cannot afford their monthly medication bills?

I ask that a summary of the Families USA study be inserted into the RECORD following my statement.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

HARD TO SWALLOW: RISING DRUG PRICES FOR AMERICA'S SENIORS INTRODUCTION

For older Americans, the affordability of prescription drugs has long been a pressing concern. Outpatient prescription drug coverage is one of the last major benefits still excluded from Medicare, and the elderly are the last major insured consumer group without access to prescription drugs as a standard benefit. Although many Medicare beneficiaries have access to supplemental prescription drug coverage, too often that coverage is very expensive and very limited in scope. What is more, such coverage is on the decline. As a result, older Americans—who are by far the greatest consumers of prescription drugs—pay a larger share of drug

costs out of their own pockets than do those who are under 65. This means the prices of prescription drugs have a greater impact on older Americans than on younger persons.

Four years ago, Families USA found that the prices of prescription drugs commonly used by older Americans were rising faster than the rate of inflation. To determine if this trend of steadily increasing prices for prescription drugs has improved, remained the same, or worsened, Families USA gathered information on the prices of the prescription drugs most heavily used by older Americans over the past five years. Using data from the Pennsylvania Pharmaceutical Assistance Contract for the Elderly (PACE) program, we analyzed the prices of the 50 top-selling prescription drugs most heavily used by older persons.

Our analysis shows that, in each of the past five years, the prices of the 50 prescription drugs most used by older Americans have increased considerably faster than inflation. While senior citizens generally live on fixed incomes that are adjusted to keep up with the rate of inflation, the cost of the prescription drugs they purchase most frequently has risen at approximately two times the rate of inflation over the past five years and more than four times the rate of inflation in the last year.

FINDINGS

The prices of the 50 prescription drugs most frequently used by the elderly rose by more than four times the rate of inflation during calendar year 1998. (The data on average drug price increases used in this report weight drug price increases by sales. This means that the average drug price increases reported take into account the market share of each of the 50 top-selling drugs. This is the methodology often used by industry sources.) On average, the prices of these top 50 drugs increased by 6.6 percent from January 1998 to January 1999, though the general rate of inflation in that period was 1.6 percent.

From January 1998 to January 1999, of the 50 drugs most commonly used by the elderly:

More than two-thirds of these drugs (36 out of 50) rose two or more times faster than the rate of inflation.

Nearly half of these drugs (23 out of 50) rose at more than three times the rate of inflation.

Over one-third of these drugs (17 out of 50) rose at more than four times the rate of inflation.

Among the 50 drugs most frequently used by seniors, the following drugs rose more significantly in price from January 1998 to January 1999:

Lorazepam (manufactured by Mylan and used to treat conditions such as anxiety, convulsions, and Parkinson's), which rose by over 279.4 percent (more than 179 times the rate of inflation);

Furosemide (a diuretic manufactured by Watson that is used to treat conditions such as hypertension and congestive heart failure), which rose by 106.6 percent (more than 68 times the rate of inflation);

Lanoxin (manufactured by Glaxo Wellcome and used to treat congestive heart failure), which rose by 15.4 percent (almost 10 times the rate of inflation);

Xalatan (manufactured by Pharmacia & Upjohn and used to treat glaucoma), which rose by 14.5 percent (more than nine times the rate of inflation); and

Atrovent (manufactured by Boehringer Ingelheim and used as a respiratory agent in the treatment of asthma, bronchitis, and emphysema), which rose by 14.1 percent (more than nine times the rate of inflation.)

Over the five years from January 1994 to January 1999, the prices of the 50 prescrip-

tion drugs most frequently used by older Americans rose twice as fast as the rate of inflation. On average, the prices of these drugs rose by 25.2 percent—twice the rate of inflation, which was 12.8 percent over that period.

Of the 50 drugs most frequently used by older Americans, 39 have been on the market for the five-year period from January 1994 to January 1999.

The prices of 36 of those 39 drugs increased faster than the rate of inflation over the five-year period.

More than two-thirds of those drugs (28 out of 39) rose at least 1.5 times as fast as the rate of inflation over the five-year period.

Nearly half of those drugs (19 out of 39) rose at more than two times the rate of inflation over the five-year period.

More than one-fourth of those drugs (10 out of 39) rose at least three times the rate of inflation over the five-year period.

Of the 39 drugs that were used most frequently by seniors and that were on the market for the period from January 1994 to January 1999, the drugs that rose most significantly in price are:

Lorazepam, which rose by over 385 percent (more than 30 times the rate of inflation);

Imdur (manufactured by Schering and used to treat angina), which rose by 111 percent (almost nine times the rate of inflation);

Furosemide, which rose by 107 percent (more than eight times the rate of inflation); Lanoxin, which rose by 88 percent (almost seven times the rate of inflation); and

Klor-Con 10 (manufactured by Upsher-Smith and used as a potassium replacement), which rose by 84 percent (more than six times the rate of inflation).

Of the 39 drugs that were used most frequently by seniors and that were on the market for the period from January 1994 to January 1999, 31 increased in price on at least five occasions during those five years. During those years, the following drugs increased in price at least seven times:

Imdur, which increased 10 times;

Premarin (manufactured by Wyeth-Ayerst and used as an estrogen replacement), which increased eight times;

Atrovent, which increased eight times;

Pravachol (manufactured by Bristol-Myers Squibb and used to reduce cholesterol), which increased seven times;

Synthroid (manufactured by Knoll and used as a synthetic thyroid agent), which increased seven times; and

K-Dur 20 (manufactured by Schering and used as a potassium replacement), which increased seven times.

During the last two years, there has been an acceleration in price increases of the drugs most commonly used by seniors. From 1995 to 1996 to 1997, those drug prices rose 1.3 and 1.2 times faster, respectively, than the rate of inflation. From 1997 to 1998 and 1998 to 1999, those drug prices rose 1.7 and 4.2 times faster, respectively, than the rate of inflation.

The median net profit for manufacturers of the 50 most prescribed drugs for senior citizens was 20.0 percent in 1998—4.5 times larger than the median net profit of 4.4 percent for all Fortune 500 companies.

AMERICA'S ROLE IN THE 21ST CENTURY

Mr. COVERDELL. Mr. President, I rise to day to draw your attention to an informative and thought-provoking foreign policy lecture that our colleague and good friend, MIKE DEWINE, recently gave in Oxford, Ohio, at his alma mater—Miami University. His ad-

dress was a part of Miami University's distinguished Hammond Lecture Series, which first began nearly 38 years ago in January 1962. Our esteemed former colleague from Arizona, Barry Goldwater, presented the first lecture in the Series, which, incidentally, Senator DEWINE attended during his first visit to the Miami campus.

I draw your attention to Senator DEWINE's address because it focuses on a fundamental question that the American people, the President, and we here in Congress must consider. That question is this: "What role will the United States play in the world, as we enter the 21st Century? In posing this critical question, Senator DEWINE discusses several of the challenges and concerns that our country faces in forming a foreign policy doctrine for the future. I encourage you to take some time to read this reasoned, well-grounded piece, and consider the questions it raises.

Mr. President, I ask unanimous consent that a copy of the 1999 Hammond Lecture, given by Senator MIKE DEWINE, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD as follows:

"AMERICA'S ROLE IN THE WORLD IN THE 21ST CENTURY

Dr. Shriver, thank you very much. It is always a daunting task to follow Dr. Shriver. And, for that kind introduction, I thank you. President Garland and members of the Hammond Lecture Series Committee—thank you for inviting me to be with all of you here tonight.

Dr. Shriver, my wife Fran, and I started at Miami University on the same day. Dr. Shriver started as President in the Fall of 1965, and Fran and I started as freshmen that same day. We all entered Miami together—Dr. Shriver just stayed here a little longer!

Fran and I did spend four very productive years here at Miami. We left with two degrees and two children—two children, by the way, who graduated from Miami and have married Miami graduates. Of our eight children, three—so far—also have graduated from Miami.

I am particularly honored to be giving the Dr. W.A. Hammond Lecture this year. As Dr. Shriver said, Dr. Hammond lived in our home county—in Greene County. He was a chemist, an industrialist, a community leader—a person who cared passionately about our history, about government, about politics, and about America.

His legacy is not just this lecture series. I see his legacy every time that I'm back home. I see it in the long stretch of land that lies along the Little Miami River—still undeveloped and still beautiful. That's just one of his legacies. I also see it when I go to Xenia and see the Galloway log cabin. He was instrumental in preserving it with his own efforts, his own money and his own ingenuity. So, he has left a legacy for us in our home county and a legacy for our state.

As a high school freshman, I came on the Miami University Campus to attend the first W.A. Hammond Lecture. The speaker was then United States Senator Barry Goldwater. It was January 1962. It was a rather interesting day for me, because it was actually not only the first time I saw a United States Senator, but it was also the first time I had seen this wonderful campus.

One of the things that I recall from that speech by Senator Goldwater is that I