

I will give some examples. "Clear Skies" and "Healthy Forests"—these are lines they use, but they are just about as accurate as "No Child Left Behind."

They have used all of these tactics when it comes to misleading the public. For example, on wetlands protections, last January—on a Friday, of course—the administration announced one of its most sweeping rollbacks to take away protections under the Clean Water Act for 20 million acres of wetlands. This policy created such a groundswell of opposition from hunters, anglers, environmental groups, and others that the President finally withdrew the proposed rulemaking last December. One of the things they found out is hunters, anglers, and environmentalists often include a whole lot of Republicans as well as a whole lot of Democrats, and that the environment is not just for one party. But they got such enormous objection that they withdrew it—they had to withdraw it—but they did not tell the public they were not revoking the underlying instructions to Federal agencies to follow the same policy that leaves 20 million acres of wetlands at risk.

That is why I found it so interesting that the President would start his reelection attempts to greenwash his administration's anti-environmental record by talking about wetlands. Here you have this enormous anti-environmental record. You put at risk 20 million acres of wetlands. You would think the last thing in the world they would want to do is talk about wetlands, but that is what he started with. He had some nice photo-ops walking around the salt marshes and wetlands of Maine, but when you look between the lines of his Earth Day announcement, it doesn't hold water.

While the President was touting his plan to restore 1 million acres of wetlands, he made no mention of his policy to revoke protection of 20 million acres. We will give you 1, we will take back 20. He didn't tell the folks in Maine that he proposed to cut the funding next year for one of the programs, the Wetlands Reserve Program, that was supposed to help meet his 1 million-acre target. You take back 20 million acres, you promise 1 million acres, but then you say, we won't even give you the money for the 1 million. He did not tell the folks in Maine that his administration has not fully funded this program since Congress expanded it in the last farm bill.

Yes, as he said in Maine, the President did indeed sign the farm bill to expand it. That is part of his job. But it is quite a leap for the administration to now promote that as one of their environmental accomplishments. In fact, the administration has done everything it can to shortchange the conservation programs that are so important, not only to Maine and Florida but to every other State. He not only proposed cuts to the WRP but also to other programs that might help land-

owners and farmers conserve the resources on their land.

When the President went down to Florida campaigning the next day, he also forgot to mention a few key facts, such as the fact that the Army Corps has allowed more than 3,800 acres of wetlands to be drained or filled in the Everglades. The Bush administration stood by and watched as the Army Corps signed off on development permits that are destroying the Everglades. It has also argued against Clean Water Act regulations of water being pumped from urban Broward County into the Everglades.

If you go back to the 300-plus rollbacks under this administration, it brings up even more policies that are hurting the environment in Maine and Florida and Vermont. The administration's retreat from aggressive mercury controls on powerplants has just been the most recent of these all-out environmental assaults.

It is hard to say we are family friendly when we are going to put more mercury into the air, the water, and the fish pregnant women eat, or by which the newborn children might be affected. That is not being family friendly, to say we have to support our polluting industries because they have been strong supporters of the President and it is tough about the newborn children.

The President, as any President of any party, can always get nice photo-ops. But his record on the environment is too mired on reversals and rollbacks for any greenwash to last too long. Greenwash, like whitewash, doesn't stick too long, and despite all the public relations maneuvering, the public recognizes the enormous and long-term effect of the Bush policies on our environment and on our health. When the administration is done, it will mean more pollution in the rivers and streams, more toxins in the air, and of course a lot less natural resources to pass on to the next generation.

I yield the floor.

The PRESIDING OFFICER. The Senator from South Dakota.

Mr. JOHNSON. Mr. President, I ask unanimous consent to address the body for 10 minutes as in morning business.

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

#### DRUG PRICING

Mr. JOHNSON. Mr. President, the United States remains the only developed nation that does not protect its consumers from drug price discrimination and, as a result, American consumers continue to pay the highest prices in the world for prescription drugs.

Drug spending in the United States and Canada rose by 11 percent last year to \$230 billion, which accounts for nearly half of all the worldwide sales. Among seniors, total prescription drug spending rose an estimated 44 percent between 2000 and 2002. In 2002, a Fami-

lies USA study found that for the 50 drugs most frequently used by seniors that year, prices rose 3.4 times the rate of inflation in 2002.

The House Committee on Government Reform report released last year found that seniors who lack drug coverage must pay twice as much for the five most popular drugs as purchasers in foreign countries, those prices being 131 percent higher than the United Kingdom, 112 percent higher than Canada, and 105 percent higher than France. For some drugs, U.S. seniors pay well over twice the price. For example Zocor, a cholesterol medication, costs only \$37 in France for a monthly supply, but in the United States that same drug costs \$117—over three times as much. A month's supply of Prevacid, an ulcer medication, costs only \$42 in the United Kingdom compared to \$118 in our country.

Clearly, this price discrimination must be addressed. Many, including myself, had hoped that the Medicare drug bill would be the first step in tackling the skyrocketing cost of prescription drugs. Unfortunately, the final product did very little to address these concerns. The new law expressly prohibits the Secretary of the Department of Health and Human Services from negotiating lower prices.

Again, this law not only does not correct the price differential, believe it or not, the new Medicare drug bill signed by the President last December actually prohibits the United States from negotiating lower drug prices the way every other foreign nation does. The United States remains alone.

When I traveled to South Dakota earlier this year to discuss the Medicare bill, seniors back home found this astonishing.

The new law also includes provisions that will allow the Secretary to prohibit real access to drug reimportation. Meanwhile, the cost estimates of the new prescription drug program continue to rise—to somewhere between \$500 billion and \$600 billion over 10 years.

We are in need of real solutions to this problem. It is my hope a real discussion could occur about drug pricing. What do we do about that gap and about the fact that American citizens pay twice the price or more as citizens of other nations?

There are several alternatives. We could allow drug reimportation from Canada or other countries and take advantage of their lower prices, and do so in a carefully monitored way that will secure the safety of those drugs. That would be one course. But, unfortunately, the White House and President Bush are opposed to that.

Second, we could be more direct. We could join the rest of the industrialized world and negotiate in behalf of our own citizens lower prices. That is what everybody else does. That is why France, Italy, Germany, Scandinavia, Great Britain, Mexico, Canada, and every other industrialized nation have

prices far lower than the United States. But President Bush and the administration don't want to do that either.

Do you know what their answer is? Their answer increasingly is to use our trade rules not to cut the price of drug costs for U.S. citizens but to demand that other countries raise their drug prices on their citizens. That almost boggles the mind—that the solution is not to lower the cost of drugs for U.S. citizens but to raise them for everybody else in the world. Maybe in this case it is the United States that is out of step and the rest of the world has been in step in terms of drug pricing. The rest of the world has figured it out and we haven't.

In this country, we have done an extraordinary job of guaranteeing that the pharmaceutical industry has incredible levels of profits. And, of course, this new effort to use the trade rule would further enhance the profitability of the big drug companies, but it would do little or nothing for U.S. citizens. What good does it do U.S. citizens to know that the citizens of other nations have to pay higher prices? We need to moderate those prices and get the United States in step with the rest of the industrialized world.

It is an outrageous tactic to push the U.S. Trade Representative—USTR—to try to force other countries, through trade agreements, to up the price of prescription drugs in those nations. Most recently, the Speaker of the House and some in the Republican leadership in the Senate have advocated that USTR negotiate with Australia to increase its drug prices within its Pharmaceutical Benefits Scheme, or PBS. These proposals are outrageous for several reasons.

First, our Government should not be telling other nations how to run their health care system. How would we feel if Australia asked us to develop a universal health care program and do so in a way that would cost our citizens more than was necessary? Many of my colleagues and I do not believe anybody would believe it is appropriate for another country to tell us how we should run our health care system in America. Additionally, I find it inappropriate that some in Congress and the administration find it appropriate to ask other countries to increase their drug prices, but we certainly wouldn't do the same for our citizens at their request.

Would we be willing to increase drug prices under the VA program because Australia asked us to? I doubt it. I hope not.

Some of our colleagues will say other countries need to share the burden of research and development and that in so doing we will indirectly help to reduce prices in the United States. We should be very clear. Any trade agreement proposal that would require another country to increase its prescription drug prices provides no guarantee that prices will go down for U.S. consumers.

Does anyone really believe the pharmaceutical industry, which is reaping the highest profits of any sector of the Fortune 500, wouldn't pocket these as additional profits and say, Thank you, very much? Why would they lower costs to U.S. citizens? There is no data available to indicate that our prices would go down. In my mind, if this argument is the underlying justification for promoting these types of policies, the Trade Representative and members of Congress supporting these plans and the President owe it to our trade partners and American consumers to provide them the data—the proof that American consumers would benefit from increasing drug prices for everybody else around the world.

I also think we need to be very careful when making these assumptions—the unspoken assumption here—that research and development is the cause of our higher prices in this Nation. Isn't it the reality—that the lion's share of the prices paid by American consumers is not going into R&D but is going into the pockets of the pharmaceutical industry and its stockholders rather than research and development. There are very few industries that can boast the type of sales claimed by the drug industry, which has enjoyed average annual sale increases of 15 percent in recent years.

A Public Citizen June 2003 report found that in 2002 the top 10 drug companies netted profits of \$36 billion, or more than one-half of all the profits of all the Fortune 500 companies.

While some may argue this increased spending is justified because it reduces other costs of health care spending, the overall rate of health care inflation continues to soar with no end in sight.

Beyond straight profits, the pharmaceutical industry continues to increase their spending on direct consumer advertising and lobbying. One study found that eight major American pharmaceutical companies spent more than twice as much on marketing and administrative costs as they did on R&D. For all the talk about research and development, in fact, more than twice of that is being spent on marketing and administrative costs.

The Security and Exchange Commission's 2002 financial data finds that for the fiscal year ending in December of 2002, the average profits of Pfizer, Merck, Bristol-Myers Squibb, Abbott and Wyeth was \$5.1 billion, marketing and administration were \$5.2 billion and R&D was much less at \$2.3 billion. And let's not forget the campaign spending habits of the drug industry. During the 2000 election cycle, the drug industry gave disproportionate support to President George W. Bush and seventy percent of the industry's unprecedented \$24.4 million in campaign contributions was spent on Republicans.

With all this in mind, I find it very hard to believe that American consumers are carrying the research and development burden, rather than the stockholder profit burden. And given

that drug companies spend more on TV ads, marketing and administration than they do on drug research, perhaps we should first ask why the domestic pharmaceutical industry won't spend more of its money on developing new drugs, before we start asking our trading partners to pay higher prices for drugs.

The outcome of the Australia trade agreement included requirements that the PBS program in that country provide more transparency in how decisions are made about covered drugs. The PBS system seems to me to be a very good system. Before a medicine can be subsidized by the Australian government, the Pharmaceutical Benefits Advisory Committee or PBAC must recommend that a drug be listed on the PBS. When deciding what drugs make the list, the PBAC takes into account the medical conditions for which the medicine has been approved for use, its clinical effectiveness, safety and cost-effectiveness compared to other treatments. A drug providing new benefits receives a higher price reflecting that advantage. This system rewards true innovation by the pharmaceutical industry while ensuring value for the taxpayer dollar.

This is a well thought out and scientific process and I think the U.S. should at least explore similar steps in order to reduce drug prices under the Medicare program. I also think that the clinical comparative effectiveness analyses that the PBAC conducts are something that we should be making a priority in our country. The U.S. should also establish an independent source of this type of information. Right now, one of the reasons drug costs are so high in the U.S. is because consumers, doctors and purchasers do not have access to objective, unbiased, reliable data to compare how drugs measure up to one another. This type of information would force drug companies to truly compete with one another based on the value of their products. Australia is on the right track here and we should follow suit.

With the help of Senator CONRAD, I am pleased we were able to obtain support during the Fiscal Year 2005 budget markup for a sense-of-the-Senate resolution supporting \$75 million for the Agency for Health Care Research and Quality for getting these types of studies—drug comparative effectiveness studies—that are needed to find out what the real facts are. Having such information available and accessible to physicians and their patients has the potential to reduce our nation's prescription drug expenditures, by enabling doctors to make better informed prescribing decisions. I hope that my colleagues will support funding this year for these fund, which in the long run will mean lower drug prices for all Americans.

The very notion that the response from the Bush administration is not to allow cheaper drugs into the United States and not to negotiate lower

prices for our citizens the way every other nation does but to try to demand that other countries raise the prices for their drugs indicates that the administration is out of touch and out of tune with the real needs and real priorities of American citizens. I urge my colleagues to join me in rejecting these proposals and ask that all members of this body work together to achieve real solutions to address the skyrocketing costs of prescription drugs.

I yield the floor and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DORGAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. DORGAN. Mr. President, while we are waiting for someone from our side who will manage the issue dealing with the Internet tax, I ask unanimous consent to speak in morning business for as much time as I may consume.

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

#### FISCAL POLICY

Mr. DORGAN. Mr. President, while this week we will take up the Internet tax issue, which is complicated and, in some ways, controversial—and I expect it will take some time—I wanted to mention something about fiscal policy for a moment and hope that perhaps this week, or in the intervening weeks, we may take up a couple of these issues.

As you know, we have a Federal budget deficit that will be in this fiscal year the largest in the history of this country, by far. They say now there will be over a \$530 billion Federal budget deficit in this fiscal year. I think everyone understands that saddling our children and their children with debt they must pay because this President and this Congress has decided we will spend money we don't have—we will borrow it and saddle someone else with the responsibility to pay it—is wrong-headed fiscal policy. It is bad for this country; it doesn't represent a value system that we should embrace, and, second, in the long-term it retards economic growth and crushes opportunity in the future for our children and those who follow them.

My hope is we will begin to address this issue of fiscal policy. We cannot spend more for defense—nearly \$100 billion more for defense and say, by the way, we don't have to pay for it. We cannot spend more for homeland security and say it doesn't count, we don't have to pay for that. We cannot cut taxes as we spend more for defense and homeland security and, as we spend more for health care, which costs more each year, say we will just charge all that. That is not a responsible thing to do.

But we have a Federal budget that is sent to us, which comes from the President, and then the Congress works on this budget plan that says a couple of things. We know we are going to have increases in health care spending. We know that because both Medicare and Medicaid represent entitlement programs, we know the cost of health care spending is increasing. We know the President is recommending very substantial increases in costs for defense. We know the President is recommending substantial increases in spending for homeland security. We also know the President is recommending making permanent tax cuts, which at this point are temporary.

The point is that this doesn't add up. It is a fiscal policy that doesn't add up. So how could we begin to make some sense of this? There are a couple of things that have happened in recent weeks which I think we need to address. This past weekend there was a story in the Washington Post about the issue of the \$145 billion mistake that was made in the estimate of the cost of the prescription drug plan for Medicare.

We are told now from press reports that the chief actuary who works on the Medicare Program knew long before the Congress voted on a prescription drug plan in the Medicare Program that this would not cost \$400 billion, as was provided for in the budget, but, in fact, would cost over \$140 billion more than that during the 10-year period. But he was told he would be fired if he informed Congress of this information. So the Congress acted without having information that was available in the executive branch because the chief actuary, who is not partisan—he is not part of the political system, he has been a career public servant and, by all accounts, an excellent one—was told he would lose his job if he informed the Congress of what this would cost.

I think there needs to be an investigation into who threatened this person's job, who had this information and refused to turn it over to Congress, who indicated it was inappropriate for the Congress to know this information before it voted on this legislation. I believe this Congress owes it to the American people to investigate that because how can we legislate in the future on issues of this type without having adequate information or without being able to trust the information that is coming from, in this case it was Health and Human Services and from the chief actuary of the Medicare Program?

I believe one way or another in the coming weeks, we ought to find a way to investigate that circumstance. I believe we owe that to the American people.

#### FUNDING MILITARY OPERATIONS IN IRAQ

Mr. DORGAN. Mr. President, what I want to talk about, in addition to the

prescription drug issue, is the notion that—at the end of last week it was addressed—we would probably need more money for the military with respect to the fighting that is occurring in Iraq and Afghanistan. This Congress passed a supplemental emergency bill that was nearly \$87 billion—I believe it was just under \$87 billion—some months ago. We were told that would take us through the end of this calendar year and perhaps even a bit more.

The President's budget that was sent to us contained zero money requested for the activities in Iraq and Afghanistan. The reason the President recommended there would be no funding in the regular budget for Iraq and Afghanistan is because he and the administration said they could not estimate what it would cost; therefore, they recommend zero.

We know it is not zero. We know we are spending \$5 billion a month—\$4 billion in Iraq and \$1 billion in Afghanistan. If we are spending \$5 billion a month or \$60 billion a year, it is unfathomable to me that we get a budget request from the President that says, "I recommend nothing at this point because I will later on ask for an emergency appropriations."

Late last week we heard perhaps more money will be needed than was otherwise expected and that Congress would be asked to appropriate this on an emergency basis.

It is clear to me we will do whatever is necessary to protect the safety of the troops we have sent to Iraq. There is no question but that when we ask American men and women in uniform to fight for this country and to defend this country's interest and then to send them overseas, there is no question we have an obligation to protect them and provide for their safety. If they need more equipment, if we need to spend more money to provide for their safety, this Congress, in my judgment, is going to do that.

Let me make a point about all of this. In addition to providing the supplemental emergency funding that was necessary for the Pentagon some months ago—almost 6 months ago now—we also were requested by the President to appropriate \$20.3 billion for reconstructing Iraq.

I offered an amendment in the Senate to strike that spending. It was the largest proposed spending cut for this fiscal year that was offered in the Congress. The single largest spending cut that was offered last year is one I offered on the floor of the Senate to strike the \$20.3 billion for reconstructing Iraq.

I came up short. I had over 40 votes for the amendment, but, nonetheless, it did not prevail. I want to explain why I did that and why it has relevance today.

I proposed striking that funding for a very simple reason: We did not target Iraq's infrastructure. When we decided to displace Saddam Hussein and send American troops to Iraq, we did not