

to take steps to use sensible cost containment strategies and ensure that the costs of this program are held down.

Second, I think we need to take steps to make sure that some of the mistakes of the past are avoided. CMS, the agency charged with dealing with this program, needs people with expertise to answer the questions of seniors and family members. There needs to be better information, on the net and elsewhere, that is not incomprehensible gobbledegook. Seniors are going to need information about real savings for each plan. Pie-in-the-sky projections, which is what they have gotten thus far, are not going to cut it. That is what we saw this week with respect to these cost estimates. Suffice it to say, the U.S. Congress is not satisfied.

I believe without effective cost containment and without good administration of the program, particularly as it moves into this next stage, we are going to see the bills continue to run up and we are going to see the participation of seniors continue to run down. That is a prescription for a Government program that cannot survive. I do not want to see that.

I stuck my neck out in order to get that legislation passed. I believe it can survive. Congress needs to hustle, now, to mend it, to mend it with sensible bipartisan cost containment along the lines of what is used in the private sector; mend it with changes in the way the program is administered so it goes into the second phase without some of the problems we saw connected with the drug card. I just hope, as a result of what the Congress has learned this week, that there has been a real wake-up call as to how urgent it is that Congress take these corrective steps and that Congress move quickly. I believe this program now, because of the huge new cost estimates and the problems with getting folks signed up, could well be headed for life support.

I don't want to see that. I think it would be a tragedy. I want the program that I voted for to work. That means it has to be supplemented with good cost containment and improvements in the way it is administered. I intend to work with my colleagues, particularly on the other side of the aisle—Senator SNOWE and Senator MCCAIN, who joined me in this legislation—to deal with the cost containment features, plus many colleagues on this side of the aisle who have bills of their own.

I yield the floor.

The PRESIDING OFFICER. The Senator from Florida.

Mr. NELSON of Florida. Mr. President, my comments will come, appropriately, after the distinguished Senator from Oregon, about this program that was enacted a couple of years ago, the so-called providing prescription drugs for senior citizens. There are a number of Senators here who were promised, in order to get their votes, that this program would not cost more than \$400 billion over a 10-year period.

Of course, we know now that the result of the most recent studies is that it is not \$400 billion, it is \$720 billion. How many more cost estimates will go up and up?

There is one thing we can do to this legislation, legislation that this Senator didn't vote for because I thought it was quite flawed—not only the true costs, which we were not given, but the fact that we are not allowing the principle of private enterprise to function. There is a provision in the bill that specifically prohibits the Federal Government, through Medicare, from negotiating bulk rate purchases, thus bringing the cost of the prescription drugs down.

All of our colleagues embrace the private marketplace. Free market competition is where you can get the most efficient products at the least cost.

Why wasn't that same principle of free market competition allowed to work here in the purchase of prescription drugs for Medicare recipients? It is certainly not new to the Federal Government. We have done this for almost 20 years in the Veterans' Administration—for the VA contracts for the purchase of prescription drugs in bulk and, therefore, the cost of the drugs to the Veterans' Administration is considerably less than retail price.

If it is good for the Department of Veterans Affairs, why isn't it good for the rest of the Federal Government and for Medicare to do it? But we were not allowed to because the law specifically says we are going to violate the principle of free market enterprise, and you can't negotiate the price of the prescription drugs down. It seems to me that not only violates the principle, it violates good common sense.

Now what do we do? The news has come out. No, the bill isn't going to cost what was promised, \$400 billion over 10 years; it is going to cost a minimum of \$720 billion over 10 years. We had better be minding our Ps and Qs or else we are going to continue to bankrupt this country by using faulty mathematics.

I yield the floor.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. DORGAN. Mr. President, I ask unanimous consent to speak in morning business for as much time as I consume.

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

(The remarks of Mr. DORGAN pertaining to the introduction of S. 355 are printed in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

PHARMACEUTICAL MARKET ACCESS

Mr. DORGAN. Mr. President, yesterday I and 28 of my Senate colleagues introduced legislation allowing the reimportation of FDA-approved prescription drugs from Canada and other countries. We have introduced legisla-

tion of this type before, but we have been blocked from consideration in the Senate. We do not intend to be blocked this year. We intend to get the Senate on record. We believe there are sufficient votes in the Senate to pass a bill dealing with the reimportation of prescription drugs. We very much hope we can get a bill to the President and have that legislation signed.

The 29 Senators who have reached agreement on this represent a broad bipartisan consensus in the Senate. That bipartisan group includes Senator SNOWE, Senator GRASSLEY, Senator KENNEDY, Senator MCCAIN, Senator LOTT, Senator STABENOW, and many others—a broad group of Republicans and Democrats joining together to try to put downward pressure on prescription drug prices.

Let me show two pill bottles in the Senate. These bottles held the drug called Lipitor, one of the most popular cholesterol-lowering drugs in America. Obviously, the Lipitor tablets that went into these two bottles are made by the same company. In each bottle, it is the same FDA-approved tablet, made by the same company in the same plant and put in the same pill bottle. The only difference is price. This bottle was sent to a Canadian pharmacy that paid \$1.01 per tablet; this one was sent to the United States pharmacy that paid \$1.81 per tablet.

Why are the Americans charged nearly double for the same pill, put in the same bottle, made by the same company? Because the company can and does call the shots. We do have price controls on prescription drugs in this country: it is the pharmaceutical industry that is controlling prices, and they have decided that the U.S. consumers should pay the highest prices in the world for prescription medicines.

Many of us believe that should not be the case. Miracle drugs offer no miracles to those who cannot afford them. We have so many senior citizens living on fixed incomes in this country who need prescription drugs. Senior citizens are 12 percent of this country's population. Yet they consume over one-third of all the prescription drugs in our country. That is why this issue is so important.

The reimportation legislation we have introduced is again a broad bipartisan agreement between Republicans and Democrats, one we intend to push to a vote. We believe it is finally time that we have a vote in the House and the Senate and get a bill to the President. We understand the President has not supported this. We understand the Food and Drug Administration has been very strong and assertive in saying there are safety issues with this legislation.

That, of course, is patently absurd. We have had testimony before the U.S. Congress that in Europe, for 20 years, they have done reimportation. In Europe, they call it "parallel trading," where if you are from France and want to buy a prescription drug from Germany, that is just fine. If you are from

Italy and want to buy a prescription drug from Spain, that is just fine. Parallel trading in pharmaceuticals has occurred for 20 years, and there has been no safety issue.

We had a pharmaceutical company executive named Dr. Peter Rost, the vice president of marketing for a major drug company, who said:

The biggest argument against reimportation is safety. What everyone has conveniently forgotten to tell you is that in Europe, reimportation of drugs has been in place for 20 years.

This is an executive from the drug industry itself.

He said something else that is important:

During my time responsible for a region in northern Europe, I never once—not once—heard the drug industry, regulatory agencies, the government, or anyone else saying that this practice was unsafe.

He is talking about the practice of importing drugs between countries. He goes on to say:

And personally, I think it is outright derogatory to claim that the Americans would not be able to handle reimportation of drugs, when the rest of the educated world can do this.

This is a big issue. This is not a small issue. The price of prescription drugs is on the march upward. Too many Americans cannot afford their medication. It is unfair to have the American people charged the highest prices in the world. We are talking only about importing FDA-approved drugs made in FDA-approved plants, in many cases put in identical bottles, shipped to two different locations. One location is to an American who will pay the highest price, and the other location is to other major countries around the world whose citizens are charged much lower prices.

We think that is unfair. We intend to try to put downward pressure on drug prices in this country by using trade. Let the American people benefit from this kind of trade.

Finally, if people wonder whether the price difference is just with respect to Lipitor, it is not. The unfair price discrepancy is significant for Prevacid, Zocor, Nexium, Zoloft—the list is very substantial.

For instance, Nexium is advertised a great deal on television. In the United States the price for 90 doses is \$409. The price in Canada is \$239. Or Zocor. A well-known football coach on television tells us how important Zocor is. As an American, he pays \$383 for 90 doses; a Canadian pays 46 percent less. That describes the problem we are trying to correct.

SOCIAL SECURITY

I will mention one additional item today. That is the aggressive debate that is occurring and will continue to occur on the subject of Social Security. There is an array of issues that face this country—some big, some small, some of consequence, some not—and we

tend, from time to time, to treat the serious too lightly and sometimes the light too seriously. But this issue of Social Security is a big issue.

I was reading something the other day about this from a Knight-Ridder column:

The promises of Social Security retirement is a hoax. Taxes paid by workers are wasted by the government rather than prudently invested, and the so-called reserve fund is no reserve at all because it contains nothing but government IOU's.

Was that President Bush speaking? No, no. That was the Republican presidential candidate, Alf Landon, in 1936. In 1936 that was the message by people who never liked Social Security—those who never liked Social Security and fought against it when it was created never really quit.

In 1983, the Cato Institute published a paper that served as the manifesto for turning over some of Social Security to the private sector. It recommended the following: Consistent criticism of Social Security to undermine confidence in it. That was part of the strategy. Consistently criticize Social Security to undermine confidence. Build a coalition of supporters for private accounts, including banks and other financial institutions that would benefit from private accounts.

They have done pretty well. This manifesto going back to Alf Landon, going to the Cato Institute in 1983—constantly criticize Social Security, undermine it, build a coalition of supporters, banks, and others who would benefit from it. They have done pretty well because they now have an administration that says Social Security is in crisis.

It is not, of course. Social Security is a program that has lifted tens of millions of senior citizens out of poverty over many decades.

People are living longer and better lives, so we will have to make some adjustments. It does not require major surgery.

We will have to make some adjustments in Social Security if we do not get the kind of economic growth we had in the last 75 years. If we do get the kind of growth we had in the economy in the last 75 years, Social Security is fine for the next 75 years with no adjustments needed. But if we get only 1.9 percent economic growth, as the Social Security actuaries predict, we will have to make some adjustments—but not major adjustments and not major surgery.

The President and others are using terms such as “broke,” “bankrupt,” “flat busted,” in order to demonstrate that something has to be done with Social Security. Yet he is offering nothing that would address the solvency of Social Security. Nothing. He is proposing, instead, the creation of private accounts using a portion of the Social Security money. Unfortunately, this would increase the problem in Social Security.

We need to have and will have a very aggressive debate about this issue. My feeling is that we ought to do two

things: One, we ought to preserve and protect Social Security. It is a program that has worked, and it continues to work well. It is the bedrock social insurance that the elderly rely upon when they reach retirement age. When they reach this point at which they are no longer working and have diminished income, Social Security is what they can depend on to keep them out of poverty.

Some say: Let's decide to put some of that money in the stock market. Well, I am all for private accounts, but not in the Social Security system. We have 401(k)s, IRAs, pension programs, and Keogh programs. We have done a lot to incentivize private accounts. We now provide about \$140 billion per year in tax incentives to encourage the use of these retirement accounts.

We ought to continue providing these incentives, and even increase them, but not in Social Security. Social Security is not an investment account; it is an insurance account. It has always been an insurance account.

A leading spokesperson on the far right said the following a couple of weeks ago: Social Security is the soft underbelly of the welfare state. Well, if you believe that, then I understand why you do not want Social Security, why you do not like Social Security, why you would like to take it apart. I understand that. I respect that view, even if it is dreadfully wrong. We need to respect different viewpoints. There is no reason for all of us to think the same thing all the time.

Someone once said: When everyone is thinking the same thing, no one is thinking very much. So I understand and respect people with different viewpoints. If you never liked Social Security, if you believe it is part of the welfare state as opposed to an enormously successful social insurance program that has worked for 70 years to lift the elderly out of poverty, if you really believe it is unworthy and you want to take it apart, I understand that. But I do not agree. I believe we need to fight as hard as we can to oppose those who would dismantle Social Security.

It is safe to say that none of the people I have ever heard speak against Social Security will ever need it. None of them will ever need it. Almost all of them speak from a position of financial solvency. In most cases, they have the gift of a very solid financial background. Well, good for them.

But maybe they should understand there are a lot of folks in this country who reach those declining income years and do not have very much. They worked hard and led good lives, but they end up with not very much.

Their aspiration was not to make as much money as they could; it was to serve their community. But they did not end up with very much. The same is true with a lot of people. They live a good life, do good things, help other people, but they do not end up with a lot.

A friend of mine died about 2 months ago. He was an older man. He was close