

is going to be divided the way any Senator currently thinks it should be. It is going to be done by a committee that has been doing it for many years.

Those are my two thoughts for the day. I have used about 5 minutes on each, and I talked faster than I normally do because I did not want to stay down here too long. Other Senators want to speak. I repeat: If we cannot give the American taxpayers a cut in their taxes when in the past 6½ years the tax take of America, what we have taken from the taxpayers, is up 58 percent—got it?—the tax receipts of America in the last 6 years 9 months is up 58 percent. The average check increase for American working people is up 11 percent, and the cumulative increase of Government annually over 7 years—6 years 9 months—is 22.

Who was cut short? A 58-percent tax increase, 22-percent growth in Government, 11-percent growth in the paychecks of Americans. They need some of their money back. That is what that issue is about. If not now, when? On education, wait and see. We will do better than the President. It will be hard to convince the President, and he will have something to say about it. We ought to put up a nice big board and add up the numbers when we are finished with appropriations. We will do better than he did.

I yield the floor.

The PRESIDING OFFICER. The Senator from South Dakota.

ORDER OF PROCEDURE

Mr. JOHNSON. Madam President, I ask unanimous consent to address the body in two parts: one for an initial 1 minute and the second for the remaining 15 minutes.

The PRESIDING OFFICER. Is there objection? Is the Senator requesting he have the time until 3:30?

Mr. JOHNSON. It is my understanding that 3:30 is the scheduled time to commence debate on the education resolutions; is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. JOHNSON. So I have until 3:30?

The PRESIDING OFFICER. The Senator is correct.

Mr. JOHNSON. I ask unanimous consent, then, to consume the remainder of the time available until 3:30.

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

A WISE MOVE

Mr. JOHNSON. Madam President, first I will speak in response to what I regard as the commonsense statesmanship demonstrated on the part of the President with his veto of the Republican tax bill. There is an acknowledgment that there is around \$1 trillion that could come into the Treasury over the next 10 years, over and above that required for Social Security.

It was wise on the President's part to say, first of all, we ought to be very prudent about whether that trillion dollars will actually materialize or not. It is based on assumptions that may or may not come true. If they do come true, we should prolong the life of Medicare and pay down existing debt.

Everywhere I go in South Dakota people of both political stripes tell me: Pay down the debt, keep interest rates down, make our economy grow, and if you still have dollars left, make key investments in education, in economic development, child care and health care, and then if there are some resources remaining, do give some tax relief.

The President has submitted a request for \$250 million targeted to middle-class and working families, the families that need it most. I believe that veto is a wise move. We ought to go on to a negotiated end to this budget dilemma that will be bipartisan in nature and will be much more deliberative, much more thoughtful, and much wiser about how to use \$1 trillion that may or may not materialize.

PRESCRIPTION DRUG FAIRNESS FOR SENIORS ACT OF 1999

Mr. JOHNSON. Madam President, the second issue I want to talk about this afternoon is the issue of prescription drug costs. I am going to have to edit my remarks due to time constraints more than I really prefer, but I do want to talk about the prescription drug costs we face in this Nation.

American seniors 65 or older make up only 12 percent of our population but consume, understandably, 35 percent of all prescription drugs. Studies have shown that the average senior citizen takes more than 4 prescription drugs per day and fills an average of 18 per year. Costs have skyrocketed in recent years, increasing an estimated 17 percent last year alone.

What impact has this drug price increase had on senior citizens? It has been catastrophic for all too many. A survey completed in 1993 reported that 13 percent of older Americans say they literally are choosing between buying food or their prescription drugs.

Sadly, I hear the same story everywhere I go in my home State. Thirty-five percent of the Medicare population, equivalent to 13 million people, have no prescription drug benefits of any kind under any kind of insurance plan. Seniors sometimes fail to realize that the Medicare program itself contains no prescription drug benefit.

I recently requested a South Dakota study of prescription drug prices for seniors in our State, a study that I asked the Government Reform and Oversight Committee of the other body to conduct, comparing the prices our seniors pay compared to favored customers such as HMOs, the Federal Gov-

ernment, and large insurance companies.

I ask unanimous consent that the detailed summary of the study be printed in the RECORD.

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

PRESCRIPTION DRUG PRICING IN SOUTH DAKOTA: DRUG COMPANIES PROFIT AT THE EXPENSE OF OLDER AMERICANS

(Minority Staff Report House Committee on Government Reform U.S. House of Representatives, July 31, 1999)

EXECUTIVE SUMMARY

This staff report was prepared at the request of Senator Tim Johnson of South Dakota. In South Dakota, as in many other states around the country, older Americans are increasingly concerned about the high prices that they pay for prescription drugs. Mr. Johnson requested that the minority staff of the Committee on Government Reform investigate this issue. This report is the first report to quantify the extent of prescription drug price discrimination in South Dakota and its impact on seniors.

Numerous studies have concluded that many older Americans pay high prices for prescription drugs and have a difficult time paying for the drugs they need. This study presents disturbing evidence about the cause of these high prices. The findings indicate that older Americans and others who pay for their own drugs are charged far more for their prescriptions drugs than are the drug companies' most favored customers, such as large insurance companies health maintenance organizations, and the federal government. The findings show that senior citizen in South Dakota paying for his or her own prescription drugs must pay, on average, more than twice as much for the drugs as the companies favored customers. The study found that this is an unusually large price differential—more than five times greater than the average price differential for other consumer goods.

It appears that drug companies are engaged in a form of "discriminatory" pricing that victimizes those who are least able to afford it. Large corporate, governmental, and institutional customers with market power are able to buy their drugs at discounted prices. Drug companies then raise prices for sales to seniors and others who pay for drugs themselves to compensate for these discounts to the favored customers.

Older Americans are having an increasingly difficult time affording prescription drugs. By one estimate, more than one in eight older Americans has been forced to choose between buying food and buying medicine. Preventing the pharmaceutical industry's discriminatory pricing—and thereby reducing the cost of prescription drugs for seniors and other individuals—will improve the health and financial well-being of millions of older Americans.

A. Methodology

This study investigates the pricing of the five brand name prescription drugs with the highest sales to the elderly. It estimates the differential between the price charged to the drug companies' most favored customers, such as large insurance companies, HMO's, and certain federal government purchasers, and the price charged to seniors. The results are based on a survey of retail prescription drug prices in chain and independently owned drug stores throughout South Dakota. These prices are compared to the prices paid