activities, administers passenger indemnity laws, reviews alleged or suspected violations of shipping statutes, and promulgates rules and regulations on shipping laws.

The maritime sector is vitally important to our economy, and the FMC’s responsibilities are fundamental to sustaining U.S. competitiveness in this area.

As a Senator from Maine, a state with a rich maritime heritage, I am keenly aware that our nation has always been dependent upon the sea and has thus enjoyed a rich maritime tradition. To this day, our merchant marine remains an integral part of our culture and our economy.

Today, one out of every six jobs in the United States is marine related. America’s ports support more than 95 percent of all our overseas foreign trade, and within the U.S., more than one billion tons of commercial cargo is transported by ship each year. We must 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 McCaskill, Chairman of the Commerce Committee, for his leadership, and for making it possible to move the nominations of both Governors Brennan and Anthony Merck prior to adjournment. I am grateful to Senator McCaskill 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 McCaskill, 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 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 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. This is why I have been holding meetings in communities across South Dakota on the subject of prescription drug prices. The responses 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 Kyl and Senator Durbin, 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 ‘hungering’ for South Dakota 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 73 billion 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 will be willing to pass along one 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 high-cost insured consumer group, cut out access to prescription drugs as a standard benefit. Although many Medicare beneficiaries have access to supplemental prescription drug plans, those 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 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 Americans.

Our analysis shows that, in each of the past five years, the prices of the 50 prescription drugs most frequently 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 three 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 price drug price increases used in this report refer weight drug price increases by sales. This means that the drug prices reported take into account the market share of each of the 50 top-selling drugs. This is the methodology often used by industry sources. It should be noted that the prices of these 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 twice 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 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 196.6 percent (more than 68 times the rate of inflation);
  - Loroxin (manufactured by Glaxo Wellcome and used to treat conditions (such as hypertension, 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 prescription drugs most frequently used by older Americans rose twice as fast as the rate of inflation. On average, 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 three 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 38 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);

- Loroxin, which rose by 88 percent (almost seven times the rate of inflation); and
- Klov-CoQ (manufactured by Klop-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 years, the following drugs increased in price at least seven times:
  - Loxm (manufactured by Wyeth-Ayerst and used as an estrogen replacement), which increased eight times;
  - Atrovent, which increased eight times;
  - Prescal (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 (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 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. He discussed the 21st Century? In posing this critical question, Senator DeWINE discussed 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 Hammer Lecture Series Committee—thank you.