

MAJOR REFORMS FOR AMERICA

PRESCRIPTION DRUG PRICES

Mr. DORGAN. Madam President, today a news story had the title "Leading Dem Plans to Blow Up Deal with Big PhRMA":

A Senate Democratic leader is hoping to blow up the deal reached between the White House, drug makers and Senate Finance Committee Chairman Max Baucus by introducing an amendment on the floor to allow prescription drugs to be imported from Canada . . . et cetera.

There is a picture of me. I woke up this morning not thinking I was going to try to blow up anything. So I want to respond to this.

The question is, are those of us in this Chamber—a bipartisan group of 30 ranging from myself and Senator SNOWE as the lead sponsor, Senator STABENOW, Senator MCCAIN, and so many others who want to deal with this issue of fair pricing of prescription drugs—are we trying to blow something up? The answer is no. We have been trying for a long time in this Chamber to say we ought to have fair prescription drug pricing for the American people, and presently it is not fair.

This is a pill bottle that would contain Lipitor made by Pfizer. It is made in Ireland and then sent around the world. These two bottles are identical. One is red, one is blue, but had the same pill made by the same company put in the same bottle, this one shipped to Canada, this one shipped to the United States. This was \$1.83 per tablet. That is what the Canadian consumers paid. Our consumers got to pay \$4.48 per tablet. The same pill, same company, same bottle, different price—American consumers get to pay the higher price: \$4.48 per pill compared to \$1.83. It is not just Lipitor. That is the most popular cholesterol-lowering drug, widely taken. It is not just consumers of Lipitor, it is consumers—this happens to be Canada, but in here I could put France, Germany, Spain, Italy, and so on—it is that we are charged the highest prices in the world for brand-name drugs. Plavix is 73 percent higher than Canada. Boniva is 90 percent higher than Canada. Zocor is 103 percent higher than Canada. The list goes on—157 percent higher than they pay in Canada; 194 percent. It is just not fair.

One day, I sat on a hay bale at a little farm reception with a guy in his eighties. We sat there just talking. He said: My wife has been fighting breast cancer for 3 years. He said: For 3 years, we have driven to Canada to buy Tamoxifen, where she could buy it for 80 percent less than it cost her in North Dakota. That is the only way we could afford to pay for her drug to fight her breast cancer.

I am just saying that is not fair. So a group of us have been trying for a long time to pass legislation that allows the consumer freedom, the freedom to say: If this identical drug is being sold in Winnipeg, Canada, at a fraction of the price why can't our con-

sumers in this country access that drug? Why don't they have the freedom to access that drug?

We have put out a piece of legislation that establishes much greater security for the safety of our drug supply with batch lots and pedigrees and everything that attaches to the security side, and then we say the American people can access the FDA-approved drugs in the countries that have the same chain of custody we have and that have the same kind of safety we have. Give the American people freedom. When they have that freedom to access those identical drugs at a lower price, sold at a fraction of the price in other parts of the world, then the pharmaceutical industry will be required to reprice those drugs in this country and give the American people fair pricing. That is just a fact.

I understand the White House negotiated with the pharmaceutical industry and came up with a plan by which the pharmaceutical industry over 10 years would fill part of what is called the doughnut hole. It is complicated to explain—the doughnut hole is a portion of the drug benefit in which the seniors have to pay their own drug costs. So I understand there was an agreement between the White House and the pharmaceutical industry to provide a discount to seniors in the donut hole, but nobody here was a part of that agreement.

The 30 or so of us who have been very strongly working to address this issue feel that when the health reform bill comes to the floor of the Senate, we intend to offer this amendment. If you don't deal with the increasing cost of prescription drugs when you try to put downward pressure on the cost of health care, in my judgment, you have failed. One of the fastest areas of cost increases has been prescription drugs. You are just going to leave that aside and say: Don't pay any attention to that; it doesn't matter. You can't do that. So we are trying to find a way to put some downward pressure on health care prices, and that must include putting some downward pressure on prescription drugs.

Let me be quick to point out that the pharmaceutical industry does important things. I don't wish them ill at all. I have done things that support them, including research and development tax credits and so on. But I am not interested in just waiting to allow them to continue to price their brand-name pharmaceutical drugs much higher to our consumers than they do to virtually every other consumer in the world. It is not fair.

When the health care reform bill comes to the floor of the Senate, I and my colleagues—Senator STABENOW, Senator MCCAIN, many others; a bipartisan group—intend to offer this bill as an amendment. It is not intended to blow up anything. We weren't a part of constructing anything; we are not going to blow up something. All we are going to do is demand that some com-

mon sense and basic fairness be established in the pricing of prescription drugs in this country. The way to do that is to give the American people the freedom to access this identical prescription drug in other areas where it is sold at a fraction of the price.

So, again, I wanted to disabuse anybody of the notion that we are going to blow up something. It is not true. I understand the pharmaceutical industry does not like what we are trying to do. They would like to have absolute pricing capability to price our drugs, in the case of Lipitor, at \$4.50 a tablet when they sell it to others for less than half of that. I understand they would like that opportunity. On behalf of the American citizen, I say it is not fair. It is wrong, and it ought to change. If we pass the legislation we have introduced—a broad bipartisan group here in the Senate—it will give the American people freedom and force, in my judgment, a repricing toward fair prices for prescription drugs in our country.

Again, I wanted to make the point that we are not trying to blow up anything; we are trying to fix something that is wrong, and we are going to try to do that when the health care reform bill comes to the floor of the Senate.

We have been guaranteed an opportunity. Senator MCCAIN and Senator SNOWE and I intended to offer this earlier in the year, and as a result of that, the majority leader said: Don't offer it here, but I will make certain you have the opportunity on the floor of the Senate. That is why we will be in line right toward the front end of the health care reform bill to offer the amendment and have a debate.

FINANCIAL INDUSTRY REFORM

If I might, for a couple of minutes on another subject, say that I have spoken often about an issue on the floor of the Senate that goes back some decade or so on the matter of financial reform. I am not going to revisit all of that, which happened 10 years ago, but I do want to say this: I happen to think one of the first items of business this year should have been financial reform. I know others disagreed. I know the President wanted to do health care and some other items first. But I know the President and his team are working very hard now on financial reform. It is very important to get this right.

I wish to make a point. I have been reading recently about what is happening, and I would like to demonstrate what is happening.

Last fall, a whole series of things steered this economy into the ditch, the deepest economic downturn since the Great Depression.

So now, September 12, 2009, The New York Times, "A Year Later, Little Change on Wall Street":

One year after the collapse of Lehman Brothers, the surprise is not how much has changed in the financial industry, but how little. Not much change on Wall Street.

September 15, the Washington Post, "The Wall Street Casino, Back in Business." Think of that. A year after the

almost unbelievable, deepest recession since the Great Depression, 1 year later, "The Wall Street Casino, Back in Business."

What are they talking about? Credit default swaps, derivatives, synthetic derivatives, you name it, all kinds of exotic products where they securitized everything. Everybody made a bunch of money, and on the way back from depositing money in their bank accounts one day, they discovered the economy collapsed because a lot of bad decisions had been made by people who were gambling.

September 8, the Washington Post, "A Year After Lehman, Wall Street's Acting Like Wall Street Again." Not much change.

Wall Street Journal, August, last month, "Bankers Play Dress Up With Old Deals":

Irresponsible securitization helped bring the financial system to its knees. Yet, as banks start to heal, little seems to have changed. Wall Street has quickly fallen back on old habits.

By the way, some of these FDIC-insured banks are still trading in derivatives out of their own proprietary account. They may just as well put a casino in their lobby or be playing Keno in their boardroom.

This is Steve Pearlstein, September 11: "Wall Street's Mania for Short-Term Results Hurts Economy."

Look, the reason I wanted to go through this is I agree not much has changed, and certainly not enough has changed. The question, it seems to me, as we deal with this issue of financial reform is, Will we address a central issue for me, and that is the too-big-to-fail issue? When we have decided as a matter of economic doctrine in this country that there are big companies that are too big to fail—too big to fail—to me, that is no-fault capitalism. We saw that last fall.

We had the Treasury Secretary come to the Congress, and he said, on a Friday: If you don't pass a three-page bill giving me \$700 billion and do it in 3 days, there is eminent collapse of the American economy. The fact is, I didn't vote for the \$700 billion because I didn't think he had the foggiest idea what he was going to do with that money.

The plain fact is as well that the very firms that did the kind of damage that steered this economy into the ditch—by the way, one of which the then-Treasury Secretary had previously worked for—dramatically expanding leverage; engaging in unbelievable, sophisticated exotic products they couldn't even understand. But you didn't have to understand them as long as you were making a lot of money on them; securitizing almost everything; the scandal in subprime loans; paying massive bonuses to brokers who put mortgages out there called liar's loans, meaning people didn't have to describe their income in order to get a mortgage; and then securitizing the good with the bad and slicing and dicing as

if you were cutting sausage and selling it to investment funds. So everybody was fat and happy, making all this money despite the fact they were creating this house of cards. And then the house of cards collapsed, and we had all of these firms with dramatic leverage and exposure. Then we were told: You know what, you have to bail them out. They are too big to fail. The American taxpayer has to come out and open their pocketbook and provide the funds because these companies are too big to fail.

The fact is, when we discuss financial reform, there is too little discussion about this right now. All the discussion we see are these stories: "Wall Street is Back in Business Again"; "Banks Still Trading in Derivatives on Proprietary Accounts." They might as well just put up a blackjack table in their lobby. Nothing is changing.

So the question is, when we get to this point—and it is very soon, I hope—will we seriously address the doctrine of too big to fail. If we don't, we will go down exactly the same road and, mark my words, we will find the same ditch once again for this economy. We must address this issue of too big to fail. Some of the too-big-to-fail institutions got a lot of TARP funds from the American taxpayer. And by the way, they have gotten bigger now—too big to fail, and now they are too bigger to fail, I guess. It doesn't sound like good English to me. But too big to fail is a problem, so you make them bigger. It makes no sense.

This has to be a centerpiece in our discussion going forward. Are we going to continue to have no-fault capitalism where some of the biggest financial institutions in this country are engaged in gambling, trading in derivatives on their own financial accounts in a bank, while the bank is FDIC insured? Are we going to continue to allow that, or are we finally going to decide that this doctrine of too big to fail has to be addressed along with the other issues? Are we going to securitize everything? Are we going to continue to allow this unbelievable expansion of leverage? All of these are important questions.

At the end of the day, to me, the question of the doctrine of too big to fail is overriding. We must end that proposition. It is not just me, there are a lot of good economists who believe this must be a part of our financial reform.

My hope is that in the coming month or so following the discussion on health care reform, we turn to financial reform. I am going to be on the floor talking again about the doctrine of too big to fail and about the Federal Reserve Board's notion of what that doctrine means and what their responsibilities are.

I yield the floor, and I make a point of order that a quorum is not present.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ALEXANDER. How much time remains on the Republican side?

The ACTING PRESIDENT pro tempore. The time is not divided.

Mr. ALEXANDER. Madam President, I ask unanimous consent that we be permitted to engage in a colloquy for up to 20 minutes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

HEALTH CARE REFORM

Mr. ALEXANDER. Madam President, all of us were home in August. It was a pretty good thing we were, because the people of the United States had a lot to say to us about the health care bill. I think President Obama was very correct when he said the health care reform bill is a proxy for the role of Federal Government in our everyday lives.

I think that is what we are debating here. On the one side, we have an effort by the majority and the President to do this massive, comprehensive health care reform with thousand-page bills and White House czars and trillions in spending and debt. That is on the one side. On the other side we have Republicans saying we want health care reform, but let's focus on reducing costs to each American who has a health care policy—that is 250 million of us—that is why people are showing up at town meetings; it is not some abstract thing—and reducing costs to our government, because we know that \$9 trillion more in debt is coming.

Mr. McCAIN. Will the Senator yield for a question?

Mr. ALEXANDER. Yes, I will.

Mr. McCAIN. First, concerning the costs, how do we know what the cost is if we don't have legislative text? I think all of us have been around here long enough—we have talked a lot about the 72 hours that I absolutely think we need. The text should be online so that every American—not just the 100 of us who are fortunate enough to be here—can read it. Everybody should have the right to know what a fundamental reform of health care in America is all about, and they should be able to read the legislation if they want to.

Just as importantly, I ask my friend, has he seen any legislative text anywhere? Is it true that the Finance Committee is moving forward with legislation regarding which there is no legislative text? And by the way, we find out now, according to the Wall Street Journal, Mr. Barthold noted in a followup letter that the willful failure to file; that is, to take the government option, would be punishable by a \$25,000 fine or jail time under a section of the bill.

I wonder how many Americans are aware of that. In fact, I have to tell my