

when he turned them on the Iranians. We were encouraging him. We did not like this bunch over in Iran, Ayatollah Khomeini and all that bunch. So we said, Hey, Saddam, go get him and we will give you some weapons, and we knew what he was doing.

When this country decides they are going to take out a leader somewhere, one ought to look at history. There was a country called Iran, and the leader was a guy named Mossadegh. He had been elected by the people. He was the Prime Minister elected in Iran. The United States Government did not like him because his politics were kind of a little bit to the wrong direction, whatever that was. So they decided to take him out and install a king. They brought back the Shah of Iran and put him on the throne. So in 1979 things erupted there. Somebody said to me, Well, gee, Jim, we got away with 25 free years. Is that the kind of foreign policy this country wants to pursue? Do we want to say we are going to go to any country and we are going to take out whatever is there and put in our guy and then we will use him? The reason we did not like Mossadegh, the reason we do not like Saddam Hussein, it all has to do with oil, who has control of the oil. Mossadegh was talking about nationalizing. Saddam did. This is not an issue for us to do a regime change, simply on oil. We must be careful.

SEEKING PEACE IN THE MIDDLE EAST

The SPEAKER pro tempore (Mr. PUTNAM). Under a previous order of the House, the gentlewoman from California (Ms. LEE) is recognized for 5 minutes.

Ms. LEE. Mr. Speaker, I think that we all are in agreement that the world and the Iraqi people would be better off if Saddam Hussein were not in power, but I also think we all can agree on the fact that our world would be better off with a peaceful resolution to the current crisis and one which respects the rule of law and the role of the United Nations. That is why I rise tonight, Mr. Speaker, to urge this Congress and our country to renew our commitment to working with the United Nations and our friends and allies to advance peace and security in the Persian Gulf region. We need to act, but we do not have to rush to war. We have alternatives.

We have been told by President Bush and other members of the administration that we have to attack Iraq because our Nation is in imminent danger from Saddam Hussein. However, neither the Congress nor the public have been shown evidence of that or linking Saddam Hussein to 9-11. We have received no proof that Iraq has the means or intent to use weapons of mass destruction against us. We have not been told why the danger is greater today than it was a year or 2 ago or why we must rush to war rather than pursuing other options.

So tomorrow I will introduce a resolution offering a road map to such an alternative. This resolution emphasizes the importance of working through the United Nations to assure Iraq's compliance with U.N. Security Council resolutions and cease-fire agreements and to advance peace and security throughout the region beginning with full unfettered inspections.

During the 1990's, United Nations inspections teams succeeded in destroying tons of weapons in Iraq in spite of Iraq's attempts to obstruct their mission. They were on a search and destroy mission and they accomplished that. Today we need to renew that inspections process in the interest of our own security. We do not know the extent of Iraq's possible development of weapons of mass destruction and thus the extent of risk to us. That is why we need inspections. The President has called on the United Nations to assume its responsibilities. In fact the United Nations was established to deal with just such international crises. So let us work with them to make that happen.

But still on the other hand, the administration and others call for a preemptive first strike against Iraq. The cost of such action would be enormous, starting with a grave risk to American servicemen and women and to Iraqi civilians who will be caught in the crossfire. A preemptive first strike would also seriously damage our relationship with friends and allies, all of whom are strongly opposed to an assault. Statesmen such as Kofi Annan and Nelson Mandela have beseeched us to turn away from this disastrous course. Many Middle Eastern countries that supported the United States in the Gulf War will not support this attack and warn of long-term catastrophic consequences.

Such a war carries enormous cost. The Wall Street Journal estimates that it may cost as much as from 100 to \$200 billion. When we have no proof that Iraq was tied to 9-11 and no proof that we are in imminent danger, why would we rush to spend \$200 billion that could be invested in health care, education, housing, domestic security, and other vital needs here at home? Why are we rushing into a war with such a huge price tag for our foreign relations and our own budget when we have viable and many more effective alternatives? Why would we set such a devastating precedent?

There are what, eight known nuclear powers in the world? At least two of them, India and Pakistan, have long been on edge with each another. According to the doctrine of preemption, either of those countries could launch an attack because they are afraid of what the other might do. Is that the kind of world we want to live in? Is that the precedent that we want to take? We will be setting that. We will be setting this new standard.

President Bush laid out an axis of evil consisting of Iran, Iraq, and North Korea. Which dictator will be next?

Where does preemption end? So the resolution that I will introduce tomorrow resolves that the United States should work through the United Nations to seek a peaceful resolution to the crisis in Iraq through mechanisms such as inspections, negotiation, and regional cooperation. We do not have to go to war. We still have alternatives. It is up to us to pursue them.

Mr. Speaker, I urge Members to cosponsor my resolution and join us in taking this message to the American people.

PRESCRIPTION DRUGS FOR AMERICAN SENIORS

The SPEAKER pro tempore. Under the Speaker's announced policy of January 3, 2001, the gentleman from Maine (Mr. ALLEN) is recognized for 60 minutes as the designee of the minority leader.

Mr. ALLEN. Mr. Speaker, there is a lot that is important to the American people that is being lost in the current focus on the situation in Iraq and the administration's plans for regime change and a military invasion. And I want to spend this evening talking about one of those issues that is getting less attention than it deserves.

I am talking about the fact that in my home State of Maine and all across this country, seniors who need prescription drugs in many cases simply cannot afford to buy them. In my office, my district office in Maine, people are coming in all the time, calling on the phone or stepping into the office and basically saying, What can I possibly do? I can no longer afford my prescription drugs.

People who have a Social Security check each month of \$800 to \$1,200 can wind up with \$400, \$500 a month in prescription drug costs, and the math just does not work. They cannot do it. People are, in fact, giving up food in order to buy their medicine or giving up their medicine in order to pay the rent or buy food.

We have been dealing with this problem for years. Back in 1998 I introduced a bill that would provide a 30 percent discount to all Medicare beneficiaries and the cost of all of their prescription drugs at no significant cost to the Federal Government. But the pharmaceutical industry weighed in, lobbied heavily, described the plan as price controls even though it is one that is widely employed by other industrialized nations and nothing has happened on that front.

The Democratic Caucus year after year has proposed a Medicare prescription drug benefit. That is a benefit for Medicare beneficiaries operating in the way that part B of Medicare does, the way doctors, the expenses for physicians is covered, that is, seniors would pay a certain amount per month and get a significant portion of their expenses covered, both by the amount they pay and by contributions from general revenues. Well, that is what we thought ought to appear here.

But tonight I want to spend some time talking about what really goes on here in Washington, what really goes on out in the field, and why we do not have even a discount for Medicare beneficiaries or a Medicare benefit. And we may remember, it has been a long time, but some may remember in one of the debates, one of the Presidential debates in the year 2000, President Bush said, I support a Medicare prescription drug benefit.

I knew what he meant. Lots of people in this Congress knew what he meant. But never in the past 2 years has the administration presented a plan for a Medicare prescription drug benefit. Not one.

Let us look at a little bit of what has been going on in the Congress and why we have not been able to accomplish what we should. Let us look for a moment at the last election cycle, 1999 to 2000. The pharmaceutical industry in that time period, according to the consumer watchdog group Public Citizen, spent \$177 million lobbying Members of Congress and \$20 million in campaign contributions. So that is \$200 million that the pharmaceutical industry spent in those 2 years in order to try to get its way.

At the same time they employed in the year 2000, 625 lobbyists here in Washington. Think about it. There are only 535 Members of the Senate and the House put together, but the pharmaceutical industry hired 625 lobbyists to make sure that their views were well represented in the Congress.

But that is not the end of the story. In the same time period, that election cycle, the pharmaceutical industry was the largest interest group spending money on political ads, so-called issue ads, of any group in the country. They spent \$50 million. And we can be sure, we can be sure based on their advertising so far in this cycle that they will far exceed that number.

Let us take a look at how these groups operate. The pharmaceutical industry not only has legions of professional lobbyists, but it is also funding what they call grass roots groups. A lot of us call this Astroturf lobbying because the grass is manufactured. And I want to call attention to a couple of those groups.

One group is the 60 Plus Association, which not so long ago did an ad in the Houston Chronicle, an ad thanking the majority whip, the gentleman from Texas (Mr. DELAY), for his work on a prescription drug benefit plan. And the advertisement of the 60 Plus Association, we need to know, is funded by the pharmaceutical industry. It sounds like a group just of grass roots seniors, but it is not. It is funded by the pharmaceutical industry. Here is what the ad said. It said: "Results, not politics, for American seniors." And it goes on and on talking about this particular publication.

What we need to know, what people need to know about this industry and this campaign, Mr. Speaker, is that 2

days after the House Republicans unveiled their prescription drug plan back in June, a plan that was backed by the pharmaceutical industry, pharmaceutical companies were among 21 donors paying \$250,000 each for special treatment at a GOP fund-raising gala headed by President Bush.

□ 1715

That same week, a senior House Republican leadership aide was quoted in the newspaper as saying that Republicans are "working hard behind the scenes on behalf of PHARMA," the industry association, "to make sure that the party's prescription drug plan for the elderly suits drug companies."

In fact, the House Committee on Energy and Commerce during markup of the Republican prescription drug bill had to break early that day so that Republican law makers could attend the dinner, and that was reported in the Washington Post on June 19, 2002. At that time, the drug lobby had financed a massive \$4.6 million issue ad campaign in 18 competitive districts, some of them held by Republicans.

This September one ad in the Houston Chronicle praising the gentleman from Texas (Mr. DELAY) for the plan he supports is really a remarkable document. The pharmaceutical industry wrote the bill, wrote the Republican prescription drug bill. It passed by a very narrow majority on essentially a party line vote, and now the pharmaceutical industry goes out running ads thanking the Republicans for passing the bill that the pharmaceutical industry wrote. If people have enough money in this country, they can do a lot to hoodwink the American people.

Let us take a look at this particular ad and just talk about some of the allegations made here. The suggestion is that the Republican prescription drug plan includes a guaranteed drug benefit under Medicare for all seniors, but what the ad does not tell us is that it does not provide a guaranteed defined benefit with a guaranteed premium, and the reason for that is that the plan relied on insurance companies to provide the benefit. It was not a Medicare benefit. It was an Aetna benefit, a CIGNA benefit, a United benefit. It was something, but it was not a benefit, and we can look through that entire bill and look for the number that seniors will have to pay to be part of this so-called Medicare prescription drug benefit plan and we cannot find the number anywhere in the bill because it does not exist, because what the bill consists of is a subsidy to insurance companies in the hope that they will turn around and provide stand-alone prescription drug insurance to seniors, a kind of policy that does not exist at all today and probably will never exist but which is the heart and soul, if those are the words, of the Republican bill.

Let me deal with the other four allegations here. The suggestion is that this will reduce out-of-pocket costs by up to 70 percent, but what the ad does

not tell us is that those seniors with drug costs between \$2,000 and \$3,700, within that group, will have to pay 100 percent out-of-pocket if the insurance companies, given the subsidy, offer the plan that is assumed by the Republican prescription drug bill, all of which is highly unlikely.

The third claim is that this plan, the Republican plan, would offer seniors the flexibility to choose the plan that best meets their need, but what the ad does not say is that the plans under the Republican prescription drug bill are not under the Medicare program but private insurance companies and HMOs, and as someone who comes from the State of Maine, it is very clear to me that Maine, another rural State, is going to be one of the last places where insurance companies rush in and say we really want to provide prescription drug insurance to seniors, a group that represents 12 percent of the population but buys 33 percent of all prescription medications.

Then the fourth claim in this ad run by the astroturf organization in favor of the pharmaceutical industry is that it will provide complete protection against catastrophic drug costs, but it does not say that between \$2,000 and \$3,700 a person pays 100 percent out of pocket, and the catastrophic protection assumes that again there will be an insurance company to provide the benefit.

The final claim here is that there is no government bureaucrat between a person and their doctor, but there is someone between them and their doctor, and that will be the private insurance company, the HMO who will decide what drugs will be available under what plans. One of the problems with that is, unlike Medicare, where the benefits are reasonably stable, known in advance, consistent from year to year, where the premium changes only a slight difference from year to year, when it comes to HMOs and private insurance companies, what will happen, as it has in the Medicare+Choice market, is every year people will be laid off if the company is not making money in a particular area. The premium can be changed, the benefits can be changed at will, and despite the fact that in each of the last 4 or 5 years hundreds of thousands of people each year for a total of several million have withdrawn from the Medicare+Choice plans, that is, managed care for Medicare beneficiaries, despite that fact, that is the model that is being relied on under the Republican prescription drug plan.

The bottom line is real simple. Having written the bill for the Republican majority, having watched it pass here in the House, now the pharmaceutical industry is out running ads under the name of other organizations, trying to persuade the American people that Republican Members of Congress who are marching in lockstep with the pharmaceutical industry should be congratulated by seniors, ostensibly for doing what seniors want, but in fact, doing

what the pharmaceutical industry wants.

I notice my colleague from Arkansas, a tireless advocate for seniors, is here, and at this time I would be happy to yield to the gentleman from Arkansas (Mr. BERRY).

Mr. BERRY. Mr. Speaker, I want to thank my good friend, the gentleman from Maine (Mr. ALLEN), and not only for his great friendship but for his leadership in this Congress and in the time that we have served together on this issue.

Here we are again, and it is a sad day in America. America is better than this. We can do better. We know how to do better. This issue is not something we do not know how to fix. We know what to do. This Congress is full of good people on both sides of the aisle. We know what to do about this issue. It is just simply not that complicated.

Here we are today, late in the afternoon, the session is over with for the day. No more votes to be taken. We are not going to vote on anything that is going to change anybody's lives or very likely ever become law tomorrow. Nothing is happening on the floor of the United States House this week. Nothing happened last week. Very likely nothing is going to happen next week or the week after that.

Here we are again, another year has passed. The end of the session is approaching, and the senior citizens in this country still do not have any way to even get a fair price on prescription medicine. They do not have a Medicare prescription drug plan, and we can do that. We know how to do it. We can figure out how to pay for it. Like I said, it is not complicated.

Makes me think of a fellow I grew up around who used to get aggravated, used to say it would make him want a dip of snuff. That is how it affects me. Makes me want a dip of snuff. I cannot believe that all the good people in this House that serve their constituents, and they do it with a dedication and determination and in an honorable way, are willing to let another year pass and let the prescription drug companies of this country continue to rob the American people over and over again. It just absolutely astounds me, but nothing is happening. Nothing is happening.

The American people pay three times as much for their medicine as any other Nation in the world. Why would we allow that to go on? Why would we let that happen? Why would this House let that happen? Why would this Congress let that happen?

I just heard my good friend from Maine refer to the last presidential campaign, and the President himself swore that he would do everything he could, he was going to pass a prescription drug bill, he was going to get some relief for our seniors. We passed a bill, an amendment to the agriculture appropriations bill in December 2000, very late in the session, and it made it possible where the President of the United

States, with the stroke of a pen, can allow the American people, not just senior citizens, all Americans to buy their medicines at the world price. That is all he has got to do is say let us do it, and we are still getting robbed.

We are still paying three times as much. Every country in the world gets their medicine cheaper than we do. It is not right, it is not fair, and we can do something about it. We have already passed a law. All we need is for the President to tell the Food and Drug Administration, get it done. Where I come from that is value. We are not interested in folks that have got good excuses. We are interested in folks that get the job done, and that is what this is all about is getting the job done for the American people.

The American people deserve better. We are a better people than this than to let something like this go on and on and on, and I think it is terrible that we are doing that.

In the little town where I live, and it is full of wonderful people, we look after each other. We do not lock the doors or take the keys out of our cars. Somebody has got a little problem, we try to get over there and help them. If we had somebody going around, stealing from senior citizens, taking their money, taking their food, taking advantage of them in any other way, we would do something about it. If nothing else, we would run them out of town. Preferably we would have the law enforcement officials go find them, take them and put them in the State penitentiary and keep them for a while and see if we could not improve their way of making a living.

We are letting that very same thing happen with the prescription drug companies in the United States and the companies that sell products in the United States. We are letting them rob the American people, and we are letting them rob the senior citizens of this country, and it goes on day after day after day, and nobody is willing to do anything about it. The President can do it with the stroke of a pen, and he refuses to do it.

Why, I ask, would anybody sign up on a deal like this? This is corporate greed taken to the most disgusting level I can imagine. Why would we allow giant corporations to make great profits? And I want them to be profitable. They should be profitable. We want them to be successful.

They ran an ad in the Congress Daily this morning, says pray for a miracle, and implied in that ad that generic drugs were bad and that they would never cure any disease. I can tell my colleagues this, no drug will cure a person if they cannot afford to buy it or if they get robbed, if they have to spend all their money for the drug and they cannot buy their food and cannot pay for their place to live and they cannot pay their utility bills because their drug bills are so high and everybody else in the world gets to buy it for a

third of that. We better pray for a miracle if we keep letting these drug companies run over us in this country like they are now.

I think it is an absolute, unmitigated, pitiful shame that we stand in this House of Representatives today and there is nobody else here willing to come down here and do the right thing for the American people. That is not the American way. That is not the reason that these members of this House were elected, and it is time that we do something about it.

Mr. ALLEN. Mr. Speaker, reclaiming my time, there are two words that sum up why we cannot get done here what needs to be done. Greed and money together are the answer.

There was an article in the Wall Street Journal on September 16, just a couple of days ago. Let me just read a couple of paragraphs. The title is this: Drug Industry Steps Up Campaign to Boost Image Ahead of Elections. "Here we go again, the pharmaceutical industry will spend millions of dollars on feel-good ads to boost their image before the election, and in the part of what they are doing, of course, not just boosting their own image but supporting Republican candidates." Let me read these two paragraphs.

□ 1730

"More than \$8 million has been committed to ads in recent months promoting nearly two dozen House candidates favoring industry-backed legislation and encouraging a Senate vote on the same bill, according to Charles Jarvis, chairman and chief executive of United Seniors Association, which is airing the spots. He acknowledged that most of the costs associated with the effort, including an additional \$4 million Internet and direct mail campaign, are supported by a 'general educational grant from PhRMA.' All but a few of the two dozen or so United Seniors ads running this year thank Republican Members of Congress for supporting an industry-backed bill to provide medicine to seniors."

It is money. It is greed. When there is as much money as we have in the pharmaceutical industry, and its obvious willingness to spend unlimited amounts of money on lobbyists, on campaign contributions and on television ads, we have in effect the people's House taken over by one industry group and blocking the steps that need to be taken.

There is an article in the Hill, a local newspaper, and one of the things, and this is a column by Bruce Freed saying basically that the drug industry needs more transparency. On the one hand they will run ads, lobby people in Congress and say it takes \$600-800 million to bring a drug to market, but you cannot find in our figures, we will not show you the accounting, we will not give you enough information about our costs to prove what we are saying. He is saying, look, there is so much lack

of confidence now in large American corporations because of the way they have handled their accounting that this cannot be believed. The industry really needs more transparency.

One pricing expert that he quotes says that prescription drugs are priced to generate the greatest profit to the companies. That is independent of any historical research and development spending on that product or any other product. That is not news to us, but it might be news to the American people because the industry has been so relentless in trying to say we need these profits, these profits that make us year after year the most profitable industry in the country. We need all of those profits in order to do research and development, but the cold, hard truth is they spend more on marketing than they do on research and in many respects they have become marketing companies.

Find a drug, tweak it a little bit, get a new patent and spend millions in television advertising trying to persuade seniors and others that this particular medication is the one that they absolutely have to have. I have heard from doctors saying that more and more people are coming into their offices saying not what should I do for my condition, but saying I want this particular drug that I have seen on television. This is not a healthy development for our seniors and certainly not for this democracy.

Mr. BERRY. Mr. Speaker, I think the gentleman from Maine (Mr. ALLEN) makes an outstanding point. When I think of the Republican drug bill that was passed on this House floor a few months ago, and I think of the memos that were being sent around on the other side of the aisle, and basically what they were saying is that the American people are tired of being robbed by the drug companies, they may not know all of the details, but they know that they are being taken advantage of. They also know that the senior citizens are being put into great disadvantage, and some of them thrown into poverty because of the cost of prescription drugs. So just vote for something. Tell people when you go back home, I voted for a prescription drug bill. It does not amount to a hill of beans, but tell them that is what you did. That so-called prescription drug bill that was passed on this floor, and it was a deceitful thing, but what it makes me think of is a little restaurant which I saw in rural Arkansas. There were two restaurants close together in this community. One of them had been offering an all-you-can-eat special, and he was really making life tough on the fellow down the street. So the fellow down the street decided he would be competitive. He put up a sign that said all you can eat for \$100.

That is about the way that this prescription drug bill that was passed by the Republicans works. Let us just make them think that they are going to get something, do not worry about

the details. Just pass anything, put your name on the board and let us move on. Hope for the best.

What they also do not tell us is that the United States taxpayers pay for the biggest part of the research and development that drug companies do. We want them to do research. Their profits are such that they can do research. There is no problem with that. But everybody ought to know that the American taxpayer pays for the biggest part of it. Why should we give these guys such a special deal? This is absolutely a ridiculous situation.

On the floor of this House just a few weeks ago, we had a very close, highly contentious vote on trade. I believe in trade. I think we ought to trade across borders. The administration came down here and did all of the arm-twisting they could do to get that fast track trade bill passed; but yet when the President himself holds it within his power where the stroke of a pen or instructions from him to the Food and Drug Administration will allow us to fair-trade drugs in this country and get a good price for our people, he refuses to do it. What is good about that? Nothing. This is corporate greed at its most ridiculous level. We should not allow this to go on.

Mr. ALLEN. Mr. Speaker, what the gentleman is really talking about is what we often call reimportation, and that is legislation which has been passed that would allow drugs to be reimported from Canada. Just to give an example, from a recent bus trip up in Maine where a group of seniors went over the border to Canada, got their prescriptions filled by a Canadian physicians, 25 people saved \$1,600 in one bus trip.

Just to give one example of a critical drug, Tamoxifen is a drug for breast cancer, and many women who are going through a fight against breast cancer do not need to be fighting for their pocketbooks as well. Tamoxifen in Maine costs \$112-114 for a month's supply. In Canada, it is about \$13. There is a 10-1 differential for Tamoxifen for fighting breast cancer.

When we look at other countries, the prices are much lower elsewhere. Why? Because the governments in those countries do not allow their seniors to be taken advantage of. All of those governments one way or another set some kind of cap on what the pharmaceutical industry can pay.

We have the anomaly here in the United States, Medicare, 39 million beneficiaries, the largest health care plan in the United States, they do not have prescription drug coverage, they do not have the Federal Government negotiating lower prices for them. They are on their own.

For those of us who are still working and have some sort of health insurance, we get our prescription drug coverage through our health insurer. No matter who our health insurer is, that insurer is negotiating with the pharmaceutical companies to get a reduced

price. How much, we do not always know, but they are getting a reduced price from the pharmaceutical industry. It is a scandal that seniors cannot get the best price in the country. They are part of the largest group. They use the most medications. We ought to have the kind of leverage over price that will give seniors the price that they are leveraged, that their marketing position deserves. But when it comes to developing a Medicare prescription drug plan of any kind down here in the Congress, the first rule is do no harm to the pharmaceutical industry's profits.

So we have seniors dying, not getting the care they want. We have seniors who cannot afford food and paying the rent simply because their prescription drug costs are too high. They simply cannot do it, and the result is that they are in trouble. But the instinct of many down here who receive corporate campaign contributions from the industry is protect the industry first.

We are a long way of being done from campaign contributions in this particular election cycle, but so far, according to the Center for Responsive Politics, nearly \$16 million has been donated to political candidates and parties during this election cycle, 2001-2002, by the pharmaceutical industry, 74 percent of it so far to Republicans. If Members wonder why we are not getting this job done, that is the reason.

Mr. Speaker, I yield to the gentleman from Arkansas (Mr. BERRY) to explain this particular chart.

Mr. BERRY. Mr. Speaker, this is a copy of an ad that was run in Congress Daily this morning. It is an attempt to convince Members to do everything they can to discourage generic drug use and to help the pharmaceutical manufacturers in this country continue to be able to overcharge and rob the American people.

At first glance Members can see it has, of course, the words at the top, Pray for a Miracle. That is one thing in this ad that I agree with. I think that we should, indeed, pray for a miracle because I think that is what it will take on the floor of this House and in this Congress and with this administration to achieve a situation that will allow us to let the American people buy their medicine at a fair price and to make sure that the senior citizens of this country have the necessary medicine that they need to stay healthy, have a decent lifestyle, and to not have to go to bed hungry at night because they had to spend all of their money on medicine and could not afford to buy any food. That is an idea that I think the American people will be ashamed of. We are a better country than that. We are a better people than that, and we are a better Congress than that because we represent good people.

It is time, and I say that over and over again, I say it because I believe it, it is time for this Congress to present to this administration the opportunity to do the right thing, to do the right

thing and let the American people get a fair deal when they buy their medicine, to let our senior citizens have the same opportunity to have a fulfilling life and not get robbed when they have to go buy their medicine.

I also want to make one point in a very strong way. We need to recognize the community pharmacies in this country. These people have to pay these exorbitant prices, make almost no profit, scramble like crazy to try to stay in business, and sell their products to their customers as cheap as they can, and they do heroic work trying to provide this expensive medicine at the lowest possible price to our senior citizens, and I think they need to be recognized for the great work that they do.

□ 1745

I thank the gentleman for his comments. I might call attention again to that advertisement. It says, "Pray for a miracle because generic drugs will never cure him." It is an ad run by PhRMA, the pharmaceutical industry association or the association for the brand-name prescription drugs.

The reason that ad is being run right now is that the Senate has passed a bill, basically, to encourage more competition and, therefore, lower prices between the generic industry and the brand-name pharmaceutical industry. A lot of important drugs have gone off-patent lately and some more are to follow and the generic companies are providing exactly the same medication, exactly the same medication; but typically once they are in the market, once they are able to compete, the price of the brand-name drops precipitously and prescription drugs go down.

We have the same kind of bill, bipartisan bill, that is here in the House. It is called the Prescription Drug Fair Competition Act, H.R. 5272. But the Republican majority, the Republican leadership is not willing to bring this to the floor. On the Democratic side of the aisle, we are going to start a discharge petition to bring this bill to the floor, to see if we can get enough signatures so we can actually have a vote to do what the Senate did.

Let me just say a couple of things. In recent years, the brand-name companies have really been gaming the whole patent system to keep generics off the market for months and even years beyond the time that it was intended by Congress when it passed legislation in 1984. The bill that we are going to try to get to the floor on the Democratic side here is intended to prevent abuses of the existing law and allow competitive generic drugs to reach the marketplace more quickly. The Congressional Budget Office has looked at this bill and has estimated that this bill, the Prescription Drug Fair Competition Act, would reduce total spending on prescription drugs by \$60 billion, or 1.3 percent, over the next 10 years. That does not include the enormous savings that would accrue if a Medicare prescription drug benefit is enacted.

There have been so many ways that the brand-name pharmaceutical industry has really lifted the cost of prescription drugs. When there is a patent lawsuit going on, and it is easy to get a patent lawsuit going on, then they have been able to basically get repeated delays so that the FDA is not able to approve a generic application for sometimes 30 months; and sometimes they can stack these 30-month periods one after the other and make the delays run for years. This is a bill that would provide early resolution of some patent disputes. It would also prevent these collusive agreements that sometimes the brand-name companies have paid generic companies not to bring a competing drug to market. The result of that is the generic company gets some money, the pharmaceutical company, the brand-name pharmaceutical is able to charge much higher prices for an additional 6 months or longer, and the only people who are really seriously harmed are the consumers, the public.

This legislation would prevent that from happening. This is good legislation. There is some Republican support for this bill. It ought to be something we could do following the lead of the other body. We ought to be able to do this, but right now we are sitting here not doing anything on appropriations bills.

I told people back home during the August recess that when we came back in September we were going to be very busy because we had only passed five of 13 appropriations bills and we would be working hard on that. We are now almost at the end of our third week since we came back, and we have not seen a sign of an appropriations bill anywhere in this Chamber. They are not about to bring up any of the appropriations bills, it looks like. So we are not doing the work we were sent here to do. We are not helping our seniors with prescription drugs. It is a sorry state of affairs. A large part of the reason has to be that the pharmaceutical industry, at least with respect to prescription drugs, a large part of the reason is so much money is being spent on lobbying, on campaign contributions and on ads.

You cannot watch television without seeing ads from the pharmaceutical industry. Now they will not just be feel-good ads with people running through fields of clover, but they will be ads touting particular candidates; and you can be quite sure that if they are praising a candidate, it is probably a Republican in most cases and if they are attacking a candidate, it is probably a Democrat in almost all cases. As a result, the people's will, what people over and over again want in Arkansas and Maine and around this country, a Medicare prescription drug benefit, a discount on their prescription drugs, the right to get medicines from Canada or other countries with lower rates, all of these approaches are being stymied and the will of the people in this country is

being frustrated by a majority that is locked into the pharmaceutical industry and doing the bidding of the pharmaceutical industry. It is a national scandal.

Mr. BERRY. Mr. Speaker, the gentleman from Maine is absolutely right. It is a national scandal. A few months ago, we had these corporate scandals. We were having, it seemed like, one or two a week. We had corporations that had been caught not telling the truth. Apparently we had corporations that had some executives that might have even taken money that did not belong to them. We found out all of a sudden that these companies did not have the assets they said they had. They were not worth what they said they were worth. They could not do what they said they could do.

We just rushed to the floor of this House, we could not get here quick enough, and passed a law that said we are going to punish them some more. And we should have. They deserve to be punished. Every day now you pick up the paper and you see another corporate executive is being charged by the Department of Justice for breaking the law and they are making him a criminal. If they broke the law, they deserve to be treated as criminals, and they deserve whatever comes to them. That is for the law to decide.

But for the prescription drug manufacturers in this country and those that sell their products in this country to continue to rob and cheat the senior citizens of this country should be against the law. It should not be allowed. It is just as wrong as those corporate executives that betrayed their stockholders and betrayed their employees and betrayed people that invested in their companies. It is just as criminal for these drug companies to cheat and take advantage of and rob our senior citizens and the sick people of this country and the working people of this country that cannot do anything about it. This is just as wrong as these corporate scandals that we have. And we rushed to this floor. You could hardly stop folks from coming down here and talking about how bad it was and what a terrible thing. And it was. But these folks are stealing more money than all of those companies stole or misappropriated or misused or lied about or whatever it is they did.

What the drug companies steal from the senior citizens of this country on a daily basis is absolutely overwhelming. The \$16 million that they spend on campaigns, that is not even walking-around money. That is not even soda pop money for these folks. Yet they are doing it day after day after day.

I believe the gentleman from Maine referred to the idea that the drug companies had decided they needed to improve their image. Boy, you are right about that. If there is anybody in this country that ought to improve their image, it would be the prescription drug manufacturers. They have got a sorry image, as far as I am concerned.

I will say once again, America is better than this. The American people are better than this. This Congress is better than this, than to let it keep going on and on.

Mr. ALLEN. I thank the gentleman for his comments. I will make just one final comment. We have been talking a lot about prescription drugs for seniors this evening and what a serious problem it is for Medicare beneficiaries because they do not have a Medicare prescription drug benefit at all. But back home in Maine what we are finding is that the small business community is now getting hit by very steep increases in their health insurance premiums. Small business men and women in my State are seeing health insurance premium increases of 30 percent, 40 percent, sometimes 50 percent; and this is the third successive year in which that is happening. The viability of many small businesses in Maine is really being threatened by rapidly rising prescription drug costs because that is the major component that is driving up their health insurance premiums.

This is a big and complicated issue. The fairness of our health care system, the ability of people to get access to the health care they need is a national issue of enormous importance, and it is one that is being neglected in this House because we are paying far too much attention to the industry itself and not to the people. I want to thank the gentleman from Arkansas for participating in this Special Order tonight.

TARIFF ON STEEL IMPORTS

The SPEAKER pro tempore (Mr. PUTNAM). Under the Speaker's announced policy of January 3, 2001, the gentleman from Michigan (Mr. SMITH) is recognized for 60 minutes as the designee of the majority leader.

Mr. SMITH of Michigan. Mr. Speaker, I am going to make some comments on the tariff on steel imports. Several companies in my congressional district, the Seventh Congressional District of Michigan, which is roughly the bottom center of Michigan, have come to me as steel users and said that they have got a huge problem. The steel suppliers are saying, We don't care about the contract. We're going to increase the cost of the steel and you have to pay us double what the contract was. The company says, Well, we can go to court. The steel suppliers say, Well, you can do that. We'll probably fight it in court for 3 years, but tomorrow we're not going to deliver the steel that you need to meet your contracts.

What is the solution? President Bush approved the new tariffs on steel imports, I think, to help give the steel industry and our American steelworkers really a chance to make changes so they might compete in the long term. I suspect the President, who as a young man did the hard physical work in the oil fields, wanted to give a chance to save some of the jobs of the people that

do the hard physical work in the steel industry. However, the high tariff restrictions on steel imports have turned out to be a mistake with a potential of losing more jobs than they save.

The price of steel in the United States has risen since last March by 30 to 50 percent. In addition to the large price increases, there has been a reduction in the amount of steel available because of the reduced imports coming in. This has made it impossible for many steel-consuming industries to find the steel that they need on the one hand and they are obligated to pay this new higher price that means that in many cases they are actually losing money filling their particular contracts. Domestic steel producers have in many cases reneged on the long-term contracts now that the steel prices have leaped, with the result that the consuming industries have been forced to pay that higher price than the agreed-on prices or have been forced into the volatile spot market for steel.

The President's action, I think, turns against what he said on free trade and on taxes. First, by definition, free trade implies that it is unencumbered by demands of third parties. When government imposes tariffs on products, it reduces the ease with which they come across borders, either way, back and forth. Second, tariffs are just taxes by another name. Steel tariffs raise the cost of buying products that contain steel, cars, refrigerators, for instance, just as raising the sales tax on those products would. So it means not only are they in trouble, but once they produce the goods to the extent that they are able to pass that increased price on, American consumers pay the cost of that higher tax or tariff.

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The new Bush tariff is expected to hike the cost of steel products by 6 to 8 percent in the first 12 months, and in our State of Michigan, Michigan citizens will be hit hardest.

Here is why: One of the most basic propositions of economics is the inverse relationship between price and quantity demanded. When the price of some goods, steel in this case, rises, less of it is going to be demanded, and the result is fewer sales of products containing steel and fewer jobs are going to be available for those industries that use that steel, the steel user industry that are ultimately making those finished goods with steel.

This harms the Michigan workers and it harms the American workers in a number of ways. First, some American producers lose out because they are now competing with foreign companies that have access to cheaper steel. So I have got some companies in my district that say, well, we are considering moving to Mexico, Canada or someplace else, because they are paying a much lower price for steel. They are paying the world market price, where here in the United States, be-

cause we restrict the availability of steel and held out, the competition, the foreign competition, if you will, are paying a much higher price. Their products then become relatively more expensive because the steel in them costs our American producers more.

Second, many American firms have simply had trouble securing sufficient supplies of steel in quantities to keep the factory operating. I have had layoffs in my district because plants have closed for the lack of steel.

The third point I would make: It gives American firms, I think, a powerful incentive to move production out of the United States to foreign plants where steel is available at the lower world market price. This is so they can compete and can survive as a company. So it is hard to blame them, if that is their only recourse to survive.

So that is what we are being threatened with in Michigan, some of these companies moving out of the State, and that is what is happening in many other areas of the United States where steel users are faced with a problem.

A couple of economists, Joseph Francois and Laura Baughman, working on behalf of the Consuming Industries Trade Action Coalition, have estimated the impact of the Bush tariffs on the American economy in terms of their economic benefits and costs. For instance, they found that every State in the Union will suffer net job losses as a result of the tariffs. Ironically, the biggest job losses will occur in the Steel Belt, states such as Pennsylvania, such as Michigan. For every steel job saved as a result of the tariff, eight jobs will be lost in all sectors of the economy.

Another point: The steel-producing industry would save between 4,400 and 4,800 jobs at a cost of about \$439,500 to \$451,000 per steel job saved. Higher prices for steel products and related inefficiencies would decrease U.S. national income someplace around \$500 million, at a time when policymakers are talking about ways to improve the U.S. economy.

Again, back in my State of Michigan, Michigan will suffer from the negative consequences of tariffs, and these economists found that Michigan will lose more jobs in steel-related industries than every State in the Union, save California. Under the most conservative scenario, Mr. Speaker, Michigan will lose almost five jobs in steel-consuming industries for every one job that is saved in Michigan steel-producing industries.

Here is the point: There are 57 workers employed in the steel-using companies, 57 workers employed in the steel-using companies, for every one worker that is employed in the steel-making industry. Steel-using industries account for more than 13 percent of gross domestic product. Steel-using industries account for more than 13 percent of GDP, where the steel industry accounts for only about one-half of 1 percent of GDP. So the result, thus, the steel tariff has threatened many more jobs than it has protected.