

for the new Bush media machine. This is not emergency spending. This is campaign spending. This is propaganda spending. Instead of trying to win the hearts and minds of Americans through propaganda, President Bush should be trying to win the hearts and minds of the insurgents who are making Iraq less stable. He should show them a United States to which burgeoning democracies like Iraq can aspire, a United States that would be a democratic model for the rest of the world. I daresay an autocratic state-sponsored propaganda campaign is not a part of this model.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Ms. SOLIS) is recognized for 5 minutes.

(Ms. SOLIS addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

TENTATIVE AGREEMENT ON MEDICARE CONFERENCE REPORT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. PALLONE) is recognized for 5 minutes.

Mr. PALLONE. Mr. Speaker, I rise this evening to express my extreme disappointment regarding the tentative agreement that has been reached by the Republicans in Congress with regard to Medicare and prescription drugs.

Mr. Speaker, the source of my frustration stems from the fact that this agreement is not good public policy. It is not good for seniors or any Medicare consumer and it does nothing to reduce the cost of soaring prescription drugs.

What this bill does, simply stated, is it kills the Medicare program and, in the process, shores up hundreds of billions of dollars of funding for the HMO industry and for the name-brand pharmaceutical industry. If this so-called deal is enacted into law, make no mistake about it, the Medicare program will be privatized. Medicare, as we know it today, will be turned into a voucher system and seniors will be forced into HMO's.

Republicans are trying to fool us into believing that their privatization provisions are merely a demonstration project or a test, but nothing could be further from the truth.

Mr. Speaker, the Republican Medicare provisions are unacceptable because they have nothing to do with prescription drugs. The "demo" goes way beyond the scope of providing seniors with prescription drug coverage, and, in fact, aims to bankrupt seniors, denying them their right to adequate health care under Medicare, and ultimately forcing them into HMOs because they can no longer afford Medicare.

This is exactly where the insurance companies come in to get their big pay-off because greater risk and cost are shifted to senior citizens.

Furthermore, the provisions in the Medicare agreement that deal with prescription drug coverage are completely inadequate in terms of benefit structure. We are talking about a \$275 deductible, a \$35 monthly premium, 75-25 coverage, in other words, 75 percent paid by the Federal Government, 25 percent by the senior to the first \$2,200 and no assistance until \$3,600, at which point, the catastrophic is reached. So there is a huge doughnut hole; basically, between \$2,200 and \$3,600, in assistance, seniors get nothing. This means that seniors will have to pay nearly \$2,600 before the government pays for all drug costs.

Twenty million seniors or half of all seniors will be paying premiums year-round but would have no coverage for part of the year due to this large gap or doughnut hole in the coverage.

Now, the combination of this insufficient benefit combined with watered-down generic provisions, watered-down reimportation provisions, and the prohibition of the Medicare Administrator to negotiate lower drug prices brings me to my point that this Medicare final agreement is a giveaway to the name-brand pharmaceutical industry.

Mr. Speaker, there are so many fundamental problems with this upcoming Medicare agreement beyond what I have discussed tonight. There is no Medicare fallback in this bill that is favorable to seniors. We expect 2 to 3 million retirees to have their coverage dropped. Ten million, or one out of four, seniors will be forced to pay more for Medicare or to join an HMO. Low-income seniors are not financially protected and will be subject to an assets test for the first time in Medicare history. And the Medicare Part B will rise for the first time in 12 years. Means testing will be implemented in the Medicare program for the first time in its history, and tax sheltered accounts for the wealthy are going to be part of this bill, even though it is not really a Medicare bill.

Mr. Speaker, the list of problems in this so-called Medicare agreement is overwhelming, and I really do not know how the Republicans or groups like the AARP or the President and others who have endorsed this agreement can live with their deceit and ill will against America's seniors.

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UNDERMINING THE WHOLE CONCEPT OF MEDICARE

The SPEAKER pro tempore (Mr. TANCREDO). Under a previous order of the House, the gentleman from Washington (Mr. MCDERMOTT) is recognized for 5 minutes.

Mr. MCDERMOTT. Mr. Speaker, I want to associate myself with the remarks of the gentleman from New Jersey (Mr. PALLONE). This week is one of the most important weeks that I have seen in the 16 years I have been in the Congress because we are dealing with

an issue that is about the question of what is in the common good.

We have no problem in this country believing that fire departments and police departments and road systems and schools are issues of the common good. We all pay our taxes. We all get benefits from them, and we have since 1964 had a program in this country called Medicare which was a program in which everybody put their money and people over the age of 65 took out their money to pay for health care benefits when they needed them. Everybody got the same thing everywhere in the whole country.

But there have been people in this Congress who have always thought that the idea of doing something collectively was somehow, I do not know, socialism or something bad. I do not know. They believe that everybody should be individually responsible for themselves, that they should be on their own and that they should deal with these things in a market, like they were buying cars or buying refrigerators or television sets.

So we have a bill before us that is going to undo what we have had in this country for senior citizens for the last 38 years. They have been waiting. They have been trying to do this for 4 or 5 years.

I was on the Medicare commission. One of the Members of the other body and the gentleman from Michigan (Mr. DINGELL) of this body and I represented the Democrats on that commission, and we managed to hold off the disaster which is being foisted on the senior citizens and the country itself in the next week.

This attitude about the common good really began to be undermined under Mr. Reagan. It was his campaign slogan in 1980: Are you better off than you were 4 years ago? Not are "we" better off than we were 4 years ago, but are "you."

This bill is going to say we are going to guarantee a premium support to every senior citizen in this country; we are going to write them a check, \$5,900, \$6,000, \$6,300, whatever; and we are going to say now you, grandma, take that check out and find yourself an insurance company that will take care of what your needs are. You can stay in the program of Medicare as we know it, but since the healthy and the least sick will go out and find these good deals somewhere, who will be left in the regular program? The old and the sick.

The price per person is going to go up, so they are going to raise the premium on anybody who stays in the regular program. Is that thinking about the common good, that we are going to pick on the ones who are the old and the sick, and we are going to let the young and the healthy seniors go off and make a good deal somewhere? No, it is not. It is wrong, it is un-American, and it is undermining the whole concept of Medicare.

The idea that all seniors put their money into the pot, nobody sits around