

provision in the bill that says that the Secretary of Health and Human Services and the Medicare administrator cannot negotiate price reductions. We do it for the Veterans' Administration. We do it for the Department of Defense for our military. But we are not allowed to do it under this bill because the drug companies want a windfall.

Well, all that I have been saying and all the Democrats have been saying is if you really believe that HMOs and private plans can compete with the traditional Medicare, then why not just have pure competition? Do not give them all this money. Do not give the HMOs all this money, the insurance companies all this money. Do not give the windfall and prohibit the Secretary of Health and Human Services from negotiating prices. Have real competition. Say that the private plans have to really compete with the private plans and do not get any additional money. Or, in the case of the drug companies, have the Medicare administrator essentially negotiate through competition price reductions. That is what negotiation is all about. It is a form of competition. Do not say that they do not have the power to negotiate.

The one thing I want to say, and then I will yield to my colleague from Massachusetts, I listened to what the gentleman from Indiana (Mr. BURTON) said and he talked about reimportation. Reimportation is a form of competition. If you say that Canadian drugs can come in here, you are creating a form of free-market competition with the companies here that want to charge the higher prices.

But, no, we cannot have competition, we cannot have free market, we have to prohibit the Canadian drugs from coming in here. This bill is not competition. This is a windfall for the HMOs. This is a giveaway to the drug companies and the insurance companies.

And I want to yield to my colleague from Massachusetts because he wants to talk about the date.

Mr. DELAHUNT. Mr. Speaker, I want to pose a question to the gentleman from New Jersey (Mr. PALLONE) and then restate the question that I was going to ask to the gentleman from Indiana (Mr. BURTON).

I think it is important that the seniors in this country who happen to be viewing us tonight understand that next year, when they go to their local pharmacist and present their Medicare card, will they get a drug benefit under this particular proposal?

Mr. PALLONE. Reclaiming my time, Mr. Speaker, they will get nothing. They will get nothing, because under the Republican proposal, and I think it is very important that you mentioned it, this plan does not go into effect until the year 2006.

Mr. DELAHUNT. Mr. Speaker, if the gentleman will continue to yield to me, seniors better live to 2006. They do not want to get sick in 2003 or 2004 or 2005.

Now, I look at my two colleagues from the other side of the aisle, and I think we can all agree that next year, 2004, happens to be an election year. Is that an accurate statement?

Mr. PALLONE. Absolutely, for President, Senate, and House.

Mr. DELAHUNT. If the gentleman will continue to yield, the gentleman from Minnesota (Mr. GUTKNECHT) and the gentleman from Indiana (Mr. BURTON) are both here, so let me just emphasize this. One of the great bipartisan efforts that this House has witnessed since I have served in this Congress is under the leadership of both of those gentlemen, along with yourself, the gentleman from Illinois (Mr. EMANUEL), and other Democrats when we got through this Chamber against the forces of the pharmaceutical industry. And it was a shock for everyone, the right of Americans to reimport drugs from Canada. And so they deserve credit along with those who worked very hard to get it accomplished.

But can the gentleman from Indiana (Mr. BURTON) tell me, is there anything in this bill that will be coming to the floor this week that allows for reimportation? And if it does, is it real and tangible, something, as the gentleman from New Jersey indicates, which will allow for real competition? Because you know and the gentleman from Minnesota (Mr. GUTKNECHT) knows and the gentleman from New Jersey (Mr. PALLONE) knows, they purchase their drugs significantly cheaper in Canada than our folks do here.

Mr. BURTON of Indiana. Mr. Speaker, if the gentleman from New Jersey will yield, the language in the bill is essentially the same as it is right now, and that is that the head of the health agency, HHS, all he has to do is say there is a safety issue, which he has already said, and there will be no reimportation.

Mr. DELAHUNT. So there is no reimportation under this bill. That is important.

Mr. PALLONE. Mr. Speaker, I think the gentleman from Massachusetts is making a very good point, which is essentially this bill is nothing but an election-year gimmick. The bottom line is if they are really serious about providing a prescription drug benefit, and I will grant I do not like what they are suggesting, because I do not think it is a real benefit, why are they not doing it now? Why are they not doing it in 6 months? Why are they not doing it in a year? They wait until 2006 because they do not have any intention of doing anything, and they are hoping people do not find out until 2006 what a terrible bill this is.

As the gentleman from Indiana (Mr. BURTON) said, even if you bought into the idea we could wait until 2006, and I do not, why not let reimportation take place in the meantime, so at least people can get the cheaper drugs from Canada? But they are not going to do that because they want the drug companies to have the windfall, and the

drug companies are against reimportation.

Mr. DELAHUNT. Mr. Speaker, if the gentleman will yield for a moment, what is happening here is competition is being precluded by this bill and huge amounts of dollars, tens of billions of dollars, are being given to the pharmaceutical industry. That is what this bill is about.

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FAIR DRUG PRICES IN AMERICA

The SPEAKER pro tempore (Mr. BISHOP of Utah). Under the Speaker's announced policy of January 7, 2003, the gentleman from Minnesota (Mr. GUTKNECHT) is recognized until midnight as the designee of the majority leader.

Mr. GUTKNECHT. Mr. Speaker, I want to respond to something that the gentleman from Massachusetts (Mr. DELAHUNT) just spoke about. He asked if there would be any chance for market competition or bringing access to markets into this bill. The truth of the matter is, and I think the gentleman from Indiana answered the question almost correctly, the answer is this bill actually makes the situation worse.

Currently, under current law, and this is not part of my bill, but this is current law, Americans have access to drugs from 26 different countries subject to the approval of the Secretary of HHS. Under the present Republican and under the previous Democratic administrations, we have two administrations who have refused to allow Americans to really have that access. I would like to talk about this issue because I think Members need to know that some time later this week we are probably going to have a vote on this very important issue.

The gentleman from Massachusetts (Mr. DELAHUNT) also said the pharmaceutical companies might make tens of billions of dollars more in profits. I think that is probably being conservative. There is an estimate done by the University of Boston or Boston College as it used to be known, who has done a study who estimates that the pharmaceutical companies under this legislation stand to make an additional \$139 billion in profit.

Now, I am a Republican, I believe in profit. There is nothing wrong with the word "profit," but there is something wrong with the word "profiteer." I think it is a little like what the Supreme Court said a number of years ago about whether or not something was too graphic or whether or not it was pornography; we do not necessarily have to be able to define it to know it when you see it.

I want to talk about the differences between what Americans actually pay for prescription drugs. People may argue about the source of this chart, but the more one looks at this chart, the more other people have actually done their own analysis, they have

come to the same conclusion. These numbers are about a year and a half old and the numbers have changed slightly, but the percentages are still the same.

Augmentin, the average price in the United States for a 30-day supply is \$55.50. In Europe that drug can be bought for \$8.75, and in Canada the price is \$12.

Cipro, a very effective antibiotic, and probably when we had the scare with the anthrax, one of the most effective antibiotics ever developed, developed by a German company called Bayer. They sell the drug here in the United States for about \$88. They sell it in Canada for \$53, but in Europe you can buy the same drug for \$46.

Glucophage, one of the most effective antidiabetic drugs, developed here in the United States. Somehow it is hard to explain to our constituents that here in the United States that drug will sell for \$124.65. One can buy it in Canada for \$26.47, but it is available in Europe for \$22.

Why is it so much cheaper in Canada and Europe and some people say they have price controls, and we do not believe in price controls. In some respects that is true, but in Europe they make the drugs less expensive because they allow parallel trading. So a pharmacist in Germany if he can buy that Glucophage cheaper in Spain or Norway, he can buy it in Spain or Norway. That is called parallel trading, and that is allowed in most of the European Union.

Let me tell Members something about the Europeans. They are not intrinsically smarter than Americans, and they do not have all of these safety concerns that our FDA does. They do keep records, and they know that almost nobody dies in Europe or Canada. I can go through this list, and the numbers, as I say, they are slightly different, but the percentages are almost always the same. The bottom line is this: The world's best customers, the American consumers, pay the world's highest prices in virtually every single category, and not just a little bit more, we pay a lot more. In fact, in almost every category, it is almost 30 percent more, and in some categories it is almost 300 percent more.

For example, Tamoxifen is probably the most effective antibreast cancer drug ever developed. It was developed here in the United States, and it was developed by the American taxpayer. It was developed with funds from taxpayers. Taxpayer money through the CDC, through the NIH, we took that drug all of the way through phase two trials. Once we had it almost ready for market, we licensed it to a pharmaceutical company. Our reward, the taxpayers' reward, was they sell it to American consumers for \$360 a month on average. They sell it in Canada for \$60. They sell in Europe for \$50.

I think we ought to pay our fair share for the research costs, and I think we ought to subsidize the people

in sub-Saharan Africa, but we do not need to subsidize the starving Swiss. It is time to open the markets. We have open markets when it comes to oranges and raspberries and almost every other product except prescription drugs.

Mr. Speaker, I yield to the gentleman from Massachusetts (Mr. DELAHUNT).

Mr. DELAHUNT. Mr. Speaker, I want to acknowledge the gentleman's expertise. There is no one in this institution that has the depth of knowledge on the subject than the gentleman, and is certainly someone who is highly respected and regarded on this side of the aisle.

During the course of the debate, there has been much attention given to the so-called safety issue. I do not know whether you have this, but can you inform me and my other colleagues and those that might be watching in terms of those in Canada or those Americans who have purchased pharmaceuticals from Canada, what are the numbers, how many fatalities are there, how many reported problems attendant to safety have actually occurred?

Mr. GUTKNECHT. Mr. Speaker, I thank the gentleman for asking that important question because we hear the FDA and the pharmaceutical reps and other people saying it is safety, and this Henny Penny the sky is falling, but we keep records on this. The CDC keeps amazing records on how many people have died from taking drugs from other countries. The CDC is the official recordkeeper of all health statistics here in the United States. They keep very good records. We have had them testify in front of the subcommittee of the gentleman from Indiana (Mr. BURTON), and we have asked how many have died, and it is an easy, round number, and the number is zero.

We also know if we go to the CDC files, we will find 264 Americans have become seriously ill from eating raspberries from Guatemala. So in effect, we are 264 times more likely to become seriously ill eating vegetables or fruits from other countries than from prescription drugs.

Tomorrow night we are going to have another Special Order, and I invite people from the entire political spectrum, let us come down and talk about this because this is not a Republican issue, this is not a Democratic issue or right versus left, its right versus wrong. And what this House decided a few months ago on an overwhelming majority, it is wrong to hold American consumers captive. That is what is happening today. If this bill passes later this week, that is exactly what will continue to happen. I warn my colleagues that they will have to go home to their constituents and they are going to get asked a couple of very tough questions. And the first question is: Why is it Americans pay so much more for Tamoxifen or Glucophage or Coumadin or any of these other drugs, why is it we pay so much more?

That is a tough question, but here is an even tougher question that they are

going to have to answer: Congressman, what did you do about it? Ultimately, we are all going to have those kinds of questions. Republicans will have to answer them, and Democrats will have to answer them. That is why I think we ought to come together on a bipartisan basis and pass a bill that makes sense, that opens markets, allows competition. I am one who happens to believe in free markets and in competitive markets. I know this, when we have competitive markets, ultimately, the prices will level. The prices in Canada may go up a little bit, and the prices in Germany may go up a little bit, but the prices here in the United States will go down.

I do not want American consumers going to Canada to buy their drugs. I do not want them to buy their drugs from Germany. I want to force the pharmaceutical companies to adjust their pricing strategies so we get fair prices here in the United States.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 8 of rule XII, executive communications were taken from the Speaker's table and referred as follows:

5421. A letter from the Secretary, Department of Agriculture, transmitting the Department's draft bill entitled, "To make technical amendments to the Commodity Promotion, Research, and Information Act of 1996"; to the Committee on Agriculture.

5422. A letter from the Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule — Tebufenozide; Extension of Tolerance for Emergency Exemptions [OPP-2003-0329; FRL-7330-2] received October 24, 2003, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

5423. A letter from the Comptroller, Department of Defense, transmitting a report of a violation of the Antideficiency Act by the Department of the Air Force, Case Number 99-01, pursuant to 31 U.S.C. 1517(b); to the Committee on Appropriations.

5424. A letter from the Acting, Under Secretary, Acquisition, Technology and Logistics, Department of Defense, transmitting four quarterly Selected Acquisition Reports (SARs) for the quarter ending September 30, 2003, pursuant to 10 U.S.C. 2432; to the Committee on Armed Services.

5425. A letter from the Director, Office of Management and Budget, transmitting appropriations reports containing OMB cost estimates for P.L. 108-26 and P.L. 108-27, which became law on May 28, 2003, P.L. 108-40, which became law on June 30, 2003, and P.L. 108-74, which became law on August 15, 2003; to the Committee on the Budget.

5426. A letter from the Chairperson, National Council on Disability, transmitting the Council's report entitled "Olmstead: Reclaiming Institutionalized Lives," pursuant to 29 U.S.C. 781(a)(8); to the Committee on Education and the Workforce.

5427. A letter from the Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule — Revisions to the Regional Haze Rules to Correct Mobile Source Provisions in Optional Program for Nine Western States and Eligible Indian Tribes Within that Geographical Area; Direct Final Rule, Removal of Amendments. [FRL-7579-6] received October 24, 2003, pursuant to 5 U.S.C.