

the House, the gentleman from California (Mr. ROHRBACHER) is recognized for 5 minutes.

(Mr. ROHRBACHER addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

EXCHANGE OF SPECIAL ORDER TIME

Mr. GUTKNECHT. Mr. Speaker, I ask unanimous consent to take the time of the gentleman from California (Mr. ROHRBACHER).

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

DRUG PRICES IN AMERICA

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

Mr. GUTKNECHT. Mr. Speaker, I rise tonight to talk about an issue that is not new to this Congress and certainly is not new to the American people, and that is the price that Americans pay for prescription drugs relative to the rest of the industrialized world.

I started this pilgrimage about 5 or 6 years ago. Many Members do not know how I got involved in this, but the issue that got me involved was the price of pigs. Because about 5½ years ago, the price of live hogs in the United States collapsed. It dropped from about \$37 per hundred-weight down to about \$7 per hundred-weight. So these farmers started to call me and say, Can't you do something about this, Congressman? And I said, Well, I don't know what we can do. They said, At least can you stop all these Canadian pigs from coming across our border making our market even more difficult?

So I did what any good Congressman would do, I called the Secretary of Agriculture, I called the Secretary of Commerce, and essentially I got the same answer. And the answer was: Well, that's called NAFTA. That's called free trade. We have open borders. I said, You mean we have open borders when it comes to pork bellies but not open borders when it comes to Prilosec? And the Secretary of Commerce literally said to me, Well, I guess that's right. I said, Well, that doesn't sound right to me.

So I got some charts and started comparing what Americans pay for drugs compared to Canada and Europe, and I started bringing these charts down to the floor of the House and talking about those differences and saying essentially that if we are going to have open markets that our farmers have to compete with, then the big pharmaceutical companies ought to have to compete as well.

Last year, I had a chart from Germany, and we have some relationships now with some of the pharmacies around the world, and they give us regular prices in terms of what they are

charging for the drugs. Last year, the difference between Germany and the United States, depending on how you look at it, about a 40 percent difference.

Over the last year, the price of the American dollar has declined by over 20 percent relative to the Euro. So when we got these charts, I was afraid the differences would have all but evaporated. Lo and behold, the prices are even more exaggerated today than they were a year ago. In other words, prices here in the United States, the differential is even greater today than it was a year ago, even though the value of the dollar has declined by 20 percent.

Let me give a couple of examples of drugs people might recognize. One is the drug Nexium, the new purple pill. At the local pharmacy in Rochester, Minnesota, a 30-day supply of Nexium, 20 milligrams, is \$145. You can buy that same package of Nexium at the Metropolitan Pharmacy in Frankfurt, Germany for \$60.25.

Norvasc, 30 tablets, \$54.83 in the United States, \$19.31 over in Germany.

But here is one that really got our attention: Zocor. In the United States, \$85.39; in Germany, \$23.83. What is interesting there is we negotiate and get good deals for Federal employees. The Federal copay right now for Zocor is \$30. In other words, you can buy it walking in off the street with a prescription in Frankfurt, Germany, cheaper than you can the copay for Federal employees.

Mr. Speaker, I just want to serve notice tonight that this issue is not going to go away, I am not going to go away, and the people of not only my State but people all over the country are only demanding we get fair prices. We as Americans subsidize the pharmaceutical industry in three separate ways. First of all, we pay for a big share of the research. This year we will spend about 27 billion taxpayer dollars to fund basic research and research in drugs and chemicals and so forth to determine what might work. And many of those things are given to the pharmaceutical industry, essentially, and then they patent those drugs. So we do subsidize a big part of their research.

Second, we subsidize them through the Tax Code. Literally, they write off all the costs they have for research. In fact, in some cases they get tax credits, research and development tax credits.

Finally, we subsidize them through the prices we pay.

Now, I believe in patents, and I do not believe anybody should be stealing other people's patents. And I do not believe that we as Americans should escape paying our fair share for the cost of these drugs. I think it is fair we pay our fair share. I think we should subsidize the people in sub-Saharan Africa, for example. But I do not think Americans should be forced to continue to subsidize the starving Swiss and the starving Germans and the people in the industrialized world.

It is time Americans have access to world-class drugs at world market

prices. I hope my colleagues will go to my Web site at gil.house.gov. We have a site there with great charts and a lot of information. If people will just study this, be objective, I think they will come to the same conclusion, that it is time to open up markets for the pharmaceutical companies the way our farmers have to compete in a world marketplace.

PRESIDENT'S BUDGET

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

Mr. BROWN of Ohio. Mr. Speaker, last week, President Bush delivered to Congress his proposed Federal budget. In the coming months, Democrats and Republicans in Congress will debate budget proposals largely based on divergent cardinal moral values. We will debate budget cuts that represent more than just program scale-backs. The President's proposed cuts to vital government programs are reflective of differences in core philosophies on the role of our government in serving our people.

Budgets are moral documents that reveal the fundamental priorities of a person, of a household, of a government. The President's "every man for himself" budget disregards millions of Americans and undercuts our Nation's values. There is no better example of where Democratic and Republican values diverge than Medicaid. The President claims he only wants to cut programs that are not getting results or that duplicate current efforts or that do not fulfill essential priorities.

So which of these is Medicaid? There is no question it is getting results. It operates at a lower cost than private health insurance, in spite of what my friends on the other side of the aisle like to say about Medicaid. In fact, private health insurance has grown historically at 12.6 percent a year; Medicare costs have grown at 7.1 percent a year; and Medicaid has grown at 4.5 percent a year. So government-delivered health care through Medicare and through Medicaid has been significantly more efficient than wasteful, profitable private insurance.

There is no duplication here, because Medicaid is the only program of its kind. It fulfills an essential priority. It is the sole source of nursing home care for five million seniors living in poverty.

The President knows that Medicaid is already running on fumes, but he made a choice. He chose more tax cuts for the wealthiest 1 percent of Americans instead of providing for subsistence care for America's seniors. He chose tax cuts for the most privileged Americans instead of subsistence care for America's seniors through Medicaid. Different priorities reflecting a different set of moral values.