

budget for the first time in 28 years, cutting taxes for the middle class for the first time in 16 years, reforming welfare for the first time in a generation, and taming the tax collector by reforming the IRS for the first time ever. Those are real accomplishments and folks say, "Well, that's pretty good, but that's history. What are we going to do next?"

Well, this Congress and this Republican House have several very, very important goals. We want to strengthen and make our schools not only better but safer, we want to strengthen Social Security by locking away 100 percent Social Security revenues for Social Security. We want to pay down the national debt. And, of course, we want to continue working to lower taxes for the middle class and for working families. This year as we work to lower taxes and to lower the tax burden for middle-class families, I believe that the approach we should take is to address the unfairness in the tax code, because when I listen to the folks back home, whether in the union hall or the VFW, a local Chamber of Commerce or at a coffee shop in my hometown down on Liberty Street, people say that not only are their taxes too high, they complain about the complexity and the unfairness of the tax code.

I believe this series of questions really illustrates a key area of unfairness that we should make a priority in this Congress this year in getting the job done on eliminating this most unfair area of our tax code, that is why I want to explain why enactment of the Marriage Tax Elimination Act is so important with the question of fairness. Do Americans really feel that it is fair that under our tax code, married working couples pay more in taxes just because they are married? Do Americans feel that it is right that 21 million married working couples pay on average \$1,400 more under our Tax Code just because they are married, \$1,400 more than an identical couple with identical incomes who live together outside of marriage?

Clearly I think the American people agree that the marriage tax penalty is wrong and we need to set it right. The marriage tax is not only unfair, it is wrong. It is wrong that under our Tax Code you are punished for getting married. As I noted earlier, it affects 21 million married working couples on average \$1,400 in higher taxes just because they are married.

Let me give an example here of a couple in the south suburbs of Chicago. You have a case where a machinist and, of course, this particular machinist works at Caterpillar in Joliet, he makes the heavy machinery that we use to mine and dig things and build things. He makes \$30,500. If he is single, after the standard deductions and exemptions he is in the 15 percent tax bracket. But under our Tax Code because two working people who choose to get married, their incomes are combined and in fact you file your taxes

jointly, you are pushed into a higher tax bracket. This example of this south suburban couple, this machinist who meets and marries a schoolteacher in the Joliet public schools with an identical income of \$30,500, because under our Tax Code they combine their incomes and their combined income is \$61,000, pushes them into the 28 percent tax bracket. And because this machinist and this schoolteacher in Joliet, Illinois, in the south suburbs of Chicago chose to get married, they pay more in taxes. That is just wrong.

Of course I would like to point out that for this schoolteacher and this machinist in Joliet, \$1,400 is real money. \$1,400 is one year's tuition at Joliet Junior College, our local community college, and it is 3 months of day care at a local day care center. We need to eliminate that marriage tax penalty. It is wrong that under our Tax Code this machinist and schoolteacher end up paying higher taxes when they get married. Had they chose not to get married and just lived together, their taxes would have been \$1,400 less. That is just wrong.

Under the Marriage Tax Elimination Act, we eliminate this marriage tax penalty for this machinist and this schoolteacher. In fact, we do it by doubling the standard deduction. We also double the brackets so that joint filers can earn twice as much as a single filer and remain in each bracket. Had the Marriage Tax Elimination Act been law today, this machinist and schoolteacher would have seen the marriage tax penalty eliminated.

What is the bottom line? Mr. Speaker, in just a couple of weeks this House of Representatives will be working to pass the tax provisions for this year's balanced budget, the 3rd balanced budget in 30 years, thanks to a Republican Congress. I believe as we work to provide tax relief as part of this balanced budget, our first priority should be making the Tax Code fairer for this schoolteacher and this machinist by working to eliminate the marriage tax penalty.

I am pretty proud of what we have accomplished. In 1996 we created as part of the Contract With America the \$500 per child tax credit benefiting 3 million Illinois children. This year let us help married working couples. Let us help Illinois families by eliminating the marriage tax penalty.

#### PRESCRIPTION DRUG COVERAGE FOR SENIORS

The SPEAKER pro tempore. Under the Speaker's announced policy of January 19, 1999, the gentleman from Ohio (Mr. BROWN) is recognized during morning hour debates for 5 minutes.

Mr. BROWN of Ohio. Mr. Speaker, today the President proposed a Medicare reform package that preserves what is fundamental about Medicare. It treats all seniors equally.

Unlike the privatization/voucher proposal that has resurfaced, the Presi-

dent's plan does not jeopardize the core Medicare program so many seniors depend on and it does not create different classes of coverage for seniors at different income levels. It does not abdicate our responsibility to seniors by turning the Medicare program over to private managed care plans, the same plans that dropped 400,000 seniors last year and are poised to do the same this year.

What the President's plan does do is provide prescription drug coverage for Medicare beneficiaries. Medicare covers hospitalization, it covers doctors' visits, and, of course, it should cover prescription drugs. That is why we need to modernize Medicare. Prescription drugs are no longer supplemental to basic health care. They are integral to it. The President's proposal updates Medicare coverage to reflect modern medicine. The President's proposal is designed to make prescription drugs more affordable for seniors by covering half the cost of prescription drugs up to a \$2,000 cap.

The value of this benefit depends on one key variable, the sticker price of prescription drugs. Obviously higher prescription drug costs will exhaust the benefit much more quickly than lower prescription drug costs. That is where the drug companies, Mr. Speaker, come in. Drug companies are overpricing their products. This remains true regardless of how much these companies spend on research and development. By the way, we do not know how much drug companies spend on R&D because they have refused to disclose this information to the public or to this Congress.

□ 1300

How do we know that drug companies overprice their products? Just look at their profits. Remember, these dollars are the dollars left over after research and development. Last year drug company profits outpaced those of every other industry by over 5 percentage points. Drug company profits last year were \$22 billion. Last year the CEO of Bristol-Myers Squibb made a \$1.2 million salary, a \$1.9 million bonus and \$30.4 million in stock options. Drug companies cannot continue to monopolize price their products and expect the American people to accommodate them.

Prescription drug coverage for seniors is critically important, but it is not intended to address, nor does it address, the market failure in prescription drug pricing that is driving up health care costs and hindering access to needed medications here and around the world. Drug companies can voluntarily price their products to promote access, which they are not doing, or they can disclose their costs and try to justify their windfall prices, which they are not doing, or they can continue to exploit their monopoly advantage, which they are doing, until Congress is forced to regulate their prices like a utility.

If drug companies continue to price irresponsibly to make the huge profits they are making to pay the huge marketing costs and executive salaries they pay, the third option; that is, government regulation of huge overblown prescription drug prices, the third option may be the only one left.

#### INDIA-PAKISTAN: MILITARY ACTION IS NOT THE SOLUTION

The SPEAKER pro tempore (Mr. BALLENGER). Under the Speaker's announced policy of January 19, 1999, the gentleman from Nebraska (Mr. BEREUTER) is recognized during morning hour debates for 5 minutes.

Mr. BEREUTER. Mr. Speaker, this Member rises to express his grave concern regarding the current conflict in South Asia. It is particularly distressing because only 4 short months ago the prime ministers of India and Pakistan signed a watershed agreement known as Lahore Accord. In it both committed to reduce the risk of conflict, particularly in Kashmir, their most volatile source of discord.

Now the promise of peace has been replaced by the worst fighting in decades. Islamic insurgents infiltrating from Pakistan have occupied strategic mountain locations in India and control portions of Kashmir. Both sides have reinforced troops and weaponry, and fighting has intensified. India and Pakistan also are redeploying troops along the Punjab border, the key battleground in previous conflicts. Citizens are collecting money for the war effort, lining up at recruitment centers, and donating blood. Recent press reports indicate that hard-line politicians on both sides are talking about using their nuclear options.

There is good evidence that these heavily armed infiltrators at Kashmir could not have been positioned or sustained themselves without direct Pakistani assistance, possibly including Pakistani troop involvement. This Member calls upon Pakistan to immediately halt such assistance. This Member also calls on both sides, India and Pakistan, to stop seeking short-term tactical advantages and work to achieve a strategic accommodation on the issue of Kashmir.

Mr. Speaker, no solution can be achieved under the continued threat of increased military action. This Member, and I am sure this Congress and the world, strongly cautions against further escalation. At the Lahore meeting, the prime ministers of India and Pakistan sagely agreed that they owe peace to their people and to future generations. They should fulfill that hope and commitment starting now with the cessation of hostilities.

#### GUAM OMNIBUS OPPORTUNITIES ACT

The SPEAKER pro tempore. Under the Speaker's announced policy of January 19, 1999, the gentleman from

Guam (Mr. UNDERWOOD) is recognized during morning hour debates for 5 minutes.

Mr. UNDERWOOD. Mr. Speaker, each time I come to the floor of this House and my words are broadcast over C-SPAN, I often get calls to my office from Americans all over the country. Some want to express their support for what I have stated, others are against me, and sometimes a few are distant relatives or friends that are excited to see me on TV.

But for most who call the office and for many people I meet their understanding of delegates in Congress is fairly limited. They know we are unlike other Members of Congress and we are afforded most of the opportunities that representatives have but are not able to make our mark with a vote on the House floor. So essentially we are Members, but not entirely, and the island or jurisdiction each respective delegate represents is not often afforded the attention that their jurisdictions deserve, and by our unique status we must introduce very unique legislation tailor-made for our respective jurisdictions.

I have come to recognize that making Guam's case in Washington continues to be for me the greatest challenge of my life, as it certainly was for my predecessors and will likely remain for future delegates, barring a major change in political status, and that finding ways to create opportunities or level the playing field to advance the political, social, and economic well-being of our islands while being mindful of their roles in history to advance the cause of democracy around the world will take great effort and great diligence.

In a few days, I will introduce such legislation tailor-made for my home island, Omnibus Guam legislation, bipartisan in nature, that addresses certain several pertinent issues and calls for creating opportunities and improving relationships with the Federal Government.

Three issues, and I have six issues in the omnibus legislation, have already been passed in the Senate in the last Congress as S. 210 and received widespread support here in the House. One of those provisions gives Guam the right of first refusal for Federal excess property located in Guam. In the years following World War II, some one-third of Guam was claimed in the interests of national security, was condemned by military authorities and adjudicated in military courts so the people of Guam, who were not even U.S. citizens at the time, really suffered a very grave injustice in the claiming of the land. And so it is entirely fair at this point in time that Guam be considered before any Federal agency if land is declared excess. Normally Federal land declared excess goes to other Federal agencies first.

Secondly, we also want to give more opportunities for governors of island jurisdictions affected by migration to

their islands allowed under the Compacts of Free Association from some of our island neighbors in the Pacific, namely the federated states of Micronesia as well as Palau and the Marshall Islands. We want to give the governors the right to participate in the reporting of the way these migrations are affecting our islands.

Third, we want to ensure that American citizens in need of social services such as housing are not displaced by these very migrants. Our omnibus legislation will ensure that American citizens are not left in the back of the line for housing, for public housing.

I will include three new provisions in this particular piece of legislation. First of all, I will lift a ban on betel nut, the importation of betel nut from Guam which is a small cultural practice, but for some reason the FDA refuses to see fit to understand that this is a very minor cultural practice and will go to a great deal of goodwill for the Guam community inside the customs zone of the United States as well as outside.

The omnibus legislation also introduces an item that includes Guam in the tax treaties of the United States. Right now the tax treaty for foreign investors in the United States is variable depending on which country the U.S. signs a treaty with, but the tax rate for foreign investors in Guam is fixed at 30 percent. So this puts us at a great disadvantage.

And lastly, lastly we want to make sure that Guam gets the same level of funding as other insular areas in such programs as the Department of Justice block programs. This is legislation that corrects an inequity that has existed for some time.

Many of these items, I am sure, are obscure to many of the Members of the House, but I certainly look forward to the support of Members of both sides of the aisle. Most of these items have been very clearly vetted with both sides, both parties, and I look forward to its expeditious passage and that the House Committee on Resources will deal with it expeditiously, and I ask that my colleagues cosponsor this important legislation for the people of Guam.

#### RECESS

The SPEAKER pro tempore. There being no further requests for morning hour debates, pursuant to clause 12, rule I, the House will stand in recess until 2 p.m.

Accordingly (at 1 o'clock and 10 minutes p.m.) the House stood in recess until 2 p.m.

□ 1400

#### AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Mr. PEASE) at 2 p.m.