

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

CORPORATE SCANDALS

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

Mr. DEFAZIO. Mr. Speaker, well, today's headlines, WorldCom Finds Accounting Fraud, \$3.8 billion, slight misstatement of their earnings. The stock dropped from \$64.50 down to a few pennies, and 17,000 people will lose their jobs, but the former CEO is living happily in his mansion on the millions which he looted, as are many of his cohorts. This is a pattern that is being repeated time and time again. It has gone on for far too long.

It started a year ago today with the energy scandals in the West, little more than a year ago today. We were told by the Republican majority this is market forces at work, you have not built enough plants, has nothing to do with market manipulation. Well, now we got the memo that, in fact, Enron was manipulating the markets, but even with those market manipulations they went bankrupt.

Their former CEO, Mr. Lay, and their former Chief Operating Officer, Mr. Fastow, have between them more than \$100 million while employees have lost their pensions and their jobs.

□ 1815

This seems to be a pattern, does it not? What is the response of the Republican majority? Well, we pretended to adopt pension reform, but we did not prohibit what Enron did to its employees happening at other corporations, and it looks like there is a whole heck of a lot of other corporations out there on the edge while the CEOs are living on the gravy here, and that was sort of the initial response.

Then we had another little scandal coming along here which was American corporations do not think they should pay taxes anymore. Stanley Works wants to move to Bermuda, set up the new Bermuda Triangle, avoid U.S. taxes on its U.S. earnings and its overseas earnings. Bank of America has done the same scam. The corporations are lined up from here to Sunday to do that.

What is the response on that side? Well, the Secretary of the Treasury says our tax laws are too complex, this is a rational response by these unpatriotic corporations who are ripping off the American people, taxpayers and their own employees, and the majority leader on that side says he endorses this practice that they should not pay taxes unlike working wage-earning Americans.

Then we had Global Crossing, the CEO, a couple hundred million bucks there, little accounting scandal; Enron, accounting scandal; Tyco, accounting scandal; now WorldCom. What have we

done about the accounting system? Well, we are going to let the market work, the Republicans said. We adopted some securities and accounting reforms here. They say let them police themselves. Of course we get Harvey Pitt, Harvey Pitt appointed by the President of the United States, George Bush, to be headed by the Securities and Exchange Commission. He is a former lawyer for the securities companies that are out defrauding the American people. He is going to be a real lap dog down there. So the response here is status quo, do not upset the boat.

So there seems to be a common trend here which is we are in a meltdown. American CEOs are discredited, American corporations are discredited, the stock market is crashing, hurting average Americans; and the response on that side of the aisle is do not do anything, let market forces work and, by the way, let the CEOs skate. Oh, yes, we did do one really important thing last week. We passed the permanent repeal of estate tax for people who have over \$5 million of assets to make sure that Ken Lay, Mr. Fastow, and all these others who have ripped off tens of millions of dollars from their employees will never pay any taxes on the money they stole. God forbid they should, because they are all major contributors.

Last week the Republicans held the largest fundraiser in the history of Washington, D.C., headlined by the wonderful pharmaceutical companies, but followed up by many of the other players whom I have mentioned here because their CEOs happen to be awash in cash, and they want to make sure they do not go to jail. So they are becoming more and more generous in their contributing.

This is the most outrageous scandal in the history of the United States. The largest restatement of earnings by a corporation, tens of thousands of employees losing their pensions, their jobs, millions of Americans losing their 401(k)s, their pensions; and the response on the Republican side of the aisle is nothing, because they are frozen in place by the fact that they are taking so much money from the people who have perpetrated these frauds. I hope that the American people demand and vote for some change next fall.

REACTION TO U.S. 9TH DISTRICT COURT DECISION CONCERNING THE PLEDGE OF ALLEGIANCE

The SPEAKER pro tempore (Mr. KERNS). Under a previous order of the House, the gentleman from Florida (Mr. JEFF MILLER) is recognized for 5 minutes.

Mr. JEFF MILLER of Florida. Mr. Speaker, look what the courts have done now. Just when we think life after September 11 had gained some sense of normalcy, just after patriotism at a level not seen since World War II had permeated every segment of our society, a society under God, two liberal

judges in San Francisco have told this Nation at war that our Pledge of Allegiance is unconstitutional. Personally, Mr. Speaker, I am sickened. The Pledge is not a prayer. It is a declaration of being an American. It is the embodiment of everything we hold dear, the flag, the Republic, and one Nation under God.

I guess in a country where our constitutional safeguards have been taken to the extreme and have had to have nativity scenes removed from town squares and even silent prayers removed from high school football games, I should not be surprised. I suspect it is only a matter of time or a matter of finding the right lawyer who is seeking to make a name for himself to proclaim that the U.S. flag is unconstitutional and that by flying the flag someone may be offended by its semblance. We are forced to say happy holidays instead of Merry Christmas. We are forced to say *gesundheit* rather than God bless you. If a school teacher mentions Jesus during a lesson on history, that teacher faces disciplinary action.

Mr. Speaker, it is time we put our foot down as a body, a representative body of this country and respond to this outrageous decision and proclaim that these United States are united against terrorism, united against this decision, and united under God.

PRESCRIPTION DRUGS UNDER MEDICARE

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

Mr. GREEN of Texas. Mr. Speaker, last week the Committee on Energy and Commerce spent 3 long days and one very long night marking up a piece of legislation that is supposed to provide seniors with a Medicare prescription drug benefit. I say "supposed to" because most Americans support putting prescription drugs under Medicare. I have a graph here that shows those who support or oppose rolling back the tax cut that Congress passed last year and using that money to provide a prescription drug benefit under Medicare for seniors. Supporting is 64 percent, opposing is 25 percent, and 6 percent do not think Medicare ought to have prescription drugs. This poll was done between March 28 and May 1 of this year.

So instead of having the huge tax cut that we passed last year before September 11 and extending them even after 9 years from now, the American people really want a prescription drug benefit for seniors before they want a tax cut.

What is frustrating is that if we had been able to pass even one single Democratic amendment during that markup, I think all those days and that night would have been well spent. Unfortunately, every effort we made to improve the bill, and there was so much to improve, was shot down on basically party line votes.

When I look at all the problems of the bill, I have to wonder why my friends on the other side of the aisle fought so hard to preserve it, because their bill creates such a complicated scheme of varying copays, high deductibles, and insufficient coverage. When seniors sit down around their kitchen table to figure out how the Republican plan affects them, they will find this bill simply does not add up.

Under the Republican proposal, the beneficiary pays a \$250 deductible. For the first \$1,000 of drugs, they have to pay a 20 percent copay, or an additional \$150. Does not sound too bad. But for the second \$1,000 worth of pharmaceuticals they have to buy, the copay jumps to 50 percent, or \$500. So far we are up to \$900 in out-of-pocket expenses for a \$2,000 benefit.

The legislation that came out of our committee had a gaping hole in coverage from \$2,000 to \$3,700 where seniors have to pay every single dime for that \$1,700 worth of coverage. At the same time, they are still paying their \$35-plus a month for coverage they are not receiving. So to get to the catastrophic coverage, there has to be \$3,700; but seniors will have to have \$4,800 worth of drug costs before they will receive the catastrophic benefit under the Republican plan.

Most seniors never will actually reach that level. If a senior's drug cost, for example, is \$300 a month, they will hit that \$2,000 by midyear. For the next 6 months, they will be paying these premiums but getting nothing in return. And while we are talking about the monthly premium, let us point out that the legislation does not specify exactly what it should be. It says that the private drug plans can charge whatever they want.

Now, in the committee we talked about \$35 a month, and that is great. But when we tried to put an amendment on that said it could be \$35 or cost of living after that, that was defeated. But the \$35 a month adds up to \$420 a year in premium before they even get to the copay. Mr. Speaker, under this plan, the seniors' out-of-pocket expenses are adding up, but their benefits are not.

There are even more holes in the bill that should cause great concern. Under the legislation, private health care plans can create a benefit that an actuary can call an "equivalent" plan to the Republican scheme. That means that the insurance companies can create any plan they want, any premiums, any deductibles, any copays as long as an actuary deems it an "equivalent" plan.

Under this plan, the health insurance companies could go to an actuary, such as Arthur Andersen, with a plan and have them sign off on it and sell it as a Medicare product. There is no guarantee that a private plan would look anything like the Republican proposal.

Finally, I want to focus a moment on a point that seniors will be thinking about. The Republican plan relies on

private insurance companies to run this new benefit. It will be separate from Medicare part A and Medicare part B and will be run by something called a Medicare Benefits Administration. Why is this relevant? Because this is the first step to long-term efforts to privatization in Medicare.

The Republicans have tried to do it for 5 or 6 years. It has not worked. Those HMOs just do not make enough money to serve seniors. My Republican colleagues have been long-time crusaders for the free market. I agree with the free market, but you cannot have the free market and private insurance trying to cover seniors. It does not work. We learned that in 1965.

PRESCRIPTION DRUGS

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 to talk about prescription drugs as well, and I have to acknowledge that some of the points made by our colleagues on the other side of the aisle are exactly right.

It is unfortunate that we are brought here tonight to discuss a bill that, as is true with every bill, is not perfect. And there are a lot of things about this bill that I do not like, but I want to talk tonight about what I think are the most glaring omissions from this bill. As we talk about prescription drugs, as we talk to our constituents, the one theme that comes through to us over and over again is that the prices are just going through the roof. And it is not just from seniors at our town hall meetings. It is from business people, big business people.

We had a meeting the other day with one of the representatives of one of the largest corporations in the United States. They are spending \$1 billion a year on prescription drugs. They are spending \$1 million a week on just one name-brand drug. I am very concerned about the glaring omission in this bill, because we do not deal, I think, effectively with the most serious problem and that is the price. People cannot afford it.

Whether someone is on Medicare, and we are going to try to create this insurance benefit, that will be good; but what about a middle-aged parent trying to support three kids and one of them gets a serious illness and needs \$1,000 a month worth of prescription drugs? What are we going to do for them? Well, the answer is, almost nothing.

Let me talk about the differences between what Americans pay. I have used this chart so much that it is starting to get frayed and worn out, but let me just give a couple of examples. Glucophage, a very important drug. A person does not have to be a senior citizen to have diabetes in the United States. Twenty-seven percent of our expenditures for Medicare are diabetes

related, but a lot of people have to take Glucophage. Look at what we pay in the United States. These are not my numbers. This is according to the Life Extension Foundation. The average price, according to their study for Glucophage, for a 30-day supply in the United States is \$124. That same drug sells in Europe for \$22.

We did some of our own basic research. We sent some people out. These are illegal drugs, my colleagues. According to the FDA, I am holding up illegal drugs because they were bought in Germany and Italy. But they are the same drugs we buy here in the United States.

Let us talk about this one. Claritin. Very commonly prescribed drug. This drug, Claritin, in a pharmacy in my district, this exact same drug, made in the same plant under the same FDA approval, in my district sells for \$64.97. This same drug was bought a week ago in Germany for \$13.97, American equivalent. That is 14.8 Euros, in case you are keeping score at home.

Another very commonly prescribed drug, an important drug, Zocor. This drug in the United States, at a pharmacy in my district, we checked just the other day, sells for \$45. This little box of pills, \$45. This same drug purchased in Italy 1 week ago is 14.77 Euros, or \$13.94 American.

My colleagues, we have a serious problem with prescription drugs. Everybody agrees to that. We have to do something to help those seniors who are currently falling through the cracks. Everybody agrees on that. But, my colleagues, I submit if we do not do something serious about opening markets, about creating competition, about allowing our pharmacists to re-import these drugs and allowing Americans to have access to world drugs at world market prices, then it is not shame on the pharmaceutical industry, it is shame on us.

□ 1830

We are the ones that set that policy. We are the ones that let it happen.

Unfortunately, I am going to be put in a position in the next day or two where I am going to have to make a tough choice. I am going to have to choose between staying loyal to my leadership or being loyal to what I know is true. I hope I do not have to make that choice.

Ultimately, we cannot allow this chart to continue. Shame on us if we do. We are going to have an important vote here on the floor of the House, and I hope leadership is listening. We had a tough vote today on trade. But if Members really believe in free trade and open markets, then come down here to the well of the House. Come down here, Mr. Speaker, and tear town this wall. Allow Americans to have access to world drugs at world market prices.

The time has come for Americans to stop subsidizing the starving Swiss. Let us have free markets and lower prices, and then we will be able to afford to give Americans the kind of coverage that they deserve.