and know of his beloved position in his community and church and family, and I personally acknowledge what he has meant to me and meant to our State.

Mr. Speaker, I rise today to talk on another subject as well. I rise just 6 days after we celebrated Independence Day to call attention to the plight of our Nation's black and minority farmers, small business people, who continue to struggle for their own independence against the forces of institutionalized discrimination at the hand of field offices of the United States Department of Agriculture, despite modest gains in some recent legislative and legal victories.

Only days before we celebrated July 4, a group of 150 black farmers felt it necessary to stage a sit-in in a regional office of the Department of Agriculture to protest the continued discrimination practices used by Federal employees to deny them a Federal farm loan.

This follows on the settlement of a class action lawsuit in 1999 which all of us thought would bring remedies. That was a consent decree in which the government agreed to stop these practices and the court provided relief in the way of priorities and loans, and agreed to pay $50,000 where there were acts of discrimination proven, and to provide other assistance.

But many who have applied for this relief have been denied, and the consent decree expires in 2 years. The government has paid more than half a billion dollars to farmers, while denying and refusing to assist many of the original plaintiffs. There is not a consistency in the application of the relief. So many of the farmers are finding this consent decree to be an empty victory or remedy that has no value to them whatsoever.

In a recent ruling by the U.S. Appellate Court in Washington, D.C., Pigford v. Ann Veneman, the Court clearly stated that the farmers had suffered a double betrayal, first by the Department of Agriculture and then by their own lawyers.

The protest by black farmers in the State of Tennessee demonstrates that the Department of Agriculture continues to ignore minority farmers who are small and disadvantaged. Secretary Veneman's response, to establish a high-level review of the issues within the department and to meet personally with these minority farmers, is indeed a positive step. However, there have been numerous studies, regulatory reviews, adjudication by the courts, and legislative direction by this Congress. The patterns of discrimination have been documented. The courts have decreed remedies. Congress has enacted specific reform, and it is past time for the Department of Agriculture to act and end discrimination.

The Committee on Agriculture committed here on the floor to hold hearings where they will examine the issues of black farmers. The committee is considering a full hearing in September.

The recent legislative victories for civil rights within the farm bill must be implemented immediately to ensure that past and present practices of discrimination and denials are prevented and corrected.

Those victories included: An Assistant Secretary for Civil Rights at USDA; language that requires the Secretary of Agriculture to document and to track program participation for minority farmers; and also the county committee elections be open and fair, and where there is not minority participation, there would be.

Mr. Speaker, I call on Congress indeed to pass the resources necessary for these funds, and I call on the administration to implement these policies so we can end discrimination and act in good faith for these small farmers who are struggling to make a living for themselves.

CORPORATE REFORM NEEDED

The SPEAKER pro tempore. Under the Speaker's announced policy of January 3, 2001, the gentleman from New York (Mr. LaFALCE) is recognized for 60 minutes as the designee of the minority leader.

Mr. LaFALCE. Mr. Speaker, this morning I was very pleased to join with the gentleman from Missouri (Mr. GEPHARDT) and other Members to file a petition for discharge of H.R. 3818, the Comprehensive Investor Protection Act of 2002. I introduced this bill in February. When I introduced it, I wanted to provide a serious and credible alternative to a very weak industry-drafted, industry-driven bill that had been introduced by the Republicans. I later introduced another bill basically codifying the concept of President Bush's own 10-point plan on corporate responsibility.

As I discussed at the press conference this morning, at every single point in the debate, whether it was in the House Committee on Financial Services, whether it was in the House Committee on Rules, or whether it was on the floor of the House of Representatives, I sought to offer the provisions of my bills as amendments to the Republican initiative so we could strengthen the oversight of accountants, so we could make auditors more independent, so we could improve corporate governance, so we could hold executives responsible for the financial statements their companies issue, and many other absolutely necessary improvements.

On every single issue, on every single occasion, President Bush said no and the Republicans voted no. They opposed even the provisions of my bills that sought to codify President Bush's own proposals. They voted against them on the floor of this House. Instead of producing a strong bill that could set the terms of debate for the Senate, the House instead produced a very weak bill, a cosmetic bill, that delegated major issues of accounting industry reform and corporate governance reform to the SEC. Basically, they codified the status quo.

Let me give some specifics. The Republican bill allowed the SEC to designate an accounting oversight board. But it did nothing to define the powers and duties of that board created under the bill, ensuring that it would be at best a weak institution without the authority to stand up to the accounting industry. Further, it did not specify the nature of the membership of that board. It is not just what powers the board has, it is who is going to serve on the board. Will they be zealots for investor protection? Or will they be protecting corporate America rather than the private individual investor?

The Republican bill also failed to address the conflicts faced by auditors in a meaningful way, allowing auditors to continue to provide the same consulting services that they do today. The Republican bill did nothing to enable the SEC to effectively bar guilty officers and directors from serving at other public companies because it preserved and codified the high burden of proof that even the SEC has said makes it virtually impossible to bar officers and directors even in the case of criminal misconduct.

The Republican bill prescribes studies, not legislative action, on issue after issue, even on whether corporate executives responsible for accounting fraud should be required to forfeit their bonuses and stock sale profits and whether the ties between analysts and investment banking should be restricted. We do not need to study that issue, we need to bar those conflicts.

At the time that the Republican bill passed, there was already a clear need for strong and reasoned legislation to protect workers and shareholders, but the House Republicans squandered that opportunity. While the House Republicans blocked any improvements to legislation in the House, and while the House Republicans voted against my substitute, while the House Republicans voted against my motion to recommit with instructions to report out stronger legislation, I was nevertheless gratified that at the very least our efforts, our bill, provided a model for Senator SARBANES as he developed his legislation now being considered by the Senate.

Unlike the House Republican bill, Senator SARBANES' bill provides for a strong accounting oversight board and significantly enhances auditor independence by limiting the consulting services auditors can provide to their audit clients and improving corporate governance. He has brought that bill to the floor of the Senate with strong bipartisan support and strong bipartisan cooperation I wish we had in this House.

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As the Senate continues the debate on the Sarbanes bill, however, I have been dismayed to note that the administration continues to resist strong legislation, and particularly continues to resist the creation of strong oversight for auditors of public companies. While the administration complains that the new organization may duplicate the efforts of the SEC, they continue to resist providing the SEC with the funding necessary for it to perform these functions itself. Moreover, they ignore the comprehensive authority provided to the SEC over the new oversight board.

Despite the administration's protestations, there is no reason to expect that the new board will not be able to work with the SEC in the same manner that the securities' self-regulatory organizations do at the present.

The administration and House Republicans must recognize what most Senate Republicans and even corporate leaders have already recognized, that the need for strong legislation that will restore the confidence of investors in our markets and public companies is urgent. I look forward to working with each and every one of my colleagues in the House or Senate on either side of the aisle and with the administration to produce a legislative product that can restore the integrity of our financial reporting system and our markets, that can provide the confidence needed to let our economy recover from the serious blows it has already been dealt; and I extend my hand to anyone who wants to work with me in that effort.

Mr. Speaker, I yield to the gentlewoman from California (Ms. LEE).

(Ms. LEE asked and was given permission to revise and extend her remarks, and include extraneous material.)

Ms. LEE. Mr. Speaker, I thank the gentleman from New York for yielding and for his leadership on this and so many issues that we face and address in this House.

As the gentleman from New York (Mr. LAFALCE) has indicated, we are facing a crisis of confidence in this country, a crisis in corporate America. In the last 9 months we have seen major corporation after major corporation fall because of greed, fraud and mismanagement. From Enron to Global Crossing to WorldCom, the failures of these businesses mean that millions of Americans are hurt. Workers lose their jobs, investors lose their profits in the stock market, retirees lose their pensions. It seems that we have a culture, really, of deceit in the corporate world.

From what we have learned recently, there apparently is collusion oftentimes between the corporation, the auditors and the analysts, who at the very least turn a blind eye to misdeeds and at most are really committing serious crimes that are defrauding the public, the government and investors.

What message are we really sending to the rest of the world when we in the United States so often criticize them for their corporate corruption? At the same time people are losing their jobs and life savings, greedy executives are managing not only to survive, but to flourish. They are taking huge bonuses and, in some cases, even hundreds of millions of dollars in loans, while the rest of their workers are being forced out with nothing. This is just downright criminal.

The corporations themselves are committing fraud by engaging in creative accounting. The auditors, such as Arthur Andersen, who are entrusted with ensuring the financial stability of these businesses, are really turning a blind eye to this fraud because of conflicts of interest between their auditing and consulting functions. And Wall Street analysts are compromising their integrity by recommending their customers buy stocks even when they have information that the companies are not in good shape because of their own conflict of interest between investment banking and analyst functions.

We must pass true accounting reform. In April, the House of Representatives passed really a sham accounting bill, H.R. 3763, the so-called Corporate and Auditing Accountability and Responsibility Act. This Republican corporate cover, that is what it is, this legislation does nothing to protect employees and investors. It allows corporate auditors to continue to perform both accounting and consulting functions. It does not hold corporate wrongdoers accountable if they knowingly release misleading financial statements. It does not increase oversight of the accounting industry.

We need to support the bill of the gentleman from New York (Mr. LAFALCE), which would, among other things, ban auditors from consulting services that create conflicts of interest.

Just this week, the Committee on Financial Services, on which I serve, held a hearing on the issue of the WorldCom failure. I was shocked, quite frankly shocked, to witness the total disregard for our oversight responsibility by the former CEO, Bernard Ebbers, and the former CFO, Scott Sullivan. Their consistent invoking of the Fifth Amendment did not allow for much insight into what happened. Their reluctance to provide our committee with necessary information so that we could be better prepared to put into place statutes to ensure corporate accountability was very, very disturbing.

What more are they hiding? We know that Mr. Ebbers received a $400 million loan, which he has not repaid, from WorldCom because of some bad investments he made. When he became subject to market calls, instead of selling his WorldCom stock, which he reportedly used as collateral, he went to his company and asked for loans so it would not look bad that the CEO was dumping tens of hundreds of millions of dollars of company stock.

When a working parent wants to send their child to college, they cannot go to their boss and expect a handout to cover the cost. When an adult child needs help to help their parents buy prescription drugs, their employer does not hand them thousands of dollars. When a family member gets in an accident and runs up thousands in medical costs and they end up in bankruptcy, they are unable to secure loans from their employer. Most ordinary working people do not have access to loans from their employer, let alone over $400 million in loans, and CEOs really should not either. We need to prevent CEOs and other top executives from securing huge loans from their own companies to bail them out of bad investments.

Many corporations are using offshore locations, including those in the Caribbean, to avoid paying United States Federal income taxes. Allowing U.S. corporations to avoid their tax liability is not only unfair, but also contributes to our deficit. I have cosponsored, along with many, H.R. 3884, the Corporate Patriot Enforcement Act, which prevents corporations from avoiding U.S. income taxes by reincorporating in a foreign country.

Now what about corporate ethics? Isn't there a moral or ethical code in the business world? Shouldn't there be? We heard at the WorldCom hearing about a ''close personal relationship'' the chief analyst at Salomon Smith Barney, Mr. Jack Grubman, had with former WorldCom CEO Bernard Ebbers. I asked Mr. Grubman if his relationship with Mr. Ebbers was a working relationship as he stated, or a personal relationship as had been reported. He danced around his answer.

At this week's hearing, Representative JAY INSLEE from Washington asked the witnesses very pointedly about whether it was time to punish corporate criminals the same way people convicted of drug offenses are. I have always been opposed to mandatory minimums for drug offenses, which mostly affect low-income, urban minorities. However, if we are to be tough on crime, why don't we pass mandatory ten-year prison sentences for those convicted of fraud and other corporate crimes for the mostly upper-income executives? President Bush yesterday called for a doubling of maximum sentences—but what about strong minimum sentences? This President supports mandatory minimums for those convicted of drug offenses and he should support them for corporate criminals who defraud their corporations and our Nation.

As a member of the International Relations Committee, I participated in a hearing on international corruption and how U.S. companies were harmed when unfair practices were prevalent in other nations. Our then-Chairman and Ranking Member both talked about how corruption ''undermines the basis of growth and stability,'' ''deters investment,'' ''demoralizes entrepreneurs and ordinary citizens who deserve good government.'' They also testified about how in Asia and Africa, ''democracies are threatened by corrupt practices of the government.'' I would argue that the United States is facing such a problem today. We must also clean our own house. One last quote from the 2000 hearing was: ''If we believe in democracy, and we want to build a system where the world has faith in its elected leaders, we need to make sure that we get rid of corruption.'' I for one want to have faith in the elected leaders in this Nation, starting at the top—President Bush and Vice President CHENEY.

The American people must be able to trust the leadership in this country—the leaders of major corporations which are so important to our economy, but also to our political leadership. We know that last year, President Bush authorized his energy task force, headed by Vice President CHENEY, with participation by Kenneth Lay, the former Enron CEO. In my home state of California, we know that there was manipulation of rates in the energy market and all signs point to Enron. The question remains what role the Bush Administration—both the President and Vice President—may have played in the California energy crisis as a result of their close relationship with Enron and its CEO.

More recently, we have discovered that President Bush, while serving on the auditing committee and Board of Directors for Harken Energy Corporation in 1990, sold over 200,000 shares of that company's stock just 2 months before it announced losses. That stock subsequently lost ¾ of its value by the end of that year—well after George W. Bush was informed that there was a cash "crisis" at Harken. In addition, President Bush neglected to report this transaction with the SEC until almost a year later, a violation of SEC rules, stating the SEC "lost" the file, although the SEC stated in 1991 that it never received it.

We, as elected officials, need to set a good example. I hope that President Bush and Vice President CHENEY will be forthcoming with the details of these disturbing incidents.

However, instead of coming clean with the details of these irregularities, the Bush-Cheney team seems to be more intent on offering its "Corporate Protection Plan." At yesterday's press conference, the President announced a weak plan for corporate responsibility. We need to make clear how his plan falls far short of what's needed to reform the inherent flaws in our capitalist system, which seems to be exacerbating corporate fraud and crime.

President Bush asked for $100 million additional dollars for the SEC. However, the House already passed a bipartisan bill providing an extra $195 million above that amount for the SEC. This includes over $70 million for pay parity so that the SEC can attract and retain qualified investigators to look into this corporate crime.

The President also asked for doubling the maximum jail sentence for corporate offenders—from 5 to 10 years—but only for mail and wire fraud, not for securities fraud. This is simply not enough. We need systemic change to prevent the crimes. An ounce of prevention is worth a pound of cure.

I call on the President to put some teeth into his proposal.

The American public needs to be able to count on their political leadership and corporations to be honest. Workers must have faith in their companies for their livelihood. Stockholders must have faith in the companies they invest their hard-earned money in. And retirees must have faith in the companies their pensions are invested in. We need true reforms. Let's restore the faith of the public. Let's end this corporate corruption now!

Mr. LAFALCE. Mr. Speaker, I yield to the gentleman from North Dakota (Mr. POMEROY).

Mr. POMEROY. I thank the gentleman for yielding.

Mr. Speaker, obviously in light of the financial mismanagement of some of the major corporations of this country and the investor losses we have seen, this Congress has got a lot of work to do. Thank goodness we have our ranking member, the gentleman from New York (Mr. LAFALCE), still at the helm of the minority in the Committee on Financial Services as we undertake these difficult challenges.

We are called a nation of investors in light of the broad participation of private retirement dollars in the stock market. What that means is, as you look at the Enrons, as you look at the WorldComs, as you look at the other failed corporations due to executive mismanagement, we are a nation of financial losers because we have not had adequate protections in place to protect the investing public. And something needs to be done.

Let us take a look at the dollars lost. Today's Washington Post headline, ''Workers' 401(k)s Lost $1.1 Billion'' on the misstatement of liability with WorldCom and the attendant misstatement of their stock price.

Their egregious accounting practices have impacted retirement income portfolios across the Nation. Accumulated losses from this one company will impact holdings in State pension funds from Maryland to California in the amount of $52 million. Government workers and retirees in my home State of North Dakota held $350,000 worth of WorldCom stocks and bonds and $2.5 million in their pension fund.

What all of this means is that the failed private-sector checks and balances have caused a lot of damage to workers' retirement accounts, money they are counting on for their income security in retirement years. We need to fix it.

One area that I would hope this Congress addresses in particular involves having company financial balance sheets reflect the stock options that they have awarded by posting the liability. I believe presently you have an awful lot more out there in terms of potential liability and stock dilution impact than is reflected on the balance sheet, and I would urge this Congress to consider carefully the words of Chairman Alan Greenspan, former SEC Commissioner, Arthur Levitt, as we address the stock options issue.

In conclusion, I would say that it is extraordinarily important that we have the leadership of the gentleman from New York (Mr. LAFALCE) and others as we restore worker protections. Our pension dollars are at stake. We have to have greater accountability.

Mr. LAFALCE. Mr. Speaker, I yield to the gentlewoman from Wisconsin (Ms. BALDWIN).

Ms. BALDWIN. Mr. Speaker, there is a crisis in America. People are out of work and are worried about losing their jobs.

In Wisconsin, I hear from the families that I represent. Wisconsin families' investments, college funds and retirement savings have been losing money for almost 2 years now. Without action to shore up the confidence of the American public, our faith in the stock market will be shattered and, along with it, the backbone of our country's financial system.

This crisis is rooted in one thing, and that is greed, the greed of the corporate CEOs that cooked their books, falsely reported earnings, exercised stock options and, when the bubble burst, walked away with millions in guaranteed salary payments and bonuses.

But the crisis goes deeper than a dozen CEOs and the crooked accounting firms that are hoping to pad their pockets. It stretches right into the halls of Congress and the Oval Office, where corporate CEOs have sought to roll back investor protection legislation and gain access to the Social Security funds.

WorldCom's recent announcement that it had overstated company profits by $3.8 billion over the last five quarters gives it the dubious distinction of being the largest case of false corporate bookkeeping, or, simply put, fraud. Companies like Enron, Rite Aid, Merck, Tyco International, Global Crossing and Adelphia Communications are currently under investigation for a variety of reasons, such as insider trading, avoiding taxes and using fraudulent accounting practices, as Enron did.

I believe that we have come to the point where Congress and the administration must come together and take swift action to stop the corporate abuses that have infected our country.

The enormity of the Enron collapse alone sent shock waves throughout our economy. In Wisconsin, the Public Employee Retirement System lost an estimated $40 million in stock and $38 million in bonds because of Enron's illegal actions. The WorldCom debacle is estimated to have cost the Wisconsin Public Employees Retirement System $29 million through the sale of WorldCom bonds.

Nearly half a million current or former employees of Wisconsin State agencies, school districts and local governments participate in the Wisconsin retirement system, which is also the tenth largest public pension fund in the United States. This does not even begin to account for the millions of Americans, and you know that 52 percent of Americans are stockholders, and the institutions that invested retirement savings in Enron or WorldCom or any of the numerous other companies who have cooked their books to show false profits or hide their debt.

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While most corporate abuse has hit individual and institutional investors the hardest so far, I think it is important to realize that the same corporations that are under investigation have had a tremendous amount of influence in government and, essentially, over the very policies that matter to people most. In fact, just one week before the revelation by WorldCom of their financial impropriety, they were handing over $100,000 for a dinner featuring President Bush and benefiting the National Republican Congressional Committee and the National Republican Senatorial committee. That makes me question will these same officials really go after these CEOs and accounting companies and also pass legislation that will prevent future Enrons and WorldComs.

Mr. Speaker, it is time for accountability; it is time for the administration and the Republicans in Congress to say to their traditional base of big business and corporate CEOs, ''Enough is enough.''

There is a crisis in America. People are out of work or are worried about losing their jobs. In Wisconsin, I hear from the families that I represent. Wisconsin families' investments, college funds, and retirement savings have been losing money for almost two years now. Without action, to shore up the confidence of the American public, our faith in the stock market will be shattered and along with it, the backbone of our country's financial system.

This crisis is rooted in one thing—greed. The greed of the corporate CEOs that cooked their books, falsely reported earnings, exercised stock options, and when the bubble burst, walked away with millions in guaranteed salary payments and bonuses. But this crisis goes deeper than a dozen CEOs and crooked accounting firms hoping to paid their pockets. It stretches right into the halls of Congress and the Oval office, where corporate CEOs have sought to roll back investor protection legislation, and gain access to Social Security funds.

WorldCom's recent announcement that it had overstated company profits by more than $3.8 billion over the last five quarters, gives it the dubious distinction of being the largest case of false corporate bookkeeping, or simply put, fraud. Companies like Enron, Rite Aid, Merck, Tyco International, Global Crossing, ImClone, and Adelphia Communications are currently under investigation for a variety of reasons such as, insider trading, avoiding taxes, and using fraudulent accounting practices as Enron did. I believe we have come to the point where Congress and the Administration must come together and take swift action to stop the corporate abuses that have infected our country.

The enormity of Enron's collapse alone sent shock waves through our economy. In Wisconsin, the public employee retirement system lost an estimated $40 million in stock and $38 million in bonds because of Enron's illegal actions. The WorldCom debacle is estimated to have cost the Wisconsin public employee retirement system $29 million through the sale of WorldCom bonds. Nearly half a million current or former employees of Wisconsin state agencies, school districts and local governments participate in the Wisconsin retirement system, which is also the tenth largest public pension fund in the United States. This doesn't even begin to account for the millions of Americans (you know, 52 percent of us are stockholders) and institutions that invested retirement savings in Enron or WorldCom, or any of the numerous other companies who have cooked their books to show false profits or hide costs and debt.

Perhaps the biggest accomplishment for corporate America this year was during the debate of passage of an economic stimulus bill. Their provision in this bill was so shocking it is a moment that I will not be able to forget for a long, long time. Our country was languishing in recession, and every day I heard from friends, neighbors, and constituents who said they were experiencing trauma in our struggling economy. They told me how important extending unemployment benefits would be in helping them to meet the next month's mortgage payment and keeping food on the table. At the time, no one knew how long our economic downturn would last; the genuine fear they expressed to me is something I'll never forget.

During this debate, the House leadership refused to consider a bill that would extend unemployment benefits for an additional 13 weeks. I urged the House to follow the State of Wisconsin's lead and pass a bill to extend unemployment benefits so displaced workers would have more time to get back on their feet and look for another job. Instead, the leadership put the concerns of huge corporations first. Valuable time was wasted as the House passed three bills that the Senate refused to consider because they centered on giving huge corporations millions of dollars in tax breaks instead of helping those who needed immediate relief. The bills included a provision that would have given energy-trading giant, Enron, a tax rebate check worth more than $250 million—even though the corporation hadn't paid taxes in 4 out of the last 5 years.

It is time to return the confidence that investors once had. It is time to make corporate CEOs pay for their crimes and serve time for their crimes while strengthening the oversight ability of Congress and the Securities and Exchange Commission (SEC) so that we never again have to hear tale of illegal accounting practices and massive CEO payouts. It is time that the rest of Congress stand with me and my Democratic colleagues and return investor confidence to the free market system.

Mr. LAFALCE. Mr. Speaker, I thank the gentlewoman for her great comments. I now call upon the distinguished gentleman from Texas (Mr. BENTSEN).

Mr. BENTSEN. Mr. Speaker, let me thank the ranking member of the Committee on Financial Services for calling this Special Order. The gentleman has been on point on the subject of the crisis of confidence that we have in our public markets long before many, and he needs to be commended for that. He has worked diligently to craft legislation that would go a long way towards restoring that confidence.

I must say, it was somewhat ironic that yesterday, when the President addressed the luncheon in New York and outlined his proposals, that a large number of the proposals he outlined were those that the gentleman from New York himself had outlined and had proposed in our committee back in April, almost I guess every one, every single one, which had been voted down, unfortunately, mostly on a party line vote. But as things go on, just as some of the executives from WorldCom, the ones who did testify before our committee the other day, said that hindsight is really 20–20 vision and, as some of them said then, that they would not have voted to give the loans to the CEO that they did a year earlier, it now appears that some of our friends on the other side of the aisle have determined that some of the ideas of the gentleman from New York (Mr. LAFALCE) are worthy of consideration. So we are glad that he has received that recognition.

Mr. Speaker, we do have a crisis of confidence in our markets. The United States has the most efficient market system in the world. Yet it is a system that operates through transparency; it is a system that operates through rules, rules which have to be followed. What has occurred, unfortunately, over the last several years, is that executives have come to the conclusion that they do not always have to follow those rules, whether it is trying to meet earnings targets or revenue targets, or whether it is trying to increase the value of stock because of stock options that they own to increase the amount of revenues that they will personally earn. The fact is that we have ended up with very lax accounting, very lax standards; and as a result of that, in large part, investors have seen more than $7 trillion of value wiped out.

In fact, as of the close of the markets today, the S&P index is now back below where it was in 1997. Last week, the NASDAQ gave everything back to 1997, and the Dow Jones closed today below 9,000 for the first time since October in the aftermath of the attacks on 9–11. More than $30 billion of foreign investment in the United States, which helps fuel our current account deficit, has been pulled out of the U.S. markets, not because there is necessarily more value in investing in Europe and Asia so much as investors no longer feel confident with the information that they are being provided of investments in the United States.

Mr. Speaker, this is a tragedy for the history of American capitalism; and until such time as our government speaks with one voice concerning corporate governance, concerning true independent auditing standards, this crisis of confidence will not evaporate, it will not go away.

Now, the House passed a bill in April, and it was a first step; but, quite frankly, it came up too short. The Senate, the other body, is working on a bill which may have things that Members do not completely agree with, but it is a step more in the right direction. It would be helpful, it would be helpful if the executive branch would begin to speak more forcefully on this issue. It would be helpful if the executive branch, which again, as I stated at the outset, has started to come around, perhaps a latter-day conversion, would speak more clearly about what standards it would have for establishing oversight of the auditing.

As the gentleman from New York will recall and the gentleman from Pennsylvania who was there the other day, we had the lead auditor, independent auditor for WorldCom and we asked him repeatedly, how come you did not find the overstatements of earnings and the fact that expenses were capitalized that should not have been capitalized? You are the auditor. You look at the books that are given to you by the CFO. And he said, well, we just take the numbers that are given to us. We do not actually look at them; we look at the system to see if they work.

If we do not pass significant legislation to restore confidence in the markets, our economy will continue to suffer from this malaise. The burden is now on the House, along with the other body and the executive branch, to speak with one voice to restore confidence to the markets, to ensure that we can have sufficient economic growth in our economy.

I commend the gentleman from New York for putting on this Special Order.

Mr. LAFALCE. Mr. Speaker, I thank the gentleman from Texas. Let me now yield to the gentleman from Illinois (Mr. DAVIS).

Mr. DAVIS of Illinois. Mr. Speaker, I want to thank the gentleman from New York for yielding and for his outstanding leadership on this important issue.

Before Enron Corporation's bankruptcy filing in December of 2001, all of us knew that the firm was widely regarded as one of the most innovative, fastest-growing, and best-managed businesses in the United States. With the swift collapse, shareholders, including thousands of Enron workers who held company stock in their 401(k) retirement accounts, lost tens of billions of dollars. It now appears that Enron was in terrible financial shape as early as 2000, burdened with debt and money-losing businesses, but manipulated its accounting statements to hide these problems. Now, WorldCom, the Nation's second largest long-distance telephone company, has been charged with fraud by the Securities and Exchange Commission. Reports have revealed that WorldCom defrauded investors by improper accounting practices of $3.9 billion in expenses during 2001.

We are discovering that publicly traded companies have contributed to bilking American investors and taxpayers out of $4 trillion since 2000 due to unaccountable financial filings, accounting errors, misinformation, and mismanagement of funds. Where were our watchdogs? They were nowhere to be found.

In order to ensure corporate accountability, we need to establish under the jurisdiction of the Securities and Exchange Commission ways to regulate accounting firms that audit SEC registrants. This type of structure could be empowered to charge registrants with annual fees to pay for the cost of staff to carry out the suggested plan of surveillance of auditors.

This concept would intervene between a registrant and its auditor before, during, and at the end of an audit. It would be more effective than the current regulatory system in, one, achieving an early warning of potential financial disasters such as Enron and WorldCom; two, requiring a change in auditors when the SEC deems it appropriate; three, require pre-approval of consulting engagements for a registrant to be conducted by its auditor; and, four, improve the format and content of financial and auditor reports by including information about labor relations, research and development, marketing programs, and new products.

I believe that these kinds of safeguards would go a long way towards helping to rectify the situation.

Again, I commend the gentleman from New York (Mr. LAFALCE) for his outstanding leadership, and I thank him for the opportunity to participate in this Special Order.

Mr. LAFALCE. Mr. Speaker, I thank the gentleman very much.

Our next speaker will be someone who has been a full partner with me in the crafting of the strongest possible legislation to deal with this problem. He serves as the ranking Democrat on the Subcommittee on Capital Markets, which is the subcommittee of legislative jurisdiction over the entire field of securities. He is the distinguished gentleman from Pennsylvania (Mr. KANJORSKI).

Mr. KANJORSKI. Mr. Speaker, first of all, may I say how we are going to miss the gentleman's leadership after he completes his final term in Congress, because certainly he has been a stalwart supporter of transparency, accountability, and responsibility, both in government and in private business.

Mr. Speaker, I guess I want to talk to the President of the United States. I had the opportunity to watch his speech yesterday. I have watched my colleagues struggle over these last 6 months with the disclosures that have occurred in American business, and I have talked to a lot of my constituents. I guess I want to set certain perspectives that I view this from.

First and foremost, it is one thing to lose money in the stock market if one is a direct buyer in the stock market, if one is wealthy enough to be a speculator or trader in the stock market. But unfortunately, the people that have really lost this money are pensioners and 401(k) owners, millions and millions of Americans that were persuaded over the last 20 or 30 years to become part of democratic capitalism; and they, through their pension funds and through their 401(k)s, bought into the idea that America is indeed a great capitalistic Nation and had the wherewithal to participate in the growth of that capitalism, in the creation of that wealth; and they entrusted their meager funds, their retirement funds to managers that primarily are located in and around Wall Street.

To a large extent, during the flaming years of the 1990s, it got to the point that one had to be a fool not to invest in the stock market. I used to run across constituents of mine that would receive a settlement in a personal injury case or a workman's compensation case and I asked them how they were protecting the money they had that they needed for the rest of their lives; and an unbelievable number used to tell me, oh, I am in the market and I am going to constantly make money and eventually be wealthy. Well, I think about a lot of those people in a lot of those coffee-house chats that I have had with them over the last 5 or 10 years, and I cannot imagine the tragedies their families and themselves suffer today as they see this deterioration in the market.

The question is, Is America sliding into a depression because we are not productive, because we are not profitable? I think not. I think the gentleman from Texas (Mr. BENTSEN) made a great point. This is the most vibrant economy in the world, in the history of the world; and yet the market is reflecting a loss on a daily basis, and I think it is an expression of a loss of confidence. Total confidence? No. But a sufficiently large portion of confidence to take some of the usual available purchasing money that is in the market out of the market, and that loss of money reflects the downward trend of prices.

Has it been discriminatory? Not really. It is not the bad actors that are paying the loan; it is business across the board. It is our very substantial capital system that is contracting right before our eyes.

I heard the President say yesterday that one of his solutions would be he is going to double the sentences for the scoundrels. Well, first of all, we have not seen any convictions of any scoundrels, so we cannot assume any sentences at this point. But I wonder why it is so important, what kind of relief will this give the American pensioner or 401(k) owner if a scoundrel goes to jail for 10 years instead of 5 years?

□ 1815

Does it really matter? Does it get one cent back for the pensioner or the person who needs this money for retirement, or for the senior citizen who is indeed using this money in retirement? I think not.

So as we look at this issue, I get little solace as an individual or as a representative of so many of these pensioners and senior citizens than to think we are going to fill up the jails with these scoundrels. That is not going to give them one dollar more for them to have the quality of life that they have become used to.

I think we have to look prospectively into the future, to what this means and what it can mean, and what is this disease or infection that is affecting the capital markets of America.

I come to the conclusion that the most important thing is that we stabilize the capital markets of the United States, and the most important way of doing that is to find a way, either by statute or regulation or by the industries themselves, of disclosure of what the facts are.

So I think, first and foremost, we have to find a short period of time and make sure the corporations, most of them that are traded on the exchanges, go back and do proper auditing and accounting, and make a full restatement and disclosure of what they have there.

We cannot afford a daily, weekly, or monthly bleed of major corporations failing because of improper accounting procedures or other internal procedures, to take the respect and integrity out of those institutions and infect and affect the other institutions with a loss of credibility among the investing public.

Secondly, once we stabilize the markets, it seems to me that we have to move forward with a program, and hopefully this is what I address to the President.

I would say, Mr. President, we do not need a weak legislative response or a weak executive response, and 2002 is not a lot different from 1902. What we need is a member of the President's own party to make a revisit to America. We need a Theodore Roosevelt. We need someone who responds with looking at what the problem is, recognizing that it is systemic in some respects, it is dangerous, it could ultimately lead to a deep recession or, in fact, depression, and could destroy the quality of life we have known in this country over the last 10 years.

It is up to the leadership of the President, together with private industry and the private market, to structure a response to this problem that is sufficient not to be overbearing and strangle our capital market system, but sufficient to send the word and the message and the standards that the type of activities that have been uncovered in the last several months will not be tolerated in the future; they will be disclosed to the American public, the investing public; and that, where necessary, government will set parameters to stabilize our markets, bring us back to relative security that truth is known, and to reinforce a very successful capital system.

I add only one respect: I agree with Secretary O'Neill in regard to the fact that this is not a crisis that all businessmen or executives are crooks. There are just a small number, but there are more than a few. This is not a total failure of the capital markets of America, but it is a bumpy road, and could be serious if not patched.

This is not a time for us to wring our hands and try and do as little as possible to prevent disturbance to our friends or our supporters; this is a time to rise above politics and recognize that the very structure and position of the United States of America is at risk.

We need the strength of a strong Commander in Chief. We need a second Theodore Roosevelt.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. GUTKNECHT). The Chair would advise all Members to direct their remarks to the Chair.

Mr. LAFALCE. Mr. Speaker, one of the most important subcommittees of the Committee on Financial Services is the Subcommittee on Financial Institutions and Consumer Credit, and the ranking Democrat on that serves as the chief voice for consumer protection within the committee and the House of Representatives. That is the gentlewoman from California (Ms. WATERS).

Mr. Speaker, it is my pleasure to yield to the gentlewoman from California (Ms. WATERS).

Ms. WATERS. Mr. Speaker, I thank the gentleman from New York (Mr. LAFALCE) for taking this time out for us to come to this floor and talk about one of the biggest crises confronting this country today.

I would like to start with an observation. Yesterday, the President of the United States of America was on Wall Street. He was up on Wall Street, and he was expected to give a very, very tough speech. He had signaled the press that he would give a very tough speech on Wall Street on corporate responsibility.

Well, the President went to Wall Street, and it was staged very well. The curtain that hung behind him, the backdrop, had ''corporate responsibility'' written all over it, and he had great opening statements.

Of course, before getting into the subject matter, he talked about terrorism and how we were hunting down the terrorists who seek to sow chaos, and talked about his commitment. And, of course, he got a big applause on that, because Americans are concerned about terrorism, and the President knows when he speaks about terrorism, especially in New York, where we experienced terrible devastation, that that will soften up any crowd.

But then he went on into the speech, and many people sat watching, I am sure, as I did, wondering when was he going to get tough. He mentioned in the speech that we have learned of some business leaders obstructing justice and misleading clients, falsifying records, and business executives breaching the public trust and abusing power.

He kind of talked about that, and the CEOs that he had learned about earning tens of millions of dollars in bonuses, but he did not call any names. He did not call any names, despite the fact that we had just come from the Committee on Financial Services, where we had the top management and ex-management of WorldCom before us. We had very well documented that there had been accounting tricks where the operating expenses had been moved over to the capital column, which made the bottom line look bigger than it was, and the company look healthier than it was.

However, he did not call the name of Enron. He did not call the name of WorldCom. He did not mention the names of any of those who have been prominent in the news. He could not let it come out of his mouth. He could not say anything about Arthur Andersen and Tyco and Rite-Aid and Global Crossing and Xerox.

I think people expected him to call names and to talk about what we really have learned thus far, and to talk about what we were going to do about it. But as we further examine the speech, we found that the President talked a lot about more bureaucracy. He is going to create a new corporate fraud task force, headed by the deputy attorney general, which will target major accounting fraud and other criminal activities in corporate finance. The task force will function as a financial crimes SWAT team, overseeing the investigation of corporate abusers and bringing them to account.

Now, I am considered a liberal, a progressive. I am the one that they point the finger at and talk about creating bureaucracy. They say that people who believe as I do oftentimes do nothing but spend government money, create more bureaucracy, and we have to get rid of government; too much government.

Not only did he create more bureaucracy in his speech, he asked for $100 million, $100 million to give to the SEC. Now, this is a conservative spending money. Well, of course, this President has shown since he has been in office that he sure knows how to spend money. We are back into a deficit situation.

So he went to Wall Street, he talked about spending $100 million more, talked about creating again another task force, but I forgot to tell the Members, at the top of his speech he said to the business people who were there, do not forget, in so many words, I have done tax reform, and I am now making it permanent. So at the same time that he is spending money, he is talking about how he is going to allow them not to be able to pay more taxes.

Mr. Speaker, I would just like to say, we have to get tough on corporate crime. We have to call it for what it is. We have got to put people in jail. They have to do some time. This business of having all of these stock options, this exorbitant pay, the severance pay, like the executive of Tyco who left with $100 million in severance pay, this business of corporate heads being able to borrow huge sums of money, like Mr. Ebbers, who got $408 million, we do not know what the terms are. We do not know if that was collateralized. All we know is they sit in the board rooms and they pass the money among themselves while the workers lose their jobs, the investors lose their investments, and the companies get driven in the ground.

Enough is enough. No, Mr. President, you were not tough enough. You were not believable. You did not send the real signal. You did not do anything. As a matter of fact, Wall Street did not pay any attention to you. There was no rally. As a matter of fact, I think we lost some points on Wall Street after you spoke. Get real, Mr. President. If you want to get tough, the American people are waiting.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. KIRK). The Chair will remind Members that they will direct their remarks to the Chair and not to the President.

Mr. LAFALCE. Mr. Speaker, I thank the Chair for his reminder.

Mr. Speaker, I yield to the distinguished gentlewoman from California (Ms. SANCHEZ).

Ms. SANCHEZ. Mr. Speaker, I thank my ranking member, the gentleman from New York (Mr. LAFALCE), who has been doing such a great job, for yielding to me. I am going to miss him at the end of this year.

Mr. Speaker, I am a businesswoman, and I am really alarmed and saddened about what is going on, not just on Wall Street and in American business in particular, but how it is affecting us in our own hometowns, the confidence of people investing in the market.

As a former person in the financial markets, I am just dismayed at how this is affecting what I think is really a great institution and something that really marks our country apart from others, and that is the whole idea of American business.

I know what it feels like to start a business, to find dollars, to grow the business, to make it a corporation, to hand that company over to professional management when it is time as an entrepreneur to get out and seek for more. I know what it feels like to see my product on the grocery shelves when I go shopping. I know how excited I get when I first see my ads on national television about the product or the service I am doing. I think that is a great thing.

I think that is what marks America as such a different society than any historically or any currently. But there are always these excesses, and these questions and these demands, these questions that pop up: Why should corporations pay taxes?

I always have to sit back and think, corporations should be happy to have the type of system that we have in the United States. They should be happy that we have infrastructure; that we have railways, freeways; that we have ports, that we have the Internet; that we have banking; and that we train employees by sending them to universities, and that we pay for that with government funds.

They should be happy that we have information systems. If we go to do business in another country somewhere in the world, we do not necessarily have that. I remember doing business in Mexico, and every afternoon at 2 or 3 p.m. the electricity would shut off, and we were dead for a couple of hours' worth of business time.

We should be happy as corporations that we have this type of infrastructure. We should understand that we need to pay for that. We should be paying for it. They do in other countries. They have to put in their own road in other countries. They have to put in their own sewer system in other countries. Here we are doing it as a people to keep American business going, to keep these jobs.

□ 1830

But what happens with these corporations that want to do off-shore, that would take them off Stanley brands? We do not want to pay taxes here, let us make it a foreign corporation, tell everybody we are still American made but we do not want to pay taxes. Why do these corporations not want to pay their fair share?

My father used to say we do not get something for nothing. Everything in the long run costs. I took a look these last 3 or 4 years at this market, every business going up, well, every business that did not have a product, their stock going up and up and up and everybody getting in and people telling me at cocktail parties, ''You are stupid for not having your money in there, Sanchez.'' And there I stayed with these companies that had a product. I could see it. I could feel it. I could eat it. And I understand the pressures on those managers. Everybody else was getting money, everybody was getting bonuses, their stock options were going up, and these people making a real product, they were not seeing these increases. But to fake increases in one's own company in order to compensate oneself, that is also wrong. I mean two wrongs do not make a right. We do not get something for nothing.

And auditors, my God, what happened? I mean I was trusting them as an investor, that they were telling me the numbers of what was going on in the company. I have never believed in all these off balance-sheet transactions and loans and things that only had to be footnoted and one had to do 14 different inquiries until they got the information on what kind of deal was going on behind what. And, yes, things get more complicated and financing comes from all around the world and people take different pieces and corporations buy each other and everything going on, but we need to get back to the basics. We need good rules. That is a part of Congress. We need good rules. We need to set good rules. We need real regulatory agencies, and we need to fund them so that they are doing the work. We need to anticipate conflict of interest, and we need to ensure a way to stop that from happening, and we need to make examples of the bad guys.

Mr. President, I call on you, make examples of these bad guys.

Mr. LAFALCE. Mr. Speaker, I yield to the gentleman from California (Mr. SHERMAN).

Mr. SHERMAN. Mr. Speaker, first let me say what an honor it has been under the gentleman from New York's (Mr. LAFALCE) leadership over the last 4 years on the Democratic side of the Committee on Financial Services.

Second, let me express some disappointment in the President's speech yesterday. In his preview of his speech that was picked up by AP and other news stories, he said that he was planning to create a ban on huge loans to corporate executives; but when he actually delivered the speech, he simply called upon the corporations not to make such loans, which is like calling on a pack of wolves to become vegetarians.

It was indeed a disappointing speech, but what was more disappointing was the President's belief based on his own experience at Harken that the SEC is engaged typically in reviewing the materials filed with them and then, when they need to be restated, demanding that restatement. The fact is that the Chair of the SEC has refused to provide our committee with even a cost estimate of what it would take to engage in the very kinds of activities only as to the top thousand corporations in America that the President states in his press conference that he believes that the SEC is already engaged in.

In answering questions about Harken, the President said he thought the SEC was engaged in these activities. The fact is the SEC did not read Enron's financial statement for 4 years in a row. So we need an SEC that rises to the President's image of what they do, and in order to do that we might need a chairman who actually wants to achieve that objective.

Mr. LAFALCE. Mr. Speaker, I yield to the gentleman from New York (Mr. ISRAEL).

Mr. ISRAEL. Mr. Speaker, I thank the gentleman, and certainly his leadership will be missed.

Mr. Speaker, I represent a middle-class, middle-income district on Long Island, New York. The people I represent play by the rules. They pay their taxes. They pay their dues. They raise their kids with the values of hard work and fairness. They know the value of real punishment for real crimes. And they know there is no difference between stealing with a gun and stealing with an accountant's pencil.

The worst crime that was committed in this crisis was the theft of time. The worst crime is that people's retirements were stolen away from them because the value of their 401(k)s, their pensions, their retirements will plummet as a result of this scandal, adding more time of hard work and paying taxes. This was the theft of time and that cannot be forgiven. People's retirements have been stolen. And where is the punishment? Ken Lay and his cronies continue to walk freely. There have been no personal bankruptcies for senior management. There have been no jail sentences, no disgourgements. There has been no accountability, but plenty of American corporations even today will continue to register themselves in Bermuda to escape paying their fair share of American taxes to support our troops in Afghanistan.

The American people will be looking at this House of Representatives wanting an assurance that we will return this country and its businesses to fair play and playing by the rules.

Mr. LAFALCE. Mr. Speaker, I thank the gentleman.

We have lost 5 to $7 trillion. Now a significant portion of that, not all of that, is because of corporate mismanagement, earnings manipulation by officers, by directors, by the auditors, by the research analysts having conflicts of interest, by inadequate regulation from the self-regulatory organizations, by inadequate regulation from the SEC.

We need to correct the problem. We need strong legislation to correct the problem. We do not need a powder puff effort. We do not need a cosmetic approach. And I urge everyone in this House to get behind strong meaningful legislation such as the bill that I have introduced that has been endorsed by so many consumer groups across America.

OVERPRICED PRESCRIPTION DRUGS

The SPEAKER pro tempore (Mr. KIRK). Under the Speaker's announced policy of January 3, 2001, the gentleman from Minnesota (Mr. GUTKNECHT) is recognized for 60 minutes as the designee of the majority leader.

Mr. GUTKNECHT. Mr. Speaker, let me say first before I begin on the issue that I really want to talk about tonight, I listened to much of my colleagues' Special Order for the last hour. And I have to say on behalf of most Republicans, and I think most Americans, we agree with what they have said.

The truth of the matter is when there have been frauds, and we have seen fraud committed against shareholders and against corporations, those people need to go to jail. And I think we are all in agreement on that. Frankly, I think just for the theater of it I would like to see some of these corporate executives that have been charged with crimes and will be charged with crimes, I would like to see them arrested and taken away in chains. I would like to see handcuffs on them. I think I speak for the overwhelming majority of people in this Congress.

I will say this: the one thing we have to be careful of is that we do not try to turn this into a partisan thing. I do not think this is a partisan issue. I think all of us can stand and talk about our moral outrage for some of the things that have gone on in corporate America, and the time has clearly come to clean them up.

I rise, though, tonight to talk about another crisis that all of us know about; and, frankly, we in Congress have done too little to really resolve, and that is the whole issue of about how much Americans pay for prescription drugs. It is a crisis particularly for those seniors, but not just seniors but for all Americans who do not currently have some kind of drug coverage in terms of insurance. And as we speak tonight, there are literally hundreds, if not thousands, perhaps even millions, of Americans who are having to make very, very difficult decisions about whether or not they can afford the drugs that the doctors say they need to regain their health. And I brought with me, and these charts are becoming all together too familiar to many of my colleagues, but I think they need to be restated because we have learned the more you learn about this issue, the more we can come together with some kind of a solution.

But I want to point out this chart because as I was going through my closet here about half an hour ago, I found this chart from last year. This is dated 2001. And I wanted to bring this with me to show you a couple of examples, and what we have here is a chart that demonstrates the price that Americans pay, the average U.S. price versus the average European price.

The source of this, these are not my numbers. This is from the Life Extension Network. It is an independent foundation that has been studying this issue for more than 10 years. They continue to come to the same conclusion and that is that for prescription name-brand drugs Americans pay more than anybody else in the world for the same drugs. There are a lot of reasons for that, and we will talk about that during this Special Order. But what is interesting to me is to see how prices have changed just since last year.

Now, this chart is about a year and a half old. And what you see, for example, let us take a couple of these drugs, Claritin, a very commonly prescribed drug, a lot of people are taking it now for allergies. It is about to go off of patent so you will see the price come down dramatically in the United States in all probability, although I will tell you the pharmaceutical company that makes it is trying to replace that with a drug called Clarinex. Now according to at least one report, Clarinex is a better drug than Claritin. It is 2 percent better. That is not a huge improvement for the difference in price. But the thing that bothers me is that the average price for Claritin in the United States was about $63.06 for a 30-day supply. That same drug sold on average in Europe for $16.05.

Another commonly prescribed drug is one we have talked about here on the House floor because my 84-year-old father takes this drug every day. In fact, many senior take it. It is called Cumadin. It is a blood thinner. It is a very good drug. It is more effective than asprin, and if you have had a stroke or if you have had a heart attack, if you have got a problem with blood clotting and platelets and so forth, it is a very effective drug.

Let me say from the outset, I am not here tonight to beat up on the pharmaceutical industry. I am not here to say shame on the pharmaceutical industry. They are only doing what any free enterprise company would do in terms of exploiting a market opportunity that we have given them. No, I am not here to say shame on them. I am here to say shame on us because we have created this situation and we need to change it.

Let us talk about Cumadin. Last year the average price, a year and a half ago in the United States was about $37.74. The average price in Europe was $8.22. Now, that price has changed.

I will pull up the next chart, which is this year's prices; but as we go down the list, we have seen the big differences. When you get into some of the very expensive drugs, Zithromax 500, United States price for a 30-day supply, $486. The same drug in Europe made in the same plant under the same FDA approval sells for $176. Huge differences.

There are some where the differences are less. You look at, for example, Lipitor. The average price for Lipitor in the United States, $52.86. In Europe, $41.25. Again, these prices are about a year and a half old.

Let me show some of the current prices because some of these drugs have changed dramatically in just a year and a half. I mentioned last year that Cumadin in the United States the average price was $37.74. In just a year and a half that price has gone to $64.88. Now, that makes me angry to see that huge difference because nothing has changed. It is exactly the same drug, put in exactly the same capsules, under the same FDA approval and the same FDA plants.

The interesting thing, too, is as far as I know there have been no major lawsuits so they have not had this tidal wave of litigation that we sometimes hear about. So the price has almost doubled in just about a year and a half.

Now, it makes me feel just a little better that the price in Europe has doubled as well. The price has gone up uniformly, but the price is Europe today is a little over $15. The price in the United States is $64.

□ 1845

One that has really gone up as well is glucophage. Glucophage is a marvelous drug. If a person suffers from diabetes, glucophage has changed their lifestyle. It is a fabulous drug, and the manufacturers deserve credit for what they have done for all of the millions of people, not only here in the United States, but around the world, who suffer from diabetes.

The price has gone up now to an average of $124.65 for a 30-day supply in the United States. The average price in Europe, $22, $22. Some people will say, well, how can that be, how can it be that the prices are so much different? Let me just, first of all, say that many other countries do have various forms of price controls. We have price controls on hospitals and doctors and medical providers under Medicare as well. We determine how much they can charge, and essentially with some of