

are not any willing carriers out there who are going to step forward and say, well, we believe that there is insurable risk here and we will offer this product. Really? They will offer the product if the government becomes the guarantor, and then the real question is, well, then does THE government have to become the guarantor in order for them to make a profit and deliver it?

We have a great concern about the viability of an insurance-based product, and that is the reason five Members of Congress have come together and we have drafted a completely different approach.

What I would like to do is share the principles of our approach. Our Medicare prescription drug package proposes, number one, a generous assistance to low-income seniors and the disabled, a defined contribution. We have a specifically defined assistance to all seniors that rely on income. We also have family-friendly participation through a tax benefit. We also encourage participation by employers through a tax benefit, and we also have a stop-loss coverage for high-risk drugs to all seniors. We also provide a bridge to comprehensive reform for long-term solvency that we call enhanced Medicare, and what we are trying to do is provide choices for seniors with lower prices in a private sector approach.

What does all this mean? All this means is that what we hope to accomplish is that we turn to those in the private sector to have what we call a value card, and these different groups, companies could be approved by CMS, and they then, by virtue of their membership and their purchasing power, they provide discounts. An individual would have a discount card. They are automatically enrolled. They can opt out, but they are automatically in. It costs \$30, and then government, based on their income, adds dollars to their card, and then they are able to take this card and they can swipe it down at the drugstore and they keep track of the drugs for which they purchase.

Where we want to be family friendly is often we say, parents, get active in the lives of your children. Well, I also want to turn and say, children, get active in the lives of your parents. So if you have an elderly parent who also needs assistance to buy drugs, I do not know why children are not getting more involved in the lives of their parents. What they can do is they can get a \$4,000 tax deduction, and they can add \$4,000 then to their parents' drug card. We think this is being very family friendly.

We also have a catastrophic coverage and we think that is important. And tomorrow, hopefully, there will be a Republican conference to cover both these proposals.

CHILD TAX CREDIT

The SPEAKER pro tempore (Mr. FEENEY). Under a previous order of the House, the gentlewoman from Illinois

(Ms. SCHAKOWSKY) is recognized for 5 minutes.

Ms. SCHAKOWSKY. Mr. Speaker, it is stunning to me that whenever Democrats stand up on behalf of working families that our colleagues on the other side of the aisle start shaking their finger and saying, oh, the tax-and-spend Democrats. It is really amazing and takes an incredible amount of nerve for the Republicans to still want to wear that jacket of fiscal responsibility and to invoke it when we start talking about working families like this.

Let us remember that the President was handed a \$5 trillion surplus, surpluses as far as the eye could see. That is gone, blew that; and now we are at about a, according to the former Secretary, they are charging about a \$4 trillion projected deficit, a debt, on top of that, and in a very short time we are almost \$1 trillion in deficit. That means more money spent than we have brought in.

They like to talk about the war: Oh, we had to spend all that money on homeland security. And indeed, we did, but let us remember that most of that deficit is caused because we are giving tax cuts to the wealthiest.

Now the excuse is, well, this family, the Johnstons who make only \$19,000, they do not deserve a tax cut, they say, because they do not pay tax. Hello, these are people who are paying a payroll tax. They pay sales tax, they pay excise taxes, like taxes on the gasoline they buy to get to their jobs, and they pay a payroll tax.

Think for a minute. What are the only taxes that have not been reduced? We are not talking about dividend taxes, most of the people who clip coupons, the taxes that they pay. We are not talking about the taxes on high incomes. We are talking about the taxes that everyday working people pay. That is what we are trying to do with the child tax credit, for families like that, so that they can take it and buy formula or baby food for this baby, so that they can provide for her. And that is what we are trying to do.

My colleagues notice this family is not smiling, but I want to show them the face of some people who are, in fact, smiling. Why are they smiling? A report by the Committee on Government Reform minority staff on the tax bill found that Treasury Secretary Snow's estimated dividend and capital tax savings is between \$331,000 and \$842,000. That is a 1-year tax cut. No wonder he is smiling.

Secretary Evans could see between \$68,000 and \$595,000 in tax savings.

Vice President CHENEY, who is not in the picture but is probably smiling at some undisclosed location, will reap \$116,000 a year from the dividend capital gains provisions in the tax cut. In fact, the total tax savings for President Bush, Vice President CHENEY, and the Cabinet could be up to \$3.2 million. If I were a member of the Cabinet, I would probably be smiling, too.

In my State, 674,000 children and 378,000 families are not smiling. Nearly 1 in 4 families in Illinois were left behind. Now, of course, they say if we take care of them we are just tax-and-spend. Tell me that we do not have enough money when we are giving tax breaks like that to not only the wealthiest in the private sector but these individuals who are serving us now as members of the Cabinet.

Behind closed doors in final negotiations of the tax cut bill for millionaires, the White House and Republican leaders exterminated the child tax credit provision that would have helped families like the Johnstons and others making between \$10,500 and \$26,625. That is the people that we are talking about, people who in their lifetime it will take years and years and years to earn what these individuals will get in 1 year in a tax cut. By eliminating that provision, Republicans were guaranteeing that millionaires like Secretary Snow and Secretary Evans get their full tax cut.

It did not take long for the American people to find out that their neighbors and their friends got the short end of the Republican tax cut stick, and that is why the United States Senate was shamed into passing a Democratic proposal to provide those low-income families with their well-deserved child tax credit that was removed in a secret deal by Vice President CHENEY.

They passed a restoration of the tax cut for those lower-income families, working families by, 94-2. But what are we hearing on this side? Majority Leader DELAY said, "It ain't going to happen." Well, I want to say that I think it ought to happen, I think it will happen, and we need to make it happen.

PRESCRIPTION DRUG PRICES

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, we have heard the word "outrage" used several times on the House floor, and I rise tonight to talk about the outrageous prices that American consumers pay for prescription drugs. And I have behind me a chart, and I apologize for those here on the floor and Members who may be watching on their television sets, it is a little hard to read. But I want to go through this because what it compares is what Americans pay, on average, and this varies because we have a very complicated average wholesale price situation formula they use here in the United States, but these are the average prices, and these are prices that we actually checked ourselves.

People have questioned some of the credibility of the sources that I have used. So we did our own research and we went to Munich, Germany about a month ago, and we bought 10 of the most commonly prescribed drugs in the United States. And let us run through.

Cipro, drug made by Bayer. They make the aspirin. They are a German company. In the United States, the average price for 10 tablets, 250 milligrams, \$55. We bought it at the Munich airport pharmacy for \$35.12, American.

Coumadin. My 85-year-old father takes Coumadin. In the United States the average price, \$89.95. The price in Munich, Germany, \$21.

Glucophage, a very popular drug, has done wonderful things for people who suffer from diabetes. Glucophage, \$21.95 in the United States, only \$5 in Germany.

Pravachol, \$62.96 in Munich; \$149.95 here in the United States.

The list goes on, Prozac, Synthroid, Tamoxifen, \$60 in Germany; \$360 in the United States.

Zocor, \$41.20 in Munich; \$89.95. It is the same drugs.

My father takes this Coumadin every day. It is a wonderful drug. Many Americans take Glucophage, and the Congress has spoken on this. We have statutes on the books that would allow Americans access to these drugs at world market prices, but the FDA and the Department of Health and Human Services, under first a Democratic administration and now a Republican administration, has said, oh, no, no, we cannot do that, we cannot guarantee safety.

So we are introducing a new bill and we want to deal with that issue because we want Americans to have access to safe world-class drugs.

What I am holding in my hand is a counterfeit-proof package. There are companies right now that are helping people, like our own Treasury who helped develop the technology that goes into our new counterfeit-proof \$20 bill. They now have packaging which they are making for the pharmaceutical industry. For a cost of somewhere between 2 and 5 cents, they can make a blister-pack, counterfeit-proof package.

It goes beyond that. They are coming out with new technologies that are not only counterfeit-proof, but it is tamper-proof. So we can bring these drugs in and the technology will get better to make these drugs safe. For example, I am holding in my hand a little vial, and in this vial my colleagues cannot see it, I can barely see it. Inside this little vial are 150 microcomputer chips. This is the next UPC code so that we actually embed it in packaging, so that we can know where this product is made, where it came from, everything we need to know about it. It can be counterfeit-proof. It can be tamper-proof, and now it can be virtually fail-safe.

People say, well, what about safety? Every day we import thousands of tons of food, and the FDA is responsible for the food and drug safety in the United States. We import tons and tons of food. Last year, we imported 318,000 tons of plantains, and somehow we eat those plantains every day, and we do not worry about the safety.

We can import world-class drugs. I am a Republican and I think that there is nothing wrong with the word "profit," but there is something very wrong with the word "profiteer." I think it is right that Americans pay their fair share of the cost for research in the world, but we should not have to subsidize the starving Swiss.

We have an opportunity in the next several weeks to do something about this. The greatest tragedy in America today is that roughly 29 percent of all seniors tell us that they have had prescriptions that went unfilled because they could not afford these outrageous prices.

Shame on us. Shame on us. We should do something about that. We have the power to change this, and I think this year we finally will.

□ 1730

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

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

ISRAEL SHOULD BE COMMENDED FOR GOING AFTER TERRORISTS

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

Mr. ENGEL. Mr. Speaker, today another suicide bombing happened in Israel. Sixteen innocent people were murdered and more than 150 were injured. The terrorist group Hamas took credit for it and the cycle of violence continues.

Mr. Speaker, homicide bombers, suicide bombers cannot be tolerated. Israel, as any other nation, must do everything it can to go after terrorists, to root out terrorism. As President Bush said, there are no good terrorists, there are only bad; and every nation has an obligation to protect its citizens and go after the terrorists.

That is why it was so disheartening to hear President Bush say Israel's attempted attack on one of the biggest Hamas terrorists, Mr. Rantisi was not helpful. I do not know whether a nation ought to think about what is helpful or not when they are trying to protect their citizens.

We in the United States went halfway around the world to destroy the Taliban in Afghanistan not because the Taliban committed crimes against us, but because the Taliban harbored al Qaeda, which committed heinous acts against us. If we are justified, and we are, in going halfway around the world to destroy terrorists, surely Israel is justified to do the same in her own backyard. After all, it was President Bush who said Osama bin Laden wanted dead or alive, and it was President Bush who talked about Saddam Hussein and his connections with terror-

ists. We went into Iraq and overthrew Saddam Hussein. Certainly Israel should be encouraged to go after terrorists, not discouraged to go after terrorists; and we should not set a double standard for Israel, we should set the same standard as we would set for ourselves.

Last week there was an agreement to try to proceed on a so-called road map for peace in the Middle East, and all parties agreed that the Palestinian prime minister, the Israeli prime minister and President Bush all talked about going along the path to peace. During that time the prime minister of Israel has dismantled some of the settlements, has talked about having peace with the Palestinians. And what was the response on the Palestinian side? The three terrorist organizations, Hamas, the Palestinian Islamic Jihad, which is part of Arafat's Fatah network, and Hezbollah, all got together and took credit for the assassination of five Israeli soldiers. That was the Palestinian terrorists' answer to peace. The Palestinian prime minister, Machmoud Abbas, who said he would try to persuade the terrorists to have a cease-fire was not able to persuade them at all. In fact, they rejected his calls for a cease-fire. Machmoud Abbas, the Palestinian prime minister, then said he would not use force to try to get the terrorists to stop, he would only try to persuade them.

I would say if Mr. Abbas, the Palestinian prime minister, is not going to attempt to use force to stop terrorists from committing terrorist acts, then Israel has the right to take matters into her own hands and to use force to stop terrorists from committing these heinous acts. After all, since Mr. Rantisi is one of the leaders of Hamas which kills innocent men, women, and children civilians, why should Mr. Rantisi think he is somehow immune to some kind of attacks on his life?

It is very important that Israel, the United States, and all peace-loving countries in the world go after terrorism. And when nations go after terrorism, other nations should help them, not say that it is unhelpful for peace. Let us talk about the road map which everyone seems to be so ecstatic about. The road map will only work if and when the Palestinians decide if and when they are going to put an end to terror and not use terror as a negotiating tool, and the road map should be performance-based, not time-based. In other words, the Palestinians have to perform. They have to stop terrorism before they get their state. If they do not stop terrorism, they do not get their state. They should not merrily march along to statehood in 2004 and 2005 unless they end terrorism.

Mr. Speaker, I think Israel should be commended for going after terrorists. I think all nations should do the same.