

be merely raising the Head Start budget from \$6.8 billion to \$6.9 billion. That is not enough, because there is still, even with that slight increase, there are still 40 percent of all of the children who deserve a head start and who deserve to be in the program unable to do it because we have not put the money forward.

We are concerned about the fact that we are now saying let us experiment with these eight States and give them the block grant funds to pass on to the Head Start programs. We are worried that that money may get diverted somewhere else, and the kids that really need that money they will not get it. Because budgets throughout our Nation, almost every single governor is struggling with a deficit, and we are very clear that when they are struggling with deficits it is probably quite likely that the money, all of the money that is destined for those Head Start programs will not get there.

So we do not want to be in a situation where 30 years from now, 20 years from now, 40 years from now, children who are then grown up are looking at their children and saying what my father said to me: Now I know what I could have been, what I could have been. The fact is that we have an opportunity here today, this week, to make sure that all of our children, all of our children, every one of them, has an opportunity to get off to a good head start.

Finally let me say this: So often I hear my colleagues talk about what they want for our children. But I ask the question, if their children, if they were talking about their own children, the children that have their blood running through their veins and who came from their womb, would they want an improved Head Start program if their child had to be a subject of the Head Start program? I would submit that they would want a better program, that they would not want funds diverted.

So this evening, Mr. Speaker, I thank all of the Members of the Congressional Black Caucus, all of the Members of the Congressional Hispanic Caucus who have come forward to lift up our children so that they can be all the best that they can be.

Mr. JONES of Ohio. Mr. Speaker, I raise in support of Head Start as we know it. Rather than dismantling Head Start, I call on the leadership of both parties to make Head Start bipartisan as it has been for 38 years, to keep the current Federal-to-local structure of Head Start intact rather than supporting any measures to shift oversight to any number of states, to maintain and improve upon current Federal performance standards and oversight—to ensure high quality and the array of comprehensive services offered by Head Start, to provide for further improvements including higher teacher qualifications, matched with provisions for funding teacher training and higher salaries, and to move towards fully funding Head Start, beginning with at least a \$1 billion increase for FY 2004.

All the Head Start programs in Ohio say that if the States inherit control of the program, it

is likely the current comprehensive focus for Head Start will be lost. This change could eliminate critical services, such as promoting children's social and emotional well-being in addition to their academic skills, health and dental screenings and treatment, mental health services, parent-education programs and social services.

They say that: families who are currently receiving help but have income above 150 percent of poverty will lose their assistance the next time their eligibility is predetermined. The changes also include an increase in parent fees, which will increase the amount families pay by an average of \$50.

They say that the rates for family childcare providers will be lowered from the 75th percentile of the market rate to the 60th percentile, making it difficult for those providers to serve families receiving assistance.

The shame of it all is that the most eligible children are denied childcare assistance. Nationally, only 1 out of 7 children eligible for childcare assistance under Federal law receives help. States have long waiting lists for children help. (At the end of 2002, one-third of the states continued to put low-income working families on waiting lists.)

In Ohio 38,081 children are enrolled in the Federal program and 18,173 in the State program.

Ohio has 837 centers. This does not count home-based services; these are actual centers. Of these, 229 are only federally funded, 109 are only State funded, and the other 499 are mixed—both State and Federal funds.

Cuts in Ohio will mean that 18,500 children will lose their child care assistance by September to help the State save \$268 million. On April 1, the State will decrease income eligibility from 185 percent of the Federal poverty level (\$27,787 for a family of three) to 150 percent (\$22,530 for a family of three).

Support Head Start as we know it. Fully fund this successful program!

Mr. CUMMINGS. Mr. Speaker, I yield back the balance of my time.

BIPARTISANSHIP BRINGS POTENTIAL SOLUTIONS TO PRESCRIPTION DRUGS ISSUE

The SPEAKER pro tempore (Mr. GINGREY). Under the Speaker's announced policy of January 7, 2003, the gentleman from Minnesota (Mr. GUTKNECHT) is recognized for 60 minutes as the designee of the majority leader.

Mr. GUTKNECHT. Mr. Speaker, I come to the floor of the House tonight again to talk about the issue of prescription drugs and the prices that Americans pay compared to the prices that people pay in the rest of the industrialized world. I will have colleagues joining me tonight from time to time from both sides of the political aisle. We have Republicans, we have Democrats, we have people who would consider themselves conservative and, hopefully, some who will be coming down who consider themselves to be liberals or progressives.

Because this is not an issue of right versus left. It is an issue of right versus wrong. Tomorrow night we hope to do another Special Order on a bipartisan basis to talk about this issue again, be-

cause I think this is the kind of issue that we need to talk about, that Members need to understand.

Mr. Speaker, I, in the past, have said that the fact that Americans pay so much more than the people in Canada or in Germany or Switzerland or France, I have always said that it is not so much shame on the pharmaceutical industry, it is shame on us. And it is really our responsibility. Our own FDA works for the Congress and not the other way around.

But, tonight, my tone is going to start to change because of some of the things that the pharmaceutical industry has been doing over the last several weeks.

President Reagan said, if you tell something that is not true but you do not know it is not true, that is a mistake. If you say something that is not true and you know it is not true, that is a lie. And in the last several weeks we have seen things that really do border on lies, because the people who are telling the stories know that they are not true. We are going to talk about that tonight.

I want to thank my colleague, the gentleman from Illinois (Mr. EMANUEL), for joining me tonight in this Special Order. I know that he has had an incredibly long day and he can only stay for a few minutes, so I would like to yield to him so that he can talk about the issue and the problem and what we in Congress maybe can do to bring some parity and fairness in terms of the prices that our consumers are forced to pay for these life-saving drugs.

Mr. EMANUEL. Mr. Speaker, I thank my good colleague and friend, the gentleman from Minnesota, for his leadership on this issue, as he has shown time and again. The test of leadership is the ability of an individual, in the face of a great deal of opposition, to consistently stay whole and true to his principles; and the gentleman has done that, even in the face of not only political opposition but leadership opposition within his own party on this issue.

Others of both parties, a cross-section that cuts a big swathe within our Congress, members of what one would call the extreme right and members on the extreme left, have come together on this. I think it is because, one, I think this legislation speaks to our common set of values; and, two, it is because all of us cannot be hard to the fact that because we have heard stories repeatedly of busloads and carloads of individuals who have gone over the border to Canada to buy medications that are life-saving and necessary and have done that as the only means in which they can afford their medication and what has been prescribed. All of us have heard those stories and that is why all of us have come here.

Now, some may have talked about price controls. Others may have talked about just letting the system as is continue. This legislation, which we put together under the gentleman's leadership, uses market forces to bring prices

down. It says that if you can get the medication at a 12 or 15 percent reduction in Canada, and that is a better way for you to go, you would go there. If you can find it cheaper in England or in Ireland or in Germany or Italy, you could go there. That would force at the local pharmacy the prices to begin to reduce here at home for the American consumer and American seniors.

That competition will bring competitiveness to the type of medication you can buy and real reductions in the prices, so that no longer would the American consumer, through inflated prices here at home for prescription drugs, be supporting the price reductions and the affordable prices that Canadians, Brits, the French, Germans, Italians, and Dutch are paying there.

So it uses market forces to reduce prices and brings that competition to bear. I think once that happens, our local pharmacy and drugstore, because they will not want to lose market share, will reduce prices at their local pharmacy. It is the force of the market that will bring prices down.

The gentleman has shown many times I think the prices of drugs on this chart, and I know the gentleman will get to it soon, but that competition for me is not only important for our seniors, it is important to our private businesses. General Motors I think has a \$1.2 billion health care package for prescription drugs for their retirees. This type of savings, on average, 20 percent, would save close to \$240 million for GM.

But we will see that ripple throughout the entire economy. That would save, for families who are paying \$60, \$70 for a one-time medication, who can then buy it for \$30 or \$40, and that is a tremendous reduction.

□ 2215

Second, we are about to embark on the largest expansion of an entitlement in over 40 years. Medicare, we are thinking about adding \$400 billion for a prescription drug benefit. Some think it may in the end go up to 5 or \$600 billion. I think all of us owe the taxpayers a little bit of respect. And when I say respect, respect is understanding the value of their tax dollars should go the longest way possible. Therefore, if we can get the prices for a prescription drug or a specific drug, whether it is arthritic, heart, diabetic medication at 40 percent reduction or 30 percent reduction, we owe the taxpayers through Medicare the right to get them the best price.

Corporations and the pharmaceutical company will get their profits, but this legislation is not about their best profits. It is about the best price for the seniors and our taxpayers. And two myths I want to strike down, one myth that those on the other side say, and they constantly say, is that if you do this you are going to destroy our ability to develop new medications. I think that taxpayers have been tremendously generous to the pharmaceutical indus-

try. Through the research and development tax credit, taxpayers have supported research at these corporations, and they have paid for that research through the tax credits' R&D.

Second, the taxpayers are being very generous because if you look at cancer drugs, you look at drugs for AIDS, every one of them was developed through the National Institutes of Health, which is a taxpayer-funded research institute. So in my view, R&D will never get hurt as long as the taxpayers maintain their generosity to the tax credit, the R&D, and through NIH. So that myth does not work.

Second, that we are somehow endangering the health and safety of the medications that we have at our local pharmacy and drug stores. The truth is every one of the medications we have talk about are FDA, Federal Drug Administration, approved. They are the drugs that were manufactured at the Food and Drug Administration FDA facility, and these facilities produce the drugs for the markets here in America, Canada, England and France, the same companies. They are name-brands drugs at 20, 30, 40, 50 percent reduction. So safety is not a concern. Development of new products is not a concern. We would do great work for our taxpayers and our elderly and our American consumers.

I know the gentleman has some examples to show to the people who are listening and watching the debate of this important issue.

Mr. GUTKNECHT. Mr. Speaker, we have plenty of examples. Before the gentleman goes, one of the issues that I briefly referenced in my opening remarks was that up until the last several days I have been very hesitant to criticize the pharmaceutical industry because in many respects they did not create this system; Congress did. They did not allow this system to perpetuate. It was the FDA and the Congress that did. But recently they have begun what I think is an unethical strategy to try and scare seniors, to scare consumers, to begin to get them to believe that the problems that would be created by this legislation are insurmountable.

And to the gentleman's credit, the gentleman has had the courage to fight back. Because they have started to run ads on radio, they started to do mailings to our seniors, they are making phone calls to our seniors, they are mailing to pro-life groups; and that is where I get back to this point. If you tell something that is not true and you know it is not true, that is a lie. And I think sometimes here in this city we have to call an untruth a lie. And to the gentleman's credit, and I want the gentleman to talk a little bit about what he has done in Chicago to begin to call things the way they really are and to counterattack. And I admire the gentleman for that. Perhaps the gentleman can talk a little bit about what has been happening in Chicago, in the gentleman's district, and what he is doing about it.

Mr. EMANUEL. Mr. Speaker, as the gentleman knows, the pharmaceutical companies set up a front group, because if it was paid for by the pharmaceutical companies, it would totally be discredited; but they set up a front group to advertise and start to attack or pressure individual Members on this legislation. And they ran radio ads saying, call your Member, say you do not want unsafe drugs in the district, using scare tactics to frighten senior citizens and to frighten American consumers.

Well, in the Chicago area it has totally backfired so I want to thank them for spending their money to help us. But I decided to go on with my own radio ad to counter what the pharmaceutical industry was doing and to tell them the truth and the public the truth about what was going on, what we were trying to do, which is bring competition, bring the prices down, make medications more affordable, save the taxpayers money.

The gentleman and I have talked about it, others have talked about it; I believe that what the drug pharmaceutical companies were doing here was a sign of desperation.

Now, when I mentioned to the gentleman I was running radio ads, a colleague of ours from Indiana mentioned the direct mail he was getting in his district. A colleague of ours from Massachusetts was mentioning the phone calls where pharmaceutical companies were calling up telling the same message they were delivering on the radio, saying, talk to your Congressman, and then patching that through. Once the staff of the Member's office explained it, the seniors not only felt good, they were happy that he was on the legislation. But they are using the scare tactics in a sign of desperation. Their position is untenable.

We have competition for a car. You want to buy a Toyota, you can buy a Toyota. You want to buy General Motors, you can buy General Motors. You want to buy a Renault, you can buy a Renault, a Saab. You want to buy strawberries all year round, you can do that. You want to buy software from an American company, you can do that. You want to buy them from a German company, SAP, you can do that. The only area where you cannot buy other products from other markets in the same product line is in the pharmaceutical area. We can do it in cars, stereos, TV, electronics. And in all of those places, consumer prices have dropped dramatically. Competition has worked.

The pharmaceutical industry has gamed the political system. They have gamed the legal system, and they have kept competition out. We pay the highest prices in the world for pharmaceutical drugs. The gentleman's chart shows the 10 most-used drugs for seniors. There is a \$700 spread where American seniors are paying \$700 more than their counterparts in Germany, 20 percent more in Canada. Why? Because the political system has been gamed by

the pharmaceutical industry to keep competition out of the market.

Now, I have seen the marketplace work. It does it in every product. It brings efficiency to the marketplace. The reason we have this tremendous inefficiency in the pharmaceutical area is because we have a closed market. You open up the marketplace to competition, prices will drop.

One of the things I learned a long time ago, maybe this is because I am a middle child. I used to say about middle children, we wrote a book, "War or Peace." We could do either one. If someone was going to go out and say something like that to scare and intimidate people, they needed to be pushed back and given some of their own medicine.

What they did in Chicago, what they are doing around the country, the gentleman can correct me if I am wrong, but I think it is about \$20 million big pharmaceutical companies are spending to scare people. It is a sign of desperation. They are using desperate tactics. And I hope it is backfiring on our colleagues and realizing that type of pressure politics will not work, scaring people. The public is on to what they were doing.

That is what I decided to do. We have run it in the Chicago area. We have got a tremendous amount of attention and support by the public for speaking out and speaking up against the pharmaceutical industry scare tactics. If they wanted to have an honest debate, this is worth having a debate. I look forward to it. But what they are doing is exactly what the gentleman said, they are lying. They are scaring people when they need not scare them.

Mr. GUTKNECHT. Mr. Speaker, I want to thank the gentleman. We have sort of suffered the slings and arrows of outrageous fortune over this issue, but it is worth it because this is a big issue. The gentleman mentioned they are desperate. They understand what we understand, that over the next 10 years this is a \$630 billion issue. And that \$630 billion is going to be paid by seniors, it is going to be paid by families, it is going to be paid by big businesses, it is going to be paid by small businesses; but that is \$630 billion that Americans should not have to pay.

As we talked about with many of these drugs like Tamoxifen, the Americans already paid for the drug. We paid to develop the drug. And yet they sell it, here this box of drugs I bought in Munich, Germany, for \$59.05. We rounded it off to \$60. This drug sells here in Washington, D.C. for \$360. That is outrageous. It is indefensible. And the reason that they have to resort to distortions, deceptions, and down right lies is because they cannot defend this chart. They cannot defend the fact that Cipro sells in Germany for \$35 and \$55 in the United States, that Coumadin sells for \$21 in Germany and \$89.95 in the United States. Glucophage, \$21.95 in the United States, only \$5 in Germany. Pravachol sells for \$62.96 in Germany but \$149.95 here, and the list goes on.

The gentleman said the total price for the 10 most commonly prescribed drugs, \$373.30 in Munich, Germany. That same group of drugs, same quantities, made in the same FDA-approved facilities sells for \$1,039.65 here in the United States. That is indefensible. They do not want to argue this chart. They do not want to argue these numbers, so they resorted to the only thing that is left, and that is to try to scare seniors, try to deceive Members of Congress and somehow distort this whole issue so that it is about safety, it is about abortion, it is about all other kinds of issues; but that is not what it is about.

It is about money. It is about real money. Because they believe that \$630 billion belongs to them. We believe that \$630 billion belongs to Americans.

Mr. Speaker, I yield to the gentleman from Michigan (Mr. HOEKSTRA).

Mr. HOEKSTRA. Mr. Speaker, I thank my colleague from Minnesota for having the Special Order and my colleague from Illinois, who I am working with on a number of different issues.

The gentleman talks about what is going on, that they are trying to scare seniors, they are trying to scare Members of Congress. In an unprecedented way, they have taken this argument to our constituents; and actually I am glad that they did. Back in my district a few weeks ago as I am talking to my newspapers, I started getting some unusual inquiries. They were asking me some strange questions. They said, What are you working on, this re-importation? And I kind of explain it to them. And I kind of asked them the question and said, Why are you asking? I have worked on this bill for the last 3 or 4 years, and this is the first time you have ever asked me about it. They said, We had someone from the pharmaceutical companies visit us and talk to us about this issue. I said, That is interesting. We have some pharmaceutical companies in west Michigan. I have a rural district along the Lake Michigan shoreline and a number of dailies, a number of weekly newspapers. I said, Oh, one of the folks from one of the local drug companies. They said, No, we think this is a lobbyist from Washington. And almost universally they have all said, We are not quite sure what to make of this because this has never happened to us before that a lobbyist would come from Washington and meet with us and to try to tell us why you are, the quote was. Why you are backing the wrong horse, was one of the terms that they were using.

I will get back to that, but this person was from the Pharmaceutical Research and Manufacturers of America and visited all of my daily newspapers and I think some of the weeklies and actually visited some that were not in my district that he thought were still in my district.

But now they introduce the flier that says, they are spending more on my

campaign than I spend on my own campaigns, "Will Congressman Hoekstra miss an opportunity to protect the sanctity of human life?"

Absolutely not. In 10½ years of being in Washington, I have not missed a vote to protect the unborn. This will not be one of the times that even will impact the unborn. We have a letter from a former colleague to the gentleman from Minnesota (Mr. GUTKNECHT) that talks about what a phony argument they are raising in this instance, in scaring the pro-life folks.

□ 2230

Then they have the second flyer that these folks are mailing out into my district, a public health alert: Investigative reports expose danger of imported medicines for seniors. But they are mailing that out in my district.

Then an urgent drug safety warning for America's family, a half-page ad in my local newspapers. I guess my colleague from Illinois must have experienced some of the radio ads that they are running, urgent. And the two of my colleagues are absolutely right. Because what has run in one of my local newspapers now is the dirty little secret that these folks are running away from, which is save up to 86 percent on your prescription drugs, 86 percent. This is an offer to constituents in my district to buy the same drugs, and you have got the prices up there, something that in the U.S. costs \$80 dollars, get it for 17 bucks from Canada. This is after they ship it to you at 17.

Mr. EMANUEL. Mr. Speaker, may I ask my colleague, what you have as an ad in your area paper, where people can buy the same medications that they could get at their local pharmacies, if they went to Canada, the reductions, if you could read a few of those comparatives.

Mr. HOEKSTRA. Mr. Speaker, Lipitor, save 43 percent. The average U.S. cost is \$288. Our price is \$165.

Neurotonin, you have got all these down, but average U.S. cost \$130. Our price \$78.

Mr. EMANUEL. Our price being the one in Canada.

Mr. HOEKSTRA. That is right. Our price being the one in Canada.

Premarin, the U.S. price, \$80. Our price, if you buy it through mail order from Canada, \$17.

One of my pharmacists called me today because he says I cannot sell this for \$80. He says, when I buy this from my supplier in the U.S., it is costing me \$74. The dirty little secret is that these folks are willing to sell.

The savings are save 43 percent, save 40 percent, save 79 percent, save 26 percent. Save 86 percent on Nolvadex. \$349 is the average U.S. cost. Buy the same drug, manufactured in the same plant in the U.S. and buy it, I am 180 miles from Detroit. Go 180 miles to Windsor and buy the same thing for \$50.

It is not like the Canadians have this phenomenal pharmaceutical system that they can build this stuff so much

cheaper, manufacture this stuff so much cheaper. It is the same stuff built in the same plants in the U.S., but it is sold for 86 percent cheaper if you want to buy it from Canada, 45 percent, 54 percent, 23, 49, 52 percent.

Zocor, I know that you have talked about that, \$377 is the average cost in the U.S.

Mr. GUTKNECHT. That must be for 100 tablets. Does it say?

Mr. HOEKSTRA. It is 100 count tablet, 20 milligrams.

Mr. GUTKNECHT. That is what we are talking about.

Mr. HOEKSTRA. Buy it from Canada for \$180.

Mr. EMANUEL. That is a 50 percent reduction, little more.

Mr. HOEKSTRA. Fifty-two percent. One of my pharmacists called me this morning, and he is outraged because he opens his morning newspaper, and he is seeing this ad and says, how do I compete? And I said, I want you to do a press conference with me next week. On Monday morning we are going to do this, and we are going to talk about that and expose the dirty little secret.

This is not about drug safety. This is not about abortion. This is about the American taxpayers being gouged by greedy drug companies which I think was the headline in Illinois.

Mr. EMANUEL. Mr. Speaker, if my colleague would yield, as a friend of ours once said, if they say it ain't about money, it is about money, and that is what this is about. It is not about abortion. It is not about safety. It is not about anything else but about money.

I respect the need for them to make a profit. They will make a profit, but it is clear what is going on here is that the American consumers, the American elderly and American taxpayers are subsidizing the rest of the world, and it is high time we stand up for those folks who are trying to make ends meet, whether they be taxpayers, sick patients, whether they be the elderly, get the prescriptions. It is clear because all those drugs are name brand drugs, same name brand drugs made in the same facility, they are just sold at a 50 or more percent reduction in Canada. In that type of competition your local pharmacist can compete if they had that same type of price, and that is what we are talking about.

Mr. HOEKSTRA. Mr. Speaker, what my local pharmacist said today was we would have not that great of a drug crisis in the United States if we had Canadian pricing or German pricing or other EU pricing.

The three reasons that Mr. Trewhitt gave my local newspapers as to why this reimportation is a failed strategy, there is no guarantee any savings would be passed on to consumers.

The Lipitor, save 43 percent. My belief is that if you have reimportation, my pharmacist in Holland, Michigan, or my pharmacist in Ludington, Michigan, if he can access these drugs through a purchasing agreement with a

reputable pharmaceutical house in Canada, do I think he is going to buy or stay in business if he is paying \$288 for it and the pharmacy down the street can get it for \$165? I am sorry, he is going to be buying it, and the consumers will see the savings. The consumers in Canada obviously are seeing the savings. The savings have moved down.

It is uncertain whether the safety of reimported drugs can be assured. Give me a break. You told me how many pounds or tons of bananas we import and these types of things. The technology exists where we can put the controls in place that we can maintain the integrity.

But the bottom line is reimportation will not happen. What will happen is that we will see an equalization of the prices between the Canadian and the U.S. markets and the European markets and the U.S. and the U.S. seniors and the U.S. government. But, also, U.S. manufacturers will no longer be subsidizing the health care costs of the rest of the world.

The third argument that Mr. Trewhitt raises, the third major reason he argues against reimportation is that, in essence, he said the U.S. also would be importing someone else's failed price controls. It does not look like failed price controls to me. It looks to me like price controls or whatever mechanism Canada is using appear to be working pretty well, because the folks who are manufacturing these products are perfectly willing to sell these products in Canada at these prices, and they are not willing to sell these same drugs to American consumers at the same price. It appears to be working for Canada.

If this were a failed price control, these drugs would not be available in Canada. If these companies could not make money at these prices, what they would say is we are not going to distribute these products in Canada because we cannot make a profit at it so we are not going to distribute them there until we get a fair and reasonable price for these products. They are not going to be available in Canada, and Canadians would be having to come to the United States to buy these quality drugs, but it is exactly the opposite.

Mr. GUTKNECHT. Mr. Speaker, I want to give our friend from Illinois a few minutes because I know he has to leave.

Mr. EMANUEL. I think that our other colleague from Michigan laid it out. What would happen is you would see a dramatic reduction in prices here in the United States. There would be some levelling off. Prices in other places would rise. We can call it reimportation. I like to refer to it as market access. We would go from a closed market to an open market. You have real competition. Once that occurred, what would happen at that point, prices would be reduced here at home.

More importantly, I will use the General Motors example. There are busi-

nesses all across the country, look at the steel industry, what was really depressing the steel industry was not the competition in prices. It was that our steel industry had all these legacy costs for retirees, health care costs. You get the reductions like this, and the costs for our steel industry would be dramatically reduced, but that is across big businesses and small businesses.

Small businesses, only one-third of them provide health care. Two-thirds do not. Why? Because it is too costly. One of the greatest causes of health care inflation is, which is now running at 20-25 percent a year, two factors, the uninsured and prescription medicines. Those are the factors behind health care inflation.

We have got to bring this under control. The way to do it is not mandate it. Let us use market forces to do it.

Again, I want to go back to what our opponents have done. I again believe that their desperation and desperate tactics, whether that is through the direct mail as you have shown, the radio commercials that are running in my district, the telephone campaign that is running in other folks' districts, what is interesting is, as I have said before and I will say again, they could have said anything. They can talk about their life-saving medications. They could have talked about their innovation, how many people they employ. They did not talk about something positive. They tried to scare people about what we are trying to do.

To me, their first argument, their first salvo, the first arrow they shot is indicative of the emptiness of their position. They did not say something positive about what they are trying to do. They are trying to run us down, helping seniors and consumers.

Again, I want to thank both of you. I do have to go. I thank both of you for your leadership. One of the things I am most impressed with is the huge bipartisanship that has been shown on this, the cross-sections of both caucuses, the Democrats and Republicans, who have come together, both in the House and in the Senate where 82 Members voted for similar legislation, although it is only specific to Canada.

We are talking about the European Union here, which I think would be real competitive because we have a common set of principles. We have heard too many stories of people missing medication, people, as my colleague has always said, and if I could steal this from him for a second, we have turned our elderly into drug runners, coyotes running over the border trying to get medication.

Both of you have districts obviously closer to Canada than mine, but in Illinois there are actually three or four storefronts opening up to do distributions from Canada. You see it on a real day-to-day basis what is going on, and you see the competitive market forces that if we brought them here people would not drive 120 miles, which they

do today. They would drive 12 minutes, and they would get the medication at their local pharmacy.

We need that type of competition here, and it is the right thing to do, and I think we are on the right course. The desperate tactics shown by our opponents reflect the success of our message, and I think we are scheduled to have a vote next week, which I think America needs to focus on and bring their attention to.

Again, I want to thank you for doing this again today, and I think we are going to have some other time this week to talk about this again.

Mr. GUTKNECHT. Mr. Speaker, I thank the gentleman; and hopefully tonight we are going to have another bipartisan opportunity to come together, Republicans, Democrats, Independents, conservatives, liberals, and talk about this.

Let me just share, I have a lot of heroes. We all have heroes, but I want to talk about one in particular. Her name is Kate Stahl. Kate Stahl is 84 years old. She is a very active member of the Senior Federation back in Minnesota, and she was quoted in a recent copy of U.S. News and World Report, and the quote is, I would like nothing better than to be thrown in jail.

She is a self-described drug runner. She helps people find affordable medications, in Canada principally, but she will also look other places. She goes on-line. She helps them buy drugs. She takes them up to Winnipeg to buy drugs. Kate Stahl is not a common criminal. She is an American hero.

One of the statistics I have come across and one of the reasons I fight so aggressively on this issue, there was a study done recently by the Kaiser Foundation, and I checked this out because I spoke to the community pharmacists a few months ago. The study said that 29 percent of seniors say that they have had prescriptions that have gone unfilled because they could not afford them.

So when I spoke to the community pharmacists a couple of months ago, I asked them the question, have you ever had the experience where a senior comes in, or it does not even have to be a senior, it can be a mother or father comes in with a prescription, hands it to you and you tell them how much the prescription is going to cost and they take a deep breath and they drop their head and they say, well, maybe I will be back tomorrow and they never come back? Shame on us. Shame on us.

These drugs are available today in other industrialized countries for a fraction of what we pay, but they have something we do not have. They have parallel marketing or parallel trading in Europe, and they allow the pharmacists to literally shop where they can get the best price, whether it is for Coumadin or Synthroid or whatever it happens to be, and, as a result, they have affordable drugs.

□ 2245

It really is time for us to open up markets, because markets work. Again

quoting Ronald Reagan, "Markets are more powerful than armies." We have to open up markets. We have to have some competition. And if we do that, we will have more affordable prescription drugs, not just for seniors but for moms and dads, families, and for small businesses.

Mr. Speaker, I yield back to my friend from Michigan because he has been a champion of small businesses, and particularly a champion for small businesses. He has seen what is happening to manufacturing and one of the reasons for the cost of health care. Perhaps he wants to talk a little about why this does matter whether you are a senior citizen or a manager of a small manufacturing plant.

Mr. HOEKSTRA. Mr. Speaker, I thank my colleague for yielding. So much of the debate has been about ensuring that seniors have access to health care, and that is important, that they have access to affordable health care. But what has been lost in the debate, and my colleague from Illinois brought this up briefly before he left, was that small businesses and others are struggling with the cost of health care.

When a small business is expected to pay these kinds of prices that are double or triple what would be paid in Canada, what happens is, and it is not too difficult to figure out, the health care cost for a small business in Canada that is paying \$33 for a prescription and a company in Michigan that is paying \$100 for that exact same prescription, and prescriptions are becoming a much greater percentage of the total cost of health care, well, naturally, the insurance costs are going to be higher for that company in the U.S. than what they are in Canada.

In the manufacturing sector today, companies are competing on the basis of pennies. If I can make this widget for a few cents less in Canada or in Europe versus the U.S., guess what, I am moving. That is how competitive the market is. Markets work. Sources of supply shift. And so, in effect, not only are we subsidizing the health care costs in Canada and in Europe for the seniors, our businesses and our workers carry this additional burden of increased health care costs. Our companies and our workers in America are subsidizing the very workers that they have to compete with in Canada and in Europe based on health care.

Our workers not only have to be productive enough to cover the cost of their own health care, but they also are picking up a part of the health care cost of the very people that are trying to put them out of work each and every day in Canada, in Europe, and, as my colleague likes to refer to them, the starving Swiss. Those are the folks our people are competing against each and every day, and they are now being asked to pick up part of the burden for their health care costs. It is absolutely outrageous.

Manufacturing is under assault in the U.S. Talk to a small businessperson

today and the first thing they will bring up is the competitive nature of the market that they are in. There is no safe market any more. It is not like we found our niche; we are going to have a good year. Competition is tough each and every day, and they have to go out and fight to get a customer and to keep a customer.

The second thing they will say is that the fastest rising cost in our business is health care. And a big component of it is that they are paying more so that Canadian companies and Canadian workers can get their health care cheaper. There is no reason why mom and dad, who go to work during the day and want to raise their family, that while they are working they are subsidizing the health care costs of competitors across and outside of our borders.

This is one of the things that we need to deal with as we try to resurrect and strengthen manufacturing in the U.S. This is one small step, but it has to take place. We have to equalize those health care costs.

Mr. GUTKNECHT. Reclaiming my time, Mr. Speaker, the gentleman is absolutely correct. I have been astonished at the response by some of the people here in Washington. We all claim to be very concerned with the fact that we have lost over 2 million manufacturing jobs in the last 4 years; and some people are saying, well, the answer is more government programs; and some people say, well, the answer is tax cuts. But here is an idea that if we are right, and I think we are, and I think the evidence supports this, that we can save at least \$630 billion.

Now, if you want to allow Americans to keep and spend \$630 billion of their money, here is a good place to start; and it does not cost the Federal Treasury a dime. It just begins to equalize, so no longer will American consumers and American taxpayers be subsidizing the health care cost of the rest of the world.

And I just want to come back to one point, because people do not realize, and the gentleman from Illinois (Mr. EMANUEL) started talking about this, we subsidize the pharmaceutical industry in three separate ways. First of all, we subsidize them in the tax codes because they get very generous tax benefits for what they do on research and so forth. They get to write off at least 50 percent. In many cases, they get a dollar-per-dollar tax reduction in the form of tax credits.

Secondly, we subsidize them in the amount we spend on research. This year, and I am proud of this fact, we will spend about \$27 billion in taxpayers' dollars through the NIH, the National Science Foundation, actually through the Defense Department. We spend an awful lot of money on research which ultimately benefits the pharmaceutical industry. With the drug tax laws, for example, we spent almost \$.5 billion taxpayer dollars developing Paxil. Then we licensed that

drug to a pharmaceutical company and they went out and sold \$9 billion worth of Paxil to the market. Even though we took it all the way through phase 2 trials at taxpayer expense, they have sold \$9 billion and they paid us a royalty of \$35 million.

Finally, we subsidize the pharmaceutical companies in the prices we pay. As the gentleman said, I think we ought to subsidize the people in sub-Saharan Africa, but I think the time has come to say we will no longer continue to subsidize the starving Swiss.

Mr. HOEKSTRA. If my colleague will yield, Mr. Speaker, I think this is a very, very critical point. We are fighting in a world economy for every job. Every American worker faces not only competition, but in Michigan we face competition from Wisconsin, Illinois, Minnesota, and Ohio, each and every day. And each and every day they fight competition from Canada, from Europe, and the Far East.

Now, not that long ago we had a plant close in my hometown and move to Canada. One of the reasons they moved was due to the ridiculous sugar subsidy we have here that inflated the price of sugar in the U.S. The other reason was that the cost of labor, which includes the cost of health care and other benefits, was higher in the United States. And so not only is it that health care costs more here, it is because the workers here were covering their own health care and paying a portion of the health care costs for the very people that ended up putting them out of a job.

We are subsidizing other companies to compete against U.S. manufacturers and U.S. workers. We cannot lose that point through this debate. It is absolutely critical that the American people need to recognize that when we are paying triple or four times the prescription drug prices in the U.S. versus what they are paying in other countries, it is the U.S. worker who is subsidizing foreign workers who are trying to take their job each and every day. That is why this is absolutely so critical.

The gentleman and I have been here for a period of time, and we are always talking about free trade. Let us have free trade. Because we say, hey, competition works. But when it comes to this area where it is so clear that competition would work, because we have this discrepancy between Detroit and Windsor, where all we have is a river with a bridge over it and a tunnel underneath it, and you have to go a couple of miles and you can save 70, 60, 50 percent, yet we will not let them do it, that tells use that there is something wrong.

Mr. GUTKNECHT. And we should do something about it.

Mr. Speaker, we have been joined by our friend, the gentleman from Vermont, someone who has been in these trenches fighting this battle I think for even longer than I have.

Mr. HOEKSTRA. And if the gentleman will yield briefly, I just have to

say that I do believe this will be the first time that I have ever been joined on a Special Order by my colleague from Vermont. So welcome.

Mr. GUTKNECHT. Mr. Speaker, I yield to the gentleman from Vermont.

Mr. SANDERS. Mr. Speaker, I thank the gentleman for his leadership on this issue. I think what is very interesting on this issue is that we are finding people from different philosophical perspectives, Republicans, Democrats, Independents, Conservatives, Progressives, Liberals, Moderates, coming together and making one very strong point. And while our analysis may be different, the bottom line that we all agree on is that it is simply unacceptable that the people of the United States year after year are forced to pay by far the highest prices in the world for prescription drugs, many of which are manufactured right here in this country.

As the gentleman from Minnesota knows, several years ago I took some of my constituents, and I was the first Member of Congress to do that, and being in Vermont we are right near the Canadian border, so we went from Franklin County, northern Vermont, over the border, and we had with us a number of women who were struggling with breast cancer, a terrible illness. They were able to purchase, and the gentleman has it right in his hands, a widely prescribed breast cancer drug called Tamoxifen.

These women could not believe their eyes when they ended up paying one-tenth the price, 10 percent of the price, in Montreal than they were paying in the State of Vermont.

Now, my view is that the time is long overdue for the Members of the United States Congress, Republicans, Democrats, Independents, to stand up to what I believe is the most powerful lobby in the history of our country. The pharmaceutical industry has spent hundreds of millions of dollars fighting every effort here in Congress. No matter what the idea is, they have fought it.

My understanding now, and my colleague can correct me if I am wrong, is that they are running ads all over the country against the concept of reimportation. They are lying about people's political beliefs. They are putting up and funding phony front organizations to represent their interests. And the point to be made, in my view, is that it is absurd that year after year, when the pharmaceutical industry leads all other industries in the profits that they make, when they have enough money to pay their CEOs exorbitant compensation packages, when they have enough money to have over 600 paid lobbyists, and, my friends, there are only 435 Members of the House, yet they have 600 lobbyists, former leaders of the Republican Party, former leaders of the Democratic Party, they are besieging the institution, that we cannot walk the hallways without bumping into a rep-

resentative of the pharmaceutical industry telling Members of Congress, please, do everything you can to make sure that Americans continue to pay the highest prices in the world.

The last point I would make, and my friend from Michigan touched on this issue, I happen not to be an advocate of free trade. I think free trade in the last number of years has been a disaster for American workers, et cetera. But for all of those people in Congress, a majority of people, who think that it is okay to bring in products from China, to bring in vegetables from Mexico and Latin America, to bring in beef and pork bellies from Canada, if all of that is okay, how come we cannot bring FDA safety-regulated prescription drugs from Canada, which has a regulatory system quite as strong as the FDA? I would love our colleagues to tell me that answer.

Mr. GUTKNECHT. Well, if the gentleman will yield back, that is the question I asked my colleagues and that is how I got involved in this debate. I always tell people I feel like the little boy who came in and asked his mother a question, and his mother was busy. She said go ask your dad. And he said, well, I did not want to know that much about it.

The more I have learned about this, the more pernicious this thing is. But what really got me involved was several years ago on behalf of my pork producers, when the price of hogs dropped from about 37 cents a pound down to about 9 cents a pound, 8 cents a pound, my hog producers started calling me saying, Congressman, can you not do something about this? I said, I do not know what I can do. They said, at least can you stop the Canadian hogs from coming into the American market making our situation even worse, making the supply and demand thing even worse? Can you do something about the Canadian hogs, at least stop them?

So I called the Secretary of Agriculture and I called the Secretary of Commerce and I got essentially the same answer. They said, well, that is called NAFTA. It is called free trade. All of a sudden a light bulb went on above my head. I said, wait a minute, we have free trade when it comes to pork bellies and blueberries, but we do not have free trade when it comes to Tamoxifen? The one area where Americans could save billions.

Mr. SANDERS. That is amazing.

Mr. GUTKNECHT. Billions. And that is when I began to move. As Winston Churchill once said, "The difference between a fan and a fanatic is, a fanatic is one who cannot change their mind and will not change the subject." I have become a fanatic on this, and we will not step down.

□ 2300

Mr. HOEKSTRA. Mr. Speaker, the interesting thing that the gentleman from Minnesota (Mr. GUTKNECHT) is talking about, if you are buying pork

or hog bellies from Canada, they were raised and grown in Canada and exported to the U.S.

These drugs that we are talking about shipping into the U.S. were probably made in the U.S. under the FDA, they were shipped to Canada, and this is kind of a reverse NAFTA. We are shipping this stuff out, and they are selling it at these phenomenal discounts in Canada. Then the American consumer would like to buy American product back, and they are saying that it is too dangerous, illegal, and plus you will promote abortion.

Mr. SANDERS. Mr. Speaker, common sense would dictate, is it not far more difficult to regulate the vegetables or the beef or pork that are raised on farms and ranches, what pesticides are they using, who knows, it is very difficult to regulate, but it is okay to import that product into the United States. But when you have prescription drugs manufactured in the United States and approved by the FDA, sent to Canada, approved by their regulatory system, all of a sudden we cannot regulate it. On the surface it is absurd and laughable, and anyone who makes that case should be laughed out of this institution.

Mr. HOEKSTRA. Not only on the surface is it ridiculous, but as we peel the onion, it gets even more absurd. They say that these are Canadian drugs, who knows where they manufactured. No, they were not manufactured in Toronto. These things were manufactured, produced in our own factories.

Mr. SANDERS. The gentleman from Indiana (Mr. BURTON) and I did a study. We requested of the CRS to take a look at the Canadian prescription drug regulatory system. We are not dealing with some Third World in Canada. What the CRS told us is that the Canadian prescription drug regulatory system almost always is equivalent to the FDA in the United States, which makes the argument that the drugs coming in would be unsafe totally ridiculous.

Mr. GUTKNECHT. Mr. Speaker, coming back to the abortion piece, if anybody knows what the rules are on the drug RU-486, it is the drug companies that make it. We talk about Canada and Mexico, we do not even mention Mexico in our legislation because we only talk about industrialized countries. We mention only the G-8 countries, countries that we know have very sophisticated methods of regulating the drugs. But let us come back to RU-486. That is what they are going after with some of the pro-lifers with that mailer. Here is what they know.

Mr. HOEKSTRA. It is the pharmaceutical companies.

Mr. GUTKNECHT. Exactly. It is all funded by the pharmaceutical companies. We know that, and we will be able to prove that within the next 72 hours.

But let me come back to this point. They know the rules. You cannot get the abortion drug RU-486 with a prescription in the United States. You can only get it administered by a doctor in

a hospital or in the doctor's office. In other words, he or she cannot write you a prescription and you get it filled at the pharmacy.

The pharmaceutical industry knows that, and that is why this is such a bald-faced lie. In fact, they do not even go so far as to say you cannot even get it legally in Canada or Mexico. It is outlawed completely in those countries. Only the FDA has allowed the abortion drug.

I do not think they should, but whichever side of the story you are on, stick to the facts. And if anybody knows the facts, it is the companies that produce it. It is not laughable. It is sad. I used to think of them as an ethical industry. No more. It is unethical. What they are doing is dishonest, and they deserve all of the spite that the consumers are beginning to heap upon their shoulders.

Mr. SANDERS. Mr. Speaker, I am pro-choice. I am proud of it. I have always been, and I will always be. But for the pharmaceutical industry to lie about the pro-life people just shows the desperateness as to where they are. What they are nervous about and what this Special Order is about is people from different political parties coming together on behalf of the American people and saying, enough is enough, pharmaceutical industry, you cannot rip the American people off. I think we have them on the run, and if we keep our fiber and keep working together, we will win this effort.

I want to thank the gentleman from Minnesota (Mr. GUTKNECHT) for his leadership efforts on this issue.

Mr. HOEKSTRA. Mr. Speaker, I think what my colleagues have both alluded to is the dishonesty or questioning the motives of the pharmaceutical companies.

My mom and my in-laws are mid-80s, and they take prescription drugs. They are paying four times what somebody in Canada or Europe will pay. How in the world can a drug company justify those numbers and say just the very simple fact of a border means if you need a life-saving prescription in Canada, it is going to cost you \$17 and in the United States it will cost you \$80?

It is absolutely outrageous that that is what these folks are doing each and every day. For whatever reason, they are pricing people and seniors out of the market here in America. They go to bed at night feeling perfectly comfortable doing that and then throwing this garbage out there to justify it.

We may differ on life, but you are absolutely right, the folks that developed RU-486 are the ones that are paying for the ads that say, how terrible, they are going to promote abortion. It is like, excuse me, you are the ones that came up with this drug.

Mr. Speaker, I congratulate my colleague for leading the fight and being a staunch supporter on this and the gentleman from Vermont (Mr. SANDERS) coming to join us tonight. I cannot wait until we have a vote on this. I

think we are going to win in overwhelming fashion, and we are going to demonstrate that different parts of this Congress can come together and stand up for the consumers.

Mr. GUTKNECHT. Mr. Speaker, I yield to the gentleman from Vermont (Mr. SANDERS).

Mr. SANDERS. Mr. Speaker, I want to thank the gentleman from Minnesota (Mr. GUTKNECHT) and the gentleman from Michigan (Mr. HOEKSTRA).

There is no question that there are people in this country who are literally dying or suffering because they cannot afford the high prices that they are forced to pay in this country. It is not acceptable that an industry which is so wealthy and so profitable can continue to force Americans to suffer in that way.

It excites me that we are coming together regardless of philosophy or party to say enough is enough. I look forward to that vote. I think we have them on the run, and I think the literature that the gentleman showed is just an indication of how desperate and panicky they must be. I would say to the American people it is a sad state of affairs when an industry has to stoop to that level. I think Congress has caught up to them, and I think we are finally going to represent effectively the American people on this issue.

Mr. GUTKNECHT. Mr. Speaker, we have had a very lively discussion. This is an important debate. Ultimately, it is about hundreds of billions of dollars that Americans pay and will be forced to pay if we do not do something about it. There is nothing in it for any of us except the satisfaction of doing what we believe is honestly right.

I will close with the words of the American philosopher and country western singer Tom Petty, "We won't back down."

□ 2310

OPPOSITION TO ALLOWING AMERICAN TOURIST TRAVEL TO CUBA

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

Mr. PALLONE. Mr. Speaker, I would like to address the issue of American tourists visiting the island of Cuba this evening. Mr. Speaker, in my opinion now is not the time to open American tourism to Cuba. American tourists should not be allowed to soak in the sun of Cuba's beaches while so many of Cuba's democracy leaders and independent thinkers suffer under inhumane conditions in Cuba's jails.

Behind Cuba's tropical weather and vacation resorts lies a repressive regime. This is the same regime that earlier this year arrested over 80 non-violent human rights advocates, pro-democracy leaders, and independent journalists in a campaign by Castro and his forces to silence all voices of opposition on the island.