

I pray on behalf of children, who are trying to rise up to the standards that have been set by this administration without the resources in this budget that will be able to respond to the needs of every day teachers and administrators that are working to be able to make sure that they can provide an environment and also be able to put forth an education system that is going to help our children learn, outside of just having test centers and having rhetoric out there, these one-liners talking about how we have raised standards.

I hope and I pray that Members of Congress stand on behalf, and especially on the majority party, because on the Democratic side I know where we stand, but I am hoping and praying that someone, some Member stands up and gets other Members on the Republican side to say no to the President of the United States; I do not care if it is an election year or not, Mr. President, you will not make tax cuts permanent on behalf of the wealthiest Americans. And not just because we do not want you to, but because the Republic depends on the very resources you are willing to give away to individuals who do not even need it, and which will provide for health care, for Social Security, for a prescription drug plan that actually is a plan on behalf of the American people and that will drive costs down, and which will also make sure that we have police officers in our communities that are going to prevent crime and not report it.

□ 1715

ISSUES FACING CONGRESS

The SPEAKER pro tempore (Mr. BISHOP of Utah). Under the Speaker's announced policy of January 7, 2003, the gentleman from Texas (Mr. BURGESS) is recognized for 60 minutes.

Mr. BURGESS. Mr. Speaker, I thought we would finish up this week touching on several issues. We just heard about a lot of issues from the other side of the aisle; and I have several things that I want to address, and the gentleman from New Mexico (Mr. PEARCE) is here to speak as well. I want to speak on the reauthorization of the transportation bill that we will be taking up in the latter weeks of this month. I want to talk a little bit about where we stand on fighting and winning the war on terror, and I would like to finish up with a discussion about retooling Medicare and debunking some of the myths that we have heard expressed on the floor of this House this week.

Mr. Speaker, I yield to the gentleman from New Mexico (Mr. PEARCE) to speak on his part of the discussion.

Mr. PEARCE. Mr. Speaker, first of all, I would like to talk about education and an exciting thing that is occurring in my district.

I would also address some of the economic factors that this Nation has faced and will continue to face. We

have important things about Medicare that we need to communicate to the American people, and I will do that this afternoon also. If we get a chance, we will talk about the concurrent receipts issue, an issue of fairness for our veterans that this Congress, under Republican control, took care of. It had been a problem since 1892 when the bill was passed that disallowed concurrent receipts. The Democrats continue to say that we have not taken care of our veterans, and yet we took care of that concurrent receipts issue, which was a problem during the entire time of the 40 years of uninterrupted power that the Democrats held in this Congress and they refused to take care of it. They refused to hear the bill, refused to get it out of committee, and now they are claiming that we did not do that. The facts speak differently.

Mr. Speaker, returning to my education issue first, Roswell High School, New Mexico, is in my district. They recently have been named as one of 12 breakthrough high schools in the Nation by the National Association of Secondary School Principals, the NASSP. The breakthrough high schools project identifies and showcases exemplary high schools which have met the challenges of low-income, high-minority student populations, which describes my district. It describes some of the most desperately needy high schools in the Nation. That is the reason No Child Left Behind was put into place. It causes our school systems to acknowledge the difficulties of teaching the low-income, high-minority student populations because they are the ones that are being left behind.

Roswell High School's success is one of the best examples of school turnaround that I personally have seen. No Child Left Behind gives schools the resources, the flexibility and local control to make great changes. I am both excited and proud to talk about Roswell High School and its principal, Mike Kakuska from the floor of this House. Mike Kakuska is my hero. He is the one who deals with young people on a day-to-day basis, encourages them to do better, convincing them that they can do better, all of the while making progress in his school. His comment is that we have a credo here: dinosaurs disappeared because they did not change. If something does not work, we change it. The education system in America has not been working. We were leaving too many children behind, and simply the title of the bill says it best. Let us stop leaving kids behind because it is the poorer and disenfranchised who never will have an opportunity to go to a different school.

No Child Left Behind has channeled tremendously increased resources at education. When President Bush came to office, the expenditure from a Federal level was about \$27 billion on education. That number is over \$50 billion now and increasing. Yet we are told by the Democrats that we are underfunding education when they know,

when they are talking about the fact that we have increased over double what they funded education at during their tenure.

The most egregious example of Democrats misusing facts is when they send our constituents in to say we are not funding IDEA, the Individuals with Disabilities Education Act; and yet the facts tell us that traditionally from the very onset of IDEA, the funding was around \$1 billion. Finally after about 30 years, under President Clinton the funding increased from \$1 billion to \$2 billion; yet in the time that President Bush has been in office, funding has increased from \$2 billion to over \$11 billion.

Mr. Speaker, I think that we need to tell the American people the truth. The greatest thing that I see No Child Left Behind doing is that it allows local flexibility and local control. Local school districts are given four different income streams where they can move money back and forth between programs. They are given the flexibility to direct money where it belongs.

If a school is failing, increased resources are sent to that school for mentorship, 101 training, or whatever it takes to get each individual student up to par. One of the most important aspects of No Child Left Behind is right now there are over 150 school districts nationwide who have 100 percent control over the education dollars that go to their school from the Federal Government.

We think that if the local school board will make decisions, if the local school board is responsible for the education of their children, if we take education out of the hands of Washington bureaucrats, if we take Washington out of the hands of the State bureaucrats that local school boards and local administrators and teachers will solve the problem.

The No Child Left Behind Act begins that process of giving local autonomy and local control. I think that Michael Kakuska and Roswell High School are the best examples in my district of what No Child Left Behind can do, and I commend them for that.

Mr. Speaker, I will speak later on about taxes, Medicare, and a few other issues.

Mr. BURGESS. Mr. Speaker, we will transition from the part of the infrastructure in our communities that is responsible for education to the part of the infrastructure in our communities that allows us to get to schools. I am talking about our transportation infrastructure.

Mr. Speaker, in regards to transportation, we are at a crossroads in this country. We are at the intersection of the demands for creating the type of infrastructure that will facilitate commerce and move our citizenry and trying to achieve some type of rational spending limit within our Federal budget.

Back home in my area of north Texas, we face a silent crisis. This crisis is largely unrecognized by residents

until they find themselves in an unbearable commute to work, or unable to make the necessary connections between home, work and other activities in their daily lives. My area of north Texas has experienced an increase in traffic over the past 3 decades which is the result of unprecedented population and employment growth. Added to this is the underinvestment of Federal transportation dollars to my area.

Mr. Speaker, the time is now to make the necessary investments in our transportation infrastructure. In Texas, our transportation needs outstrip available funding three to one, and these are not trivial funding needs, these relate to supporting international trade, streamlining the environmental process, and expanding innovative financing techniques.

Handling taxpayers' dollars with care is one of our highest callings here in the House of Representatives. That obligation is enshrined in the Constitution. Our charge as congressional representatives is to protect dollars taken from the taxpayer by streamlining and improving activities of the Federal Government, not just to simply spend and dispose of those dollars.

Sadly, when Federal dollars are not handled with care, important Federal programs such as our transportation programs find themselves being hurt and neglected. Last year shortly after my election to my first term in Congress, I was very fortunate to be chosen a member of the House Committee on Transportation and Infrastructure.

I wanted to be sure that the United States Department of Transportation was ensuring the most efficient business practices within the agency. I requested and had a meeting with the Department of Transportation Inspector General, Mr. Kenneth Mead. We discussed the business practices of the agency and how Congress could better facilitate removing inappropriate expenditures in relationship to transportation spending.

Mr. Speaker, the Department of Transportation has not changed the way the agency disburses transportation funding to State and local entities since President Eisenhower was in office. The Inspector General recommended that if one cent had been saved out of every dollar spent over the last 10 years in transportation programs, the Department of Transportation would have had an initial \$5 billion to spend. That is \$5 billion. That would equate to the amount of funding needed for four of the 11 major transportation projects currently under way in this country. Clearly, greater efficiency within the Department of Transportation could have an enormous impact on more efficiently spending taxpayer dollars.

The Inspector General shared with me examples of how transportation projects could be used as examples or models of government efficiency. In the State of Utah in the preparation for the Winter Olympics, Interstate 15

needed substantial improvement. By streamlining the design-build process on that project, Interstate 15 was completed ahead of schedule and under-budget and available for individuals traveling to the Winter Olympics that year.

Similarly in north Texas, the Dallas Area Rapid Transit System worked within their budget last year and actually returned over \$20 million in transit funding to the Federal Government. Unfortunately, there are examples of transportation projects which are not carefully managed; and as a result, taxpayer dollars are not wisely spent.

The Ted Williams Tunnel, the central artery project in Boston, Massachusetts, the project known as the Big Dig, is the poster child for inefficient Federal spending on a transportation project.

The GAO has estimated that for fiscal years 1998 through 2001, the highway trust fund account lost over \$6 billion because of the ethanol tax exemption and the general fund transfer. Using the Department of Treasury's projections of gasoline tax receipts, the General Accounting Office has estimated that the highway trust fund account will not collect \$13 billion because of the tax exemption from fiscal years 2002 through 2012. There is an almost \$7 million shortfall from the general fund transfer between the same years.

Prior to the last reauthorization bill in 1998, the highway trust fund earned interest on its balance which was paid by the general fund. If the highway trust fund had continued to earn interest on its balance, the United States Department of Treasury estimates that the highway trust fund would have realized about \$4 billion from September 1999 through February 2002.

Mr. Speaker, between modifying the Department of Transportation's practices with State and local governments and reevaluating the true purposes of the highway trust fund, I believe we can work together to ensure that the Federal Government is more effective and efficient for the American taxpayer, and we have more dollars to spend on needed transportation projects.

If we are unwilling to make the monetary investment and the necessary policy changes, then I am afraid our vision for our Nation's highways will be of a congestion-bound commuter sitting in a traffic jam literally watching the bridges and roadways crumble before their very eyes.

There are policies that we could put into this year's reauthorization bill which would have a dramatic impact on the efficiency with which our highway dollars are spent. I believe we need to have policies included which will allow States the flexibility to complete large projects in less time and consequently save money. Streamlining the design-build process, as was done with Interstate 15 in Utah, will achieve this goal; and I seek inclusion of this

concept in the final reauthorization legislation. More funding and flexibility, which allow for an increase in efficiency, will equate to better roads, better bridges, and better transit facilities.

Logically following from that, we can expect less congestion, improved safety, as well as the economic value of increased commercial transportation.

□ 1730

I remain committed to working with Federal, State and local officials during this reauthorization year to address the long-term needs, not just of my district, not just of my State, but of the country at large. We need to ensure that our Federal Government wisely spends the taxpayer dollars on transportation infrastructure. We need to do our work. We need to produce a bill which adequately provides for our economic security, creates and sustains jobs, enhances safety and continues to improve mobility for our Nation's citizens.

I think a worthwhile goal, Mr. Speaker, would be to allow Americans to spend as much time in family discussions at the dinner table as they currently spend simply trying to get home.

I yield back to my friend from New Mexico.

Mr. PEARCE. I thank the gentleman from Texas.

Mr. Speaker, right now we have National Guard members in Iraq who are defending not only the freedom of this Nation in fighting back in the war on terror that began on 9/11 in this country, Mr. Speaker, but those National Guard troops are serving and putting their lives on the line. And that is not new. Our National Guard has been doing that throughout our history.

In World War II at Omaha Beach, some of the greatest casualties occurred in the Virginia National Guard. Members of my own New Mexico National Guard in World War II were in the Pacific. They made a thing called the Bataan Death March. I have known about that event throughout my entire life because I had next-door neighbors who were on the Bataan Death March. It was not until I went to the New Mexico House of Representatives that I began to understand why we had so many of those, and that is because the New Mexico National Guard was activated, sent there, they did their duty and many of them died.

It is with this backdrop that I was profoundly disappointed several weeks ago when Terry McAuliffe, the chairman of the Democratic National Committee, said President Bush served in the National Guard, but never served in our military and our country.

I will tell you, those comments are so demeaning to the people who served in our National Guard that I was offended and asked for an apology. I am now asking that the chairman of that committee would resign over his comments that detract from the service of all of our National Guard Members.

I came to the floor of this House several weeks ago to talk about the rhetoric that was starting in the campaign, and just earlier today we saw a report from the leading Democrat contender for President where he referred to the "crooks and liars on the other side." I will tell you as a Republican, I will say that his comments were unfounded, they were extremist and they have no basis in fact.

He has already turned down a demand for an apology. I do not think he will do that, because I do not think he is a large enough person to do it. But I am profoundly disappointed by the comments from the Democrat candidate for the office of President.

I yield to the gentleman from Texas for the next segment.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. BISHOP of Utah). The Chair would remind Members not to make personal references to Members of the Senate, even if not by name, including candidates for the presidency.

Mr. BURGESS. Mr. Speaker, I thank my friend for yielding.

Mr. Speaker, I heard those same comments last night when I was working late in my office, and I, too, took offense at those. I was reminded that the founder of our party, Abraham Lincoln, said that if a man asserts something to be true, even if he does not know whether it is true or false, that man is in fact himself guilty of a falsehood. When an individual refers to all members of this Republican side of the aisle and this body as crooks and liars, I assert that that man is in fact himself guilty of a falsehood, and then thereby becomes that which he condemns.

I join with my friend from New Mexico in asking for an apology from this individual. I think it is only proper that he do so.

Since the gentleman was talking about the service of our troops and our National Guard overseas, let us also think about our success in the war on terror. We must remember that our President, our leader, George Bush, led us into this battle, and in fact if a Member of the other body had been in control, Saddam Hussein would still be the dictator in Iraq, brutalizing and terrorizing his people. The President and the Republican-led Congress are winning the war on terror and bringing the light of democracy to all corners of the world.

Just this morning on a conference call with Ambassador Bremer in Baghdad, he talked about the signing of the Iraqi Constitution that took place earlier this week. In fact, it was not quite a week ago that all parties were gathered to sign the Constitution, but it did not happen last Friday.

Of course, we saw that reported rather generously in the newspapers, that the signing of the Constitution did not occur at the time that it was supposed to. We did not read that much about its signing on Monday, other than the fact

that it was indeed signed. All 25 members of the Iraqi Governing Council signed the Constitution. There was no change in verbiage that occurred between Friday and Monday. Whatever differences there were worked out with a concept of compromise that is apparently a new concept in the country, the free country of Iraq.

The signing of that Constitution was such a big event that sometimes something happens that is so big it almost gets lost and you almost do not realize how big it was and how much that means, not just for that area of the world, but for our country. Maybe not for people in our lifetimes, but certainly in our children's lifetimes, they are going to see a world markedly different because of the work that has gone on in that country, really for not quite a year's time. I believe next week will be the one year anniversary of the beginning of Operation Iraqi Freedom.

Certainly the press in Iraq was amazed by the fact that they had come this far to craft an interim Constitution, the fact that it had happened this quickly. Certainly they have got an aggressive task ahead of them in Iraq in getting approval for this interim Constitution, but Ambassador Bremer emphasized this was indeed a revolutionary concept in the country of Iraq. They are going to be governed under the rule of law, which is a new concept for them.

They have a robust component of individual rights built within that Constitution. I believe, if I am not mistaken, there is a provision that 25 percent of the elected representatives in that country will now be women, a marked change from what they were looking at before. They will have an independent judiciary. They will have majority rule, but the rights of the minority will be protected. There is a commitment to democratic principles. There is freedom of religion, but there is also freedom to practice religion as a person sees fit.

All of these are enormous concepts that have been crafted, again, in a relatively short period of time in an area of the world that has not known much freedom for the last 20 or 30 years.

I was in Iraq just a little over 2 weeks ago. In fact, we heard on the floor of this House earlier this week some criticism of the administration because there is no capture of Osama bin Laden yet, and that the effort was diverted by what was going on in Iraq.

Well, I also visited the country of Afghanistan and the country of Pakistan. I met with both President Musharraf and President Karzai respectively in those countries.

I want to share with this House a picture which was given to me by General Austin of the 10th Mountain Division out of Fort Drum, New York. This is a picture where I think one picture worth 1,000 words, probably so. This picture demonstrates the degree to which our soldiers are going to capture, contain and kill those who would

harm innocent Afghani citizens, certainly bring harm to our troops.

This was an individual who was sought by the coalition forces in Afghanistan. He thought he was relatively immune from prosecution, living high on a steep mountainside. He was visited by some of our forces. Then, to bring him to justice, they landed half a helicopter on his house. You can see his campfire still burning down there. He was brought up to the roof and loaded into the back of the helicopter.

Think of the effort involved in the capture and containment of that individual. I do not recall whether that was a Taliban or al Qaeda or simply a warlord that they were attempting to bring to justice, but it was quite a startling turn of events for that man that morning when half of that helicopter landed on his roof to bring him back to meet whatever fate awaited him.

I cannot tell the gentleman from New Mexico how glad I am that he brought up the service of the National Guard in this country. When I was in Iraq and we spoke to the General of the Fourth Infantry Division, General Odierno, the division that captured Saddam Hussein, he said under his control, I cannot say numbers, but there were a substantial number of Guard and Reserve under his command, and he said, "I cannot tell you at this point who is Guard and who is regular Army. They are all the same in my eyes."

As the father of a young man in the Air National Guard back in Texas, I thank the gentleman from New Mexico for bringing up the valor of their service, not just in this conflict, but throughout the history of this country.

Mr. PEARCE. I thank the gentleman for yielding. As I look at that picture, I wonder about the person that is taking the picture. That is a stunning shot from high up in the mountains there, taken at the moment of impact, and it just expresses in detail the fine job that our troops are doing.

At the end of October of last year, October 31, November 1 and 2, I was in Iraq. I visited with our troops to find out what their attitudes were. I can tell you that every single troop I visited with, both from New Mexico and from outside New Mexico, they all believed in what they were doing, they were highly motivated, well trained and doing great work.

Their one comment was, "Why do the people in America not find out the good things we are doing?" I cannot tell them why the news will not cover the good things that are going on in Iraq, the very positive rebuilding efforts, the winning over of the hearts and minds of the Iraqi people, but I can tell you that those soldiers know about it. They see firsthand that people in the neighborhoods who have been told their entire lives, for 35 years under Saddam Hussein, that Americans are evil and will be coming there to hurt them, and as the Iraqis find that not to be true, they bring their kids out in

the streets and hold them up to see the Americans eyeball-to-eyeball, and that is touching the lives of the young men and women from New Mexico serving there. I compliment our troops for the fine job that they are doing.

But our reconstruction efforts are going well. We have about 75 percent of Iraq is fairly stable. About 25 percent is unstable. But I visited also with General Odierno. That was before we captured Saddam Hussein. He told me, "My troops have stepped on his tail a couple of times and we missed him." He said, "It is going to be my people to capture him," and the gentleman from Texas (Mr. BURGESS) pointed out it was the troops under General Odierno that captured Saddam Hussein.

I will tell you that when I look back on the short time that we have been engaged in the war on terror, we have the Taliban completely uprooted and out of Afghanistan. Al Qaeda is on the run. The funds raising mechanism in Saudi Arabia that was funding the war on terror has been eliminated. Under A.Q. Khan, nuclear armament components were being sold on the world market, and that completely marketing network of nuclear armament has been taken down and disassembled. We have gone back and repossessed some of the nuclear things that were sold to countries. Pakistan now is energized and willing to help us in the war on terror. Iran is admitting publicly that they had nuclear weapons and nuclear capability. Syria is beginning to change their attitude. Libya has changed theirs.

We have come so far in this war on terror. It disturbs me when I hear the national campaign from the Democrats saying we should back up, we should bring our troops home, we should rethink it. I will tell you that the worst thing we could do is to stop the war on terror, because that is one of the events that destabilized our country.

People wonder why we are doing the tax cuts. I will tell you, our economy has suffered three deep shocks. The first, of course, was the dot.com collapse. That occurred in the last years of the President Clinton term. We had stocks that were valued at way over their actual dollar value. That occurred because people were euphoric. Some of these companies had no products, they had no net income, they had no sales. They just had a name and a concept, and people were bidding the stock up from nothing to \$200 and \$300 per share. That euphoria in a market cannot be sustained. What we found is that the dot.com collapse came, as well it should have.

□ 1745

It brought a correction into the market to bring reality into the market, but it also set our economy back on its heels. We were just about out from underneath that recession when the 9-11 attack occurred. That was approximately a \$2 trillion shock to our econ-

omy and over 2,000 lives in one day. When people worry about the cost of the war, I would just remind them, yes, it is extremely expensive. War is never inexpensive. It is at almost \$200 billion right now. But I will tell my colleagues that \$2 trillion in one day is over 10 times the total cost up to now of the war.

Mr. Speaker, 9-11 set our economy back yet a second time into a little bit different and deeper recession. Finally, we are just about to come out of that when the Enron, Global Crossing, the WorldCom collapses began to occur and people started taking their money out of the stock market. That was a deeper shock still to the economy, causing an interruption in the confidence of the American people in our system. During those three events, we found that our economy was so resilient that it never got plunged as deeply as it could have into recession, but it was always lingering in the last phases of it.

We gave the tax cut in this institution, we voted for the tax cut because tax cuts create jobs. We had hoped when we offered the tax cut that we could get a 3.5 percent rate of growth in our economy. We were stunned in the third quarter to find out that the rate of growth was actually 8.2 percent instead of the 3.5 percent that we had hoped for. The rate of growth has settled down to a more modest 4 percent, but Alan Greenspan says that he expects that number to remain constant; and I will tell my colleagues, if we can remain at the 4 percent growth level, that this economy is going to be in good, good shape.

There are many reasons that the tax cuts were given, but one of the most important things that occurred is that 75 percent of the people in the higher income brackets that got tax cuts are small business owners. When we give small business owners a tax break, we are affecting over half of the employees of the United States. Small business is one of the most vibrant forms of employment in this country; and the tax breaks, the expensing for small businesses, the accelerated depreciation were two of the most dynamic parts of the equation. They are the things that caused our orders of manufactured goods to increase, the orders of vehicles, of large equipment, of new capability; and it is that expansion that brings on new jobs into this economy.

When our opponents talk about the number of jobs lost, they simply refuse to talk about the number of jobs that are sent overseas by hard policies and too invasive regulation. I was in committee the other day, Mr. Speaker, and the Committee on Resources was talking to the people who cut timber and who process timber into lumber. Those fine union members of that group declared to us that 3 million jobs in that one industry had been sent overseas by policies that refuse to let people cut timber anymore. The Democrats on that committee said, you will be okay, you will be fine. You will have jobs in

tourism. The members of those unions in that meeting told the Democrats, we do not want jobs in hotels; we want our good, high-paying jobs in the timber industry back.

Many times we fail to account for the jobs that are sent overseas by the regulations that we impose as a government. I think that it is an important consideration in the job loss for this country, because I know that our companies would rather stay here and compete as long as they can.

Mr. Speaker, I yield back to the gentleman from Texas (Mr. BURGESS) before I go into my next discussion. I would ask him to let me know when we would like to yield back the floor.

Mr. BURGESS. Mr. Speaker, I thank the gentleman for yielding. I would like now to move on to the topic of Medicare and perhaps health care in general; but let us start with, let us start with a discussion of Medicare. When I do my town halls and discussions back home, I am asked, Why in the world did you even take on the task of trying to reform Medicare? Why even do it? It is such a heavy lift. It is such a big job.

The fact remains, Mr. Speaker, that in 1965 when the Medicare bill was signed into law, they covered the two things that arguably would pose the greatest financial threat for a senior citizen, and that would be a major surgical procedure or a prolonged hospitalization, say for example, for treatment of pneumonia or a bad kidney infection. The prescription drug benefit was not written into law at that time because prescription drugs available, I think, looking back at that time, I was not in practice, but I think we had penicillin and cortisone and those two were interchangeable; but prescription drugs and the availability of treatments for medical illnesses has drastically changed over the last 39 years since the enactment of Medicare. And to have modern-day practice of medicine without the ability to provide prescription drugs essentially made no sense. We were looking at a situation where, and we have heard this quoted many times on the floor of this House during the debate, we would be more willing to pay for the end-stage renal disease or the amputation than we would be willing to pay for the medication to treat the diabetes to prevent the end-stage condition from happening in the first place.

So it was important, from the standpoint of the perspective, if you are going to have a Medicare system, and I realize that there are people who would argue that perhaps the Federal Government should not be doing that, but the fact is, we are doing it, we have been doing it for almost 40 years now. And if you are going to have a Medicare system in the year 2004, we cannot have a publicly funded health care system that does not provide a way to provide prescription drugs to the beneficiaries.

We also hear a lot of criticism from the other side of the aisle that we did

not go far enough, we are not spending enough in this process. We are either spending too much or not enough. But we have to look at who is targeted for coverage under the Medicare Modernization Act that we passed last November.

The individual who is targeted for coverage is the individual who is of extremely low income, the person who is at 150 percent of poverty or below, and those individuals who have high out-of-pocket expenses, the so-called catastrophic drug coverage that was provided in the prescription drug bill as part of the Medicare Modernization Act. Yes, that does leave a group, a segment in the middle that is not going to be covered for every drug purchase; and if someone finds themselves in that area, certainly they can be grateful that they are not at 150 percent of poverty or below as far as an income and that they do not have the needs of catastrophic coverage, and we should always be thankful for good health.

Paying for health care in this country, and I read a rather disappointing op-ed article last December from Ronald Brownstein of the Los Angeles Times when he talked about how you pay for health care in this country, there are only two ways. It is either an employer-derived insurance policy, or it is a government-funded proposition. Mr. Speaker, I would suggest that there are at least two other ways. I know from my years of practice of medicine there is a good number of bills that just simply are not paid, so there is uncompensated care or a gift, if you will, by the hospital or provider that they are not going to be paid for the services rendered. And then, of course, there are individuals who will pay for their care themselves.

Mr. Speaker, tapping into that group of people who are willing to pay for their care for themselves is an enormous reserve that we as yet have not properly addressed in this country. We had the old Archer Medical Savings Account from 1996, and I myself had a medical savings account and found it a very, a very worthwhile type of medical insurance to have. But in the Medicare Modernization Act that we passed in November, we allowed for the formation of what are called health savings accounts, not just for seniors. This is for anyone, any age group in the country who wants to put dollars away for their health care needs in the future. They are now going to have a mechanism for doing that within the health savings account program. This is an enormously powerful way to put money back in the hands of the consumers and put consumers in charge of making their own health care decisions. Because after all, the consumer is going to be more wise with spending their money than they are with someone else's money, and I think someone made the point on the floor of this House back when we were having this debate about, you never spend money washing a rented car. Well, of course

not, it is not yours; you do not care what it looks like when you turn it in.

Well, the same can be true, if you are not actually paying yourself for your health care, you do not care how much money you spend. But if it is your money and you are allowed to control it, you tend to be a much wiser steward with health care dollars. I know that from my own experience from having a medical savings account for the last 5 or 6 years.

Other aspects of health care that we need to address, and I believe we are addressing, the Republican leadership is addressing in this House and, in fact, the President of the United States when he stood up and gave his State of the Union address in this House at the end of January, the daily newspaper Roll Call, Mort Kondracke who writes a column for that, not necessarily a great friend of the President or the administration, but talked about the President's speech afterwards and, in a way, he was actually being critical of the President. He said the President's health care initiatives that were outlined in the State of the Union message would only cover about 25 percent of the uninsured in this country. Only about 10 million people would be covered by the programs that the President outlined.

Well, Mr. Speaker, I would submit to my colleagues that if we have within our grasp right now the means of bringing coverage to 10 million uninsured in this country that, for heaven's sakes, we ought to be about the business of doing that.

The President outlined in his State of the Union address the deductibility, full deductibility for old income tax deductibility for a high deductible insurance policy, the one that would fit well with the concept of an HSA. This is a tremendously valuable concept. For the first time, if we will do that in this House, if we will provide that full deductibility of a high deductible insurance policy or a catastrophic insurance policy, anyone who pays income taxes in this country has no excuse for not having health insurance. We will have provided them the health savings account to grow that money tax deferred and the tax deductibility for buying their catastrophic coverage. Mr. Kondracke and I might argue about the number of people who would actually be covered by that, but that is a substantial number of individuals who would have coverage available to them in this country who today, voluntarily, do not have insurance coverage.

Association health plans, a bill that was passed by this House in June of last year, association health plans allow small businesses, and we heard about the value of small businesses and growing our economy, allow small businesses to band together across State lines, if need be, to get the purchasing power of a larger corporation and by having that larger purchasing power, or having that same purchasing power of a large corporation, go out

into the insurance market and purchase insurance policies for their employees at a lower price. It is a win-win proposition for both the small business owner and for the employees. This House has passed that bill last June. It languishes and I, for one, do not understand why we do not pick up and get that done, get it to conference and get that bill out there, going to work for the American people.

Finally, there is the concept of tax credits for the uninsured. When talking about the deductibility for a catastrophic policy, well, if somebody does not make enough money to pay income tax, they are going to say well, that is a great program for someone who makes more money than I do, but I do not pay income tax anyway, so that is not going to help me. The gentlewoman from Texas (Ms. GRANGER), my neighbor down in Tarrant County, has a bill on the floor that we have yet to vote on that would allow for tax credits for the uninsured. This is, again, an enormously powerful concept that would bring insurance a pre-fundable tax credit, if you will, that would be available to someone at the beginning of the year before they file their income taxes to purchase health insurance for that year. These three things done together, expansion of the HSAs, tax credits for the uninsured, association health plans, and we are covering 25 percent of the uninsured in this country, right now, this year, without any heavy lifting, again, I do not understand why we do not go forward with those three plans and simply get that done.

The Congress has done the work on health savings accounts and those are now part of the law of the land; full deductibility for the catastrophic policy needs to happen right away. Association health plans have been passed by this House, they await activity on the other side of the Capitol, and I would welcome some activity in the near future. And then finally, tax credits for the uninsured we could take up this spring and pass, get it over to the Senate and get their sign-off on it and provide that coverage to 10 to 15 million of the uninsured in this country and get that done right now.

I will be happy to yield to my friend from New Mexico for his comments.

□ 1800

Mr. PEARCE. Mr. Speaker, I thank the gentleman from Texas (Mr. BURGE) for yielding.

As he talked about the Medicare bill I began to remember my own discussions in our offices and also with my family about this. The discussions right now that are critical of this Medicare bill that has been passed and signed into law was that there is this donut hole. I called my mom before we voted on it the first time, I asked her, I said, "Mom, you are going to fall in the category that they are describing as the gap in coverage or the donut hole." She said, "Why would that be?" I said, "Because your assets are high

enough and your yearly income is up. We are targeting the poor and we are targeting the people with catastrophic health care, prescription drugs cost." She said, "Son, we have been very blessed. I do not mind paying more if I can pay more."

And I feel like that that is the way most Americans are going to approach this, that they do not mind paying more if they can pay more.

Again, I told my mom that. She said, "Exactly why are you doing that?" And I said, "It is so we do not break the country, so we do not tag the next generation with more cost than they could ever pay. So the gap in coverage is there because you are able to do it and we do not want to pass those costs on to the next generation."

My colleague has adequately pointed out the great work that was done, and I want to commend the gentleman as one of the physicians in this freshman class, I think he was very instrumental in driving many of the components of this bill, and I congratulate him for that.

The health savings account is a thing that I talked from the floor of this House last night. Basically it is a medical IRA. You can put the money in tax free, you can take the money out tax free. The difference between this medical IRA the health savings account and other IRAs is that you can take the money out at any age if you pay for medical expenses. You can pay for your premiums, you can pay for deductibles, you can pay for prescription drugs, or you can pay for your doctor visit, dental, whatever.

Now, the nice thing about this account is that not only is it yours, and it is yours to dispose of the way that you would, but it is the part of your estate and it goes to the next generation, to your sons and your daughters to help them pay for their medical costs if you do not use it.

I think that it is one of the most important pieces of legislation that we passed this year. It is in law. It is a part of the prescription drug Medicare bill and has been signed by the President of the United States and is actually in law at this time.

We recently sent a mailer out to my district talking about Medicare in general, but the health savings account particularly got calls back to the office wondering where can we buy them right now.

One of the most significant things that I found there New Mexico that we did in this Medicare bill is that we began to offer certain reforms. To me it is never made sense why Medicare could not do some of the screening so it would catch the diseases up front, so that we catch them before they get to catastrophic stages.

That is one thing that happened in this Medicare bill is we allow preventative care and screening. We allow physical exams for the first time so that we understand if people have a cholesterol problem or have an impending heart

problem because the blood pressure is too high, that we take care of it before it becomes catastrophic. And we all know if you take care of medical problems before they are catastrophic, they are much cheaper to take care of. I think that those components make this bill a very good bill. But in New Mexico in my rural district, it is a 9-hour drive across my district at 75 miles an hour, we have got almost 60,000 square miles, it is a very large district, and we have not too much access to health care, but the access that we do have was reimbursed at a different rate.

As a physician, you understand that the urban areas were given far greater reimbursement for the same treatment that would be received by a rural hospital. I campaigned saying that this inequity needed to be fixed. Much to my surprise, we fixed it in this bill. Rural hospitals receive 100 percent of the reimbursement that the urban hospitals receive because of the actions that we took in this bill.

Another thing that I campaigned about, Mr. Speaker, was that our border hospitals are tagged with an expense to take care of the medical cost of immigrants who come to the border. Our immigration law says if they present themselves at the border with a medical problem, that the local hospital or the local county will take care of the problem.

I am on the Mexico border. My district borders the Mexico border. And yet my rural hospitals tell me they have carried people in an ambulance to Denver, Colorado, had heart surgery for them, and when they were recovered, they had to go up in an ambulance, pick them up and take them back to the border. I will tell you that our country was not reimbursing at all the expenses that our border hospitals were having to be faced with. And this bill adds \$1 billion into a pool of money to be shared by those hospitals which are currently being faced with those expenses.

So for those two reasons, for rural areas and especially for my district, it was a good bill. But there are good things beyond that. One of the greatest complaints that I hear among my constituents is they do not like the prescription drug manufacturers. I think that they are just mostly upset with them. I think that they would do more than what we should. But we did ring the bell here in this bill for a prescription drug manufacturers. We did not want to choke all of the profits out from the drug manufacturers because the research and development is creating miracle drugs that are causing the fastest growing population group to be the over-100 population.

The second fastest group that we have, the second fastest growing group is 85 to 100. These changes are brought about by prescription drug makers who make great products, but they were doing some things that we felt like we ought to ring the bell on, maybe bring them back.

So we are in the Medicare bill bringing generics to the market much sooner. We also stopped the process of extending patents almost indefinitely to where now we give them patent protection for one period and we extend it for one period, but not the continual extensions that were being gotten before.

Both of these actions serve to lower in the long run the cost of medications that we find in the country. And, of course, we know that that starting right now, everyone that is 150 percent the rate of poverty and below has access to the two drug cards this year and next year, which provides immediate cash relief.

Mr. Speaker, this Medicare bill combined a lot of elements of reform, it combined elements of change for rural areas, it brought in the health savings account, it brought prescription drug coverage to those who most desperately need it who are having to choose between food and medicine. And I am telling this Chamber that this bill is good for people in this New Mexico.

Mr. Speaker, I yield back to the gentleman from Texas (Mr. BURGESS.)

Mr. BURGESS. Mr. Speaker, I thank my friend for yielding.

And the gentleman makes an excellent point that by speeding the availability of generic drugs, we are bringing down the cost of prescription drugs in this country. In other words, an important point that I failed to make in my initial comments is this program is entirely voluntary. No one is forced into this program. You do not have to buy prescription drug coverage. You do not have to change any aspect of Medicare. If you enjoy what you are doing today, it does not have to change for you.

The gentleman from New Mexico (Mr. PEARCE) spoke about the cost of prescription drugs. And, Mr. Speaker, I want to again quote from the Washington periodical Roll Call, Mort Kondracke's column, again, not necessarily any friend of the Republican majority or the administration, but writing in Roll Call a couple of weeks ago, Mr. Kondracke said, "Mr. KERRY and Mr. EDWARDS regularly attack drug companies for price gouging, neglecting to observe that it costs an average of \$700 million to bring a new drug to market. They want, in effect, to impose price controls on drugs by allowing the government to negotiate with drug companies on behalf of the Medicare and Medicaid program and legalizing mass importation of drugs from Canada."

He goes on to say, Mr. Speaker, that Medicare does not negotiate with providers such as doctors and hospitals on reimbursement levels. I know this full well. I lived under Federal price controlled my entire professional life.

Going back and quoting from the article, "It imposes them and Congress often gets into the act of changing formulas." The reasons that drugs are cheaper in Canada and Europe is that governments there fix the prices based

on the production costs of new drugs, escaping participation in the astronomical cost of drug development.

In other words, Mr. Speaker, our trade laws which should protect us from this type of activity, are, in fact, asking our poorest individuals, our seniors without prescription drug coverage, to foot the cost of research and development of life savings pharmaceuticals for the rest of the world. And that is wrong. And that is what needs to change, not how we handle reimportation of drugs at the border.

Finally, I do want to, in the few minutes that are left, I want to address something else. We actually heard this this afternoon on the floor of the House from the individual on the other side of the aisle who was talking about health care, and was critical of the prescription drug plan passed by this Congress because of the cost of the prescription drug plan. \$395 billion was the Congressional Budget Office estimate for 10 years. The White House Office of the Budget came back with a different figure that was some \$500 billion over 10 years time. And that discrepancy has attracted a great deal of attention.

Mr. Speaker, the fact remains that it is almost impossible to precisely fix what the cost of this drug program is going to be over 10 years time. Chairman THOMAS, when he brought the conference report to us last fall, admitted that there was no attempt on the Congressional Budget Office to factor in any cost savings in the Medicare program by virtue of the fact that we were treating illnesses in a more timely fashion and that we were bringing disease management, we were going to be more aggressive about preventative care in the new Medicare with the new Medicare Modernization Act.

Mr. Speaker, in the few minutes, that are left I have to make this point. This House a year ago passed H.R. 5, which was the medical liability bill that would cap the medical liability awards for non-economic damages, pain and suffering at \$250,000. We actually did this back in my home State of Texas. And medical liability rates have fallen dramatically. But, more importantly, more importantly, when you look at the cost of defensive medicine in this country, and, in fact, that was looked at in a study at Stanford University in 1996. And these are 1996 dollars, several years ago, the cost of defensive medicine for the Medicare program was estimated to be \$50 billion a year.

Mr. Speaker, if we are concerned about the cost of the prescription drug program, we could pay for it by our savings in defensive medicine if we could simply pass that medical liability bill that is stuck on the other side of the capital that we got through this House a year ago. We need to get that bill passed and get it to conference and get on about the business of reducing this high tariff, this high cost of defensive medicine in this country.

Mr. Speaker, we have almost consumed a full hour of talk. And I just

wanted to yield to my friend from New Mexico if he had any closing comments. I really appreciate his being here with me and staying in town late today so we could bring our good Republican message to the floor of this House, to the country at large. And I really appreciate him being here and helping me with this discussion this afternoon.

Mr. PEARCE. Mr. Speaker, I thank the gentleman for yielding one last time. Again, I want to talk in one sense if possible to say thanks to those people who work in our education establishment, those who are out there on the front lines of the education war, especially those success stories like Roswell High School in New Mexico. That is one of the 12 break-through high schools in the Nation. I think that this kind of outcome is exactly what we had hoped for when No Child Left Behind was passed.

If the administration in any school is dedicated to the changes that are allowed under No Child Left Behind, I believe that the program will be the success that each of our parents wants throughout the Nation.

So thanks again to the gentleman from Texas (Mr. BURGESS) for yielding time to me today.

□ 1815

HOUR OF MEETING ON FRIDAY, MARCH 12, 2004

Mr. PEARCE. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet at noon tomorrow.

The SPEAKER pro tempore (Mr. BONNER). Is there objection to the request of the gentleman from New Mexico?

There was no objection.

ADJOURNMENT FROM FRIDAY, MARCH 12, 2004, TO TUESDAY, MARCH 16, 2004

Mr. PEARCE. Mr. Speaker, I ask unanimous consent that when the House adjourns on Friday, March 12, 2004, it adjourn to meet at 12:30 p.m., Tuesday, March 16, 2004, for morning hour debates.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Mexico?

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. PEARCE. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispensed with on Wednesday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Mexico?

There was no objection.

PROVIDING FOR A CONDITIONAL ADJOURNMENT OR RECESS OF THE SENATE

The SPEAKER laid before the House the following privileged Senate concurrent resolution (S. Con. Res. 98) providing for a conditional adjournment or recess of the Senate.

The Clerk read the Senate concurrent resolution, as follows:

S. CON. RES. 98

Resolved by the Senate (the House of Representatives concurring). That when the Senate recesses or adjourns at the close of business on Thursday, March 11, or Friday, March 12, or Saturday, March 13, or Sunday, March 14, 2004, on a motion offered pursuant to this concurrent resolution by its Majority Leader or his designee, it stand recessed or adjourned until Monday, March 22, 2004, at 12 noon.

The SPEAKER pro tempore. Without objection, the Senate concurrent resolution is concurred in.

There was no objection.

A motion to reconsider was laid on the table.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. DEFAZIO (at the request of Ms. PELOSI) for today on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. BROWN of Ohio) to revise and extend their remarks and include extraneous material:)

Mr. DEFAZIO, for 5 minutes, today.

Mr. BROWN of Ohio, for 5 minutes, today.

Mr. FILNER, for 5 minutes, today.

Ms. NORTON, for 5 minutes, today.

Mr. CONYERS, for 5 minutes, today.

Mr. MCGOVERN, for 5 minutes, today.

Ms. MILLENDER-MCDONALD, for 5 minutes, today.

Mr. KUCINICH, for 5 minutes, today.

Mr. STRICKLAND, for 5 minutes, today.

(The following Members (at the request of Mr. FOLEY) to revise and extend their remarks and include extraneous material:)

Mr. MURPHY, for 5 minutes, March 16.

Mr. FOLEY, for 5 minutes, today.

BILLS PRESENTED TO THE PRESIDENT

Jeff Trandahl, Clerk of the House reports that on March 11, 2004 he presented to the President of the United States, for his approval, the following bills.

H.R. 506. To provide for the protection of archaeological sites in the Galisteo Basin in New Mexico, and for other purposes.

H.R. 2059. To designate Fort Bayard Historic District in the State of New Mexico as