Bush asserted in his State of the Union address that Iraq was seeking to import uranium from Africa. Ms. Rice repeatedly stated during this period that no one in the White House was informed of the doubts about this uranium claim. For example, she stated:

''We did not know at the time—no one knew at the time, in our circles—maybe someone knew down in the bowels of the agency, but no one in our circles knew that there were doubts and suspicions that this might be a forgery.''

''[H]ad there been even a peep that the agency did not want that sentence in or that George Tenet did not want that sentence in, that the director of Central Intelligence did not want it in, it would have been gone.''

These statements were simply false. As explained above, the CIA had repeatedly communicated its objections to White House officials, including Ms. Rice.

VI. CONCLUSION

Because of the gravity of the subject and the President's unique access to classified information, members of Congress and the public expect the President and his senior officials to take special care to be balanced and accurate in describing national security threats. It does not appear, however, that President Bush, Vice President Cheney, Secretary Rumsfeld, Secretary Powell, and National Security Advisor Rice met this standard in the case of Iraq. To the contrary, these five officials repeatedly made misleading statements about the threat posed by Iraq. In 125 separate appearances, they made 11 misleading statements about the urgency of Iraq's threat, 81 misleading statements about Iraq's nuclear activities, 84 misleading statements about Iraq's chemical and biological capabilities, and 61 misleading statements about Iraq's relationship with al Qaeda.

Some of the categories of the misleading statements: A, a statement that Iraq posed an urgent threat; B, statements about Iraq's nuclear capabilities, including the claims about the status of the Iraqi nuclear program; the claims about the aluminum tubes; the claims about uranium from Africa.

Then there is another category, statements about Iraq's chemical and biological weapons programs, claims about chemical and biological weapons, about unmanned aerial vehicles, about mobile biological laboratories; and then there is a special part in this study about Iraq's statements about Iraq's support of al Qaeda.

Then just to be fair to the four other members in the White House that work on these matters, there are misleading statements by individual officials. The first official is the President of the United States. The second official is the Vice President of the United States. The third official is the Secretary of Defense, Donald Rumsfeld. The fourth category is the Secretary of State, Colin Powell, and the fifth category is reserved for the National Security Adviser, Condoleezza Rice.

I recommend these items and this study to each and every Member of the House; and I would be happy to discuss it, along with the ranking member of the Committee on Government Reform, with any of the Members of the Congress on or off the record.

HAITI

Mr. CONYERS. Mr. Speaker, I turn now to a subject that I consider to be very important, and that is, Haiti, a beleaguered tiny nation in the western hemisphere that has been subject to a succession of activities that have caused President Jean-Bertrand Aristide, his wife, and children to flee from the country.

I would like to commend the gentlewoman from California (Ms. LEE), the vice chair of the Progressive Caucus, who has introduced a truth bill to discover and uncover the truth about Haiti. It is a bill that would establish an independent commission and has been cosponsored by more than two dozen other Members, in which she calls for in this measure that we create an independent commission to investigate the circumstances that surround a democratically elected president being forcibly driven from his office and forced to leave the country, which is, incidentally, the second time this has happened during the election of President Aristide.

□ 2030

This last time raises some quite ambiguous questions that we need to resolve. Did the United States Government impede democracy and in any way contribute to the overthrow of the Aristide government? What were the circumstances that the President issued a resignation? To what extent did the United States impede efforts by the international community to prevent the overthrow of the democratically elected Government of Haiti? What was the role of the United States in influencing decisions regarding Haiti at the United Nations Security Council in discussions between Haiti and other countries that were apparently willing to assist in the preservation of the democratically elected Government of Haiti by sending security forces there? Was our assistance provided or were U.S. personnel involved in supporting indirectly the forces opposed to the President of Haiti? And, finally, was there bilateral assistance from the United States channeled through nongovernmental organizations that were directly or indirectly associated with political groups actively involved in creating hostilities, and in some instances violence, toward the government of President Aristide and citizens who supported the President of that country?

And so we have referred that House Resolution 2625 to the appropriate Committee on Government Reform to be acted upon. We think this is a very important, very timely activity, and we are hoping that there can be a perfectly candid impartial commission formed to study these vexing questions that have been propounded in the proposal of the gentlewoman from California (Ms. LEE).

THE TRAGEDY IN SPAIN AND HEALTH CARE REFORM

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

Mr. BURGESS. Mr. Speaker, I too want to touch on a variety of subjects tonight. There are so many things that are before this body and before the country, and I think it is important to speak out about a number of them.

The first thing, Mr. Speaker, that is on my mind, of course, is the terrible tragedy that happened in Spain last week. And in the sad aftermath of the bombings in Madrid, unfortunately we see coming from that some sort of new strategy to deal with the war on terror and it is a most unwelcome strategy. This is a strategy of capitulation and of compromise. It is a strategy, in short, of surrender. In that surrender, what do we give up? We give up security, we give up our beliefs, and we give up our values.

Mr. Speaker, I am here tonight to say that ''Appeasement does not bring peace.'' Just ask Neville Chamberlain. ''Compromise with hate will not work.'' Remember Joseph Stalin?

Mr. Speaker, these terrorists are not seeking peace. They seek to terrorize. Their desire is to bring ruin and disruption into people's lives. They want control, but we must stand firm.

The war on terrorism was brought to this country in September of 2001. Our President, George Bush, responded to that act of war in an address to this House with these wise words: ''The pictures of airplanes flying into buildings, fires burning, huge structures collapsing, have filled us with disbelief, terrible sadness, and a quiet unyielding anger. These acts of mass murder were intended to frighten our Nation into chaos and retreat, but they have failed. Our country is strong. A great people has been moved to defend a great Nation. Terrorist attacks can shake the foundation of our largest buildings, but they cannot touch the foundation of America. These acts shattered steel, but they cannot dent the steel of American resolve. America was targeted for attack because we are the brightest beacon for freedom and opportunity in the world, and no one will keep that light from shining.'' President George Bush, September 2001.

Mr. Speaker, I, like everyone else in this House, was greatly saddened by the attacks in Spain. It is a mournful time for the people of Spain and for all of Europe as they bury their dead. But in the midst of this sorrow a more menacing problem is evolving. People are blaming the war on terrorism for causing the attack, and using this as a reason to vote out a strong ally in this war. In fact, I would remind the Speaker that Prime Minister Aznar was in this House and spoke to the House and Senate just a scant 5 weeks ago and received standing ovation after standing ovation in this House at the time he delivered his address.

In voting out the strong ally in the war on terror, the people of Spain have

actually handed over their government that will now shrink in the face of terrorism. The Spanish voters have handed to the terrorists their largest victory to date. No doubt the terrorists will feel emboldened. They feel victorious. They were able to cause chaos and disrupt an entire government. Is this the signal we wish to send the terrorists? Is this the type of behavior that we would seek to reward?

Quoting an editorial today in The Washington Post; ''The rash response by Jose Rodriguez Zapatero, Prime Minister Elect, will probably convince the extremists that they are able to sway Spanish policy with mass murder, and they succeeded brilliantly.''

Make no mistake, Mr. Speaker, we are winning this war. And, in fact, an article from my hometown paper, the Dallas Morning News, today stated, ''The Prime Minister of the Netherlands found that it was important in the international community that we stand shoulder to shoulder and show solidarity to fight against these terrible attacks. We share that same goal.''

Mr. Speaker, last month, I was in Pakistan with part of a congressional delegation of the Committee on Government Reform and President Pervez Musharraf spoke to our group. Speaking to Members of Congress, he said, and I quote, ''The United States and this administration represents truly the last best chance for peace in this troubled region.'' Indeed, Mr. Speaker, that is correct.

Both Iraq and Afghanistan have been freed from brutal totalitarian regimes. Both countries are now functioning under their interim constitutions, and both will soon hold free elections. America is winning the war on terrorism. This is no time for our resolve to weaken. This is no time for the leaders, or those who would be leaders on our national stage, to exhibit capitulation with the enemy.

Mr. Speaker, we have heard a great deal about health care on the floor of the House tonight, and I feel obligated to speak to that as well. Some of the comments that were just offered by the gentleman from Michigan particularly deserve and, in fact, demand a response. His vision for the country being under a single-payer, government-run system is one that, quite frankly, causes me to shudder. I cannot imagine giving up that degree of control over my life or my family's life to the Federal Government.

Mr. Speaker, I think back to a time last summer when I was visiting in Iraq and got to see their health care system. They have been under a single-payer, government-run system for 20 or 30 years, and the state of their health care system was below pitiful. So that does not seem to me to be a valid solution to health care in this country.

Mr. Speaker, we passed some pretty major health care legislation back at the end of last year, in November, H.R. 1, the Medicare Prescription Drug and Modernization Act. On December 8, 2003, our President, George W. Bush, signed into law H.R. 1. This bill will institute sweeping new changes into the Medicare program, extending prescription drug coverage for the first time ever, and improving the program in ways that will make America's health care system healthier, stronger, and happier.

The United States House of Representatives approved H.R. 1 November 22, 2003. The vote was 220 to 215. The United States Senate approved the bill by a vote of 54–44 on November 25, 2003. When the bill came before the United States House of Representatives for a vote, I, along with 220 Members of the House, voted in favor of this measure.

Mr. Speaker, we all know no bill is perfect, but there were several important provisions included in the bill that will dramatically improve the Medicare program and seniors' health. And just as importantly, as we have also heard tonight from the gentleman from New Hampshire, there were other provisions in this bill that will improve health care in general for generations to come.

In regards to immediate assistance. Starting this summer, seniors will have access to a Medicare drug discount card that will provide discounts of up to 25 percent of their drug costs. Low-income seniors will have additional assistance through the discount card program, having an additional $600 annual supplemental along with their discount cards.

The Medicare prescription drug coverage. For the first time since the creation of the Medicare program, prescription drug coverage will be available to all seniors covered by the program. Under the program, which will go into effect in the year 2006, a majority of seniors will see dramatic reductions in their drug spending. For a $35 monthly premium and a $250 annual deduction, Medicare will pay 75 percent of the prescription drug costs up to $2,250. Seniors are responsible for costs between $2,251 up to $3,600. When annual drug spending reaches $3,600 a year, Medicare pays 95 percent of all drug costs after that point. Low-income seniors will be covered by an even more extensive drug benefit with little or no cost-sharing on the part of the beneficiary and total coverage for all yearly drug costs.

The bill itself has several provisions that will speed market entry of cheaper generic drugs. Key reforms to the Hatch-Waxman Act, the Federal law governing generic drug introduction, will provide brand name manufacturers only one 30-day stay for generic production once the patent expires.

Another way the bill establishes for realistic market controls to drug pricing is by reforming the average wholesale price structure. This price structure is reported by drug manufacturers and rarely has any relation to what physicians actually pay for drugs. Without reform, overpayment, due to the average wholesale price, could reach into millions of dollars.

Protecting retiree health benefit plans. A major concern of mine as Congress considered this bill is how it would treat retiree health plans. Several of my constituents expressed their deep concerns that with the creation of a new Medicare benefit that their company would drop their retiree health plan. I shared their concern, and I worked with the conference committee members to ensure that the bill did protect retiree health plans.

The bill will support 28 percent of a retiree's drug costs between $250 and $5,000. That is equal to nearly two-thirds of the actuarial value of the standard benefit. The subsidy is also excludable from tax indication, raising its total value in the bill by $18 billion.

Mr. Speaker, we heard a little earlier about health savings accounts. H.R. 1 creates new accounts that allows individuals and families to accumulate tax-free assets devoted to their health needs. The accounts will allow workers under the age of 65 to accumulate tax-free savings for lifetime health care needs if they have a qualified health plan. Health savings accounts require qualified plans that have a minimum deductible of $1,000, with a $5,000 cap on yearly out-of-pocket expenses.

These amounts are doubled for family policies. Individuals can make pretax contributions of up to 100 percent of the health plan deductible. The maximum annual contribution is $2,600 for individuals and $5,150 for families, indexed annually for inflation.

□ 2045

Pretax contributions can be made by individuals, their employers and family members. Individuals ages 55 to 65 can make additional pretax catch-up contributions not covered by the insurance policy. Tax-free distributions can be made for continuation coverage periods by Federal law such as COBRA payments, health care insurance for the unemployed, and long-term care insurance.

Health savings accounts will change the face of health care coverage in the United States. The individual owns the account. The savings follow the individual from job to job into retirement. The flexibility and asset accumulation characteristics of these accounts will help millions of Americans save for their health needs. Health savings accounts will also encourage individuals to buy health plans that better suit their needs so insurance kicks in only when it is truly needed. Moreover, individuals will make cost-conscious decisions if they are spending their own money rather than someone else's money.

One of the major problems facing the Medicare program is the low rate at which it reimburses doctors for their services. As the Medicare program has cut rates, some physicians have stopped providing treatments to Medicare patients. This reduction in access

to a wide range of physicians could have a detrimental impact on many seniors. In order to maintain adequate physician participation in the Medicare program, H.R. 1 rescinds a cut in physician payments and increases payments over the next 2 years. All physicians and providers, such as physician assistants, nurse practitioners, occupational therapists and other providers paid under the Medicare physician fee schedule will see a 1.5 percent payment rate increase under the House bill instead of the 4.5 percent payment cut in 2004. This produces a net increase of nearly 6 percent in payment rates in the year 2004.

An additional 1.5 percent increase will replace another projected cut in 2005. To address the volatility in physician payment updates over time, the bill changes the formula used to calculate payments by using a 10-year rolling average measure instead of the current single year measure. H.R. 1 addresses the scarcity of physicians in rural areas of the country. To help rural and other areas with few physicians with recruitment and retention, Medicare will pay a 5 percent bonus to physicians providing care in scarcity areas in 2005 through 2007. Both primary care doctors and specialists would be eligible for this bonus if they provide care in scarcity areas.

Mr. Speaker, a question that I am often asked about the Medicare bill is, why? Why did you undertake such a big, sweeping change to Medicare?

One of the first things I need to say is all of the changes that were implemented in H.R. 1 are entirely voluntary, that is, if someone in the system likes what they have in the Medicare system, they do not have to change. They do not need to purchase a prescription drug benefit; they certainly do not need to avail themselves of any other of the other benefits, such as health savings accounts, that are available in the Medicare bill.

But, Mr. Speaker, from 1965 when Medicare was first enacted in this country, there was something missing from the program and what was missing was prescription drug coverage. In 1965, it may not have mattered as much. The major expenses that a senior faced back then from the medical system was either undergoing an operation or prolonged hospitalization for, say, treatment of pneumonia. Prescription drugs were few and far between. There was only penicillin and cortisone, and those were interchangeable back then. But a lot has changed since 1965. In the 21st century, we have an enormous pharmaceutical capability that was really unimagined 38 years ago when Medicare was brought into being.

Mr. Speaker, it was crucial that this gap be addressed. We are spending $287 billion a year on the Medicare program this year without considering prescription drugs. We are spending a tremendous amount of money and are scheduled to spend a tremendous amount of money year in and year out on Medicare, and we are not getting value for our dollar.

As my colleague from New Hampshire pointed out earlier, earlier treatment of disease can reduce the overall cost for treating an episode of disease.

Finally, we have heard a lot in regards to the cost of the Medicare bill and the cost of the prescription drug benefit. Over 10 years' time, $395 billion was the estimate from the Congressional Budget Office, and more recently the White House Office of Management and Budget came out with a figure of $535 billion over 10 years, or numbers to that effect.

Mr. Speaker, I would like to point out there are some areas for cost savings within Medicare. We had before this House about a year ago this week a bill H.R. 5, which would have reformed the medical liability system in this country. The House passed it. Unfortunately, the legislation has stalled on the other side of the Capitol. I have great hopes that someday it will move, but it is not on the horizon right now.

By reforming the medical liability system in this country and undoing some of the effects of the cost of defensive medicine, not just the cost people pay for insurance premiums, but the cost of defensive medicine, could reap enormous benefits. There was a study done in Stanford, California, in 1996 that showed within the Medicare system, just in the Medicare system, the cost of defensive medicine added $50 billion a year to the cost of Medicare in this country.

There is our prescription drug benefit. No matter whose figures we use, the Congressional Budget Office or the OMB, it is $50 billion in 1996 dollars each year savings from removing the cost of defensive medicine.

Mr. Speaker, I would like to yield to the gentleman from New Mexico (Mr. PEARCE).

Mr. PEARCE. Mr. Speaker, I appreciate the gentleman yielding me this time. This subject of exactly why we did take up the Medicare and prescription drug bill comes up frequently, and it is a question that people really do concern themselves with.

For me as a business owner, when I came to this body and looked at the budget and realized that almost all economists agreed that within 4 to 10 years Medicare would put such deep stress on the budget, we may not have solutions to it.

As a business owner, if I see that kind of problem 5 to 10 years down the road, I know I must do something today to begin to defuse the demand, defuse the problem well before it arrives.

As we began to develop the program, the Medicare prescription drug bill, I began to ask questions and to make requests of my own. One of the things that several Members did was sign a letter saying if you do not give equal reimbursement to the rural areas, we will not vote for any bill.

Mr. Speaker, I campaigned saying we should treat the rural areas of America fairly, that they needed to be compensated the same way because that is not the case in the past. We got 100 percent equality for rural hospitals in this bill, and it is one thing that affects my district tremendously. It was not just affordability of care that was at stake in my district; it was the access to care, even having hospitals that would operate and be in the district, and so this one component of equalizing the reimbursement rate in our rural hospitals was key.

Another element that caused me to think there were good elements of the bill and it deserved support was the way border hospitals are treated. Border hospitals have a mandate by the immigration service that if an immigrant comes to a hospital with a medical problem, that hospital at its own expense or the expense of the county in which it is located, will transfer the person to the nearest facility where treatment can be given. Hospitals in my district are severely burdened. My district is on the border of Mexico, and the hospitals complain about the unfunded mandates to transport and to treat many medical conditions. Then the immigrants are taken back to the border and deposited there to return to their homes.

Mr. Speaker, that was another element that I campaigned on saying that we should get reimbursement for those costs mandated by the Federal Government. In this bill there is $1 billion to begin to help border hospitals pay for the costs that they face through an unfunded mandate by the Federal Government in the immigration department.

Those two things really began to convince me that for rural New Mexico, the Medicare bill had a good beginning, but it did not stop there. The disproportionate share hospitals also received an increase in funding level. Again, that affects most of the hospitals in my district. We also dealt with the reimbursement for rural physicians in this bill. Again, a win for New Mexico. So it began to look to me like we had the elements to build a successful bill on, that we had some long-term cures that were a long time in coming, and I was proud to be a part of those.

As we got into the philosophy of the bill, I think that is where we really began to see the need for change, the need for systemic change. One example of how we do things upside down in Medicare and in providing government coverage for Medicare is that we cause incentives to go to the most high-priced objective. We all know that for a small copay you can get any pharmaceutical that you would like to have. Once you reach the copay, you might as well get the expensive as the generic because there is no difference.

If we turned the incentive upside down and were to provide coverage for the generic, and if you want then the expensive version of the same drug,

you would have to provide the difference, that was a compelling way to me that we could change behavior and change buying patterns throughout the country.

One of the things that we did in this bill was we began to limit the powers of the drug companies. I appreciate what the pharmaceutical companies have done in this country. They have created pharmaceuticals that are extending lives beyond belief. The fastest population group in America is over 100 years old. The second fastest growing age group is 85 to 100. These extensions of life and the quality of life that is experienced is because of the good work that the pharmaceutical companies do; but the pharmaceutical companies are just like the rest of us. They will take advantage when advantage given.

There was a practice of extending patents indefinitely. At the end of the patent period, they would change a few words and change the patent again. It was legal, but it was something which many felt was not right. In this bill, we limited the extensions to one. You get your original patent period, and then one extension. That will bring generic drugs to the market sooner. Just to make sure that the generic drugs come to the market sooner and we get competition sooner, we went ahead and put provisions in that would encourage the generics to be brought to market sooner.

We just wanted the drug companies to know that we appreciate what they do, but we also wanted to give them a small wake-up call that there were practices that we felt like were not in the best interest of all Americans. And so those changes were made here. Again, a very positive component that I felt began to justify this particular bill to be voted for.

Another thing that we did were health savings accounts. My colleagues have talked about that tonight, but I will give my brief summary. Health savings accounts are really medical IRAs. Americans can put in money tax free at any age, and at any age you can take money out tax free. That makes the health dollar worth 30 to 40 percent more, depending where you are in the income spectrum.

So you have a medical IRA that you put money into tax free at any age, about $5,000 a year, and you can take money out at any age if you use it to pay for medical benefits. You can pay for your premiums out of this health savings account; you can pay for your deductibles out of the health savings accounts, as well as prescription drugs or any other medical expense.

The nice thing about health savings accounts are they are a part of your estate. If you do not use it for your medical needs, you are able to pass it on to the next generation and to the next generation so that your children and grandchildren have a head start on paying for their medical needs.

I will tell Members, as a small business owner, the way that I would have dealt with this, and my wife and I sold our business in October of last year so I no longer have employees that would qualify for this, but the way I would deal with this particular situation is I would begin to give pay and bonuses into that account. So instead of giving pay increases, I would pay the increase into the health savings account. I would try to put $5,000 a year for every employee into the account, where the money was worth 30 to 40 percent more, and also where they could begin to use it to pay out of an account that has been put into their name, and they can pay out of that account to pay for premiums and deductibles.

I think as we build the size of the account, we can all see that we can begin to shop for higher deductible insurance. Right now most of the time when I shopped for health insurance, it was either a $500 or $1,000 deductible. But if a small business has helped pay in $5,000 to $20,000 into a health savings account, and knows that no one is going to be disadvantaged, then we begin to shop for maybe $5,000 deductibles. It is at that point the health insurance costs begin to collapse tremendously and we put the health care, the health insurance costs back within the reach of the average wage earner.

□ 2100

Ten percent of my employees had insurance costs of more than $1,000 a month. With 20 and 30 percent increases, you could look at 3 years from now having $2,000 a month. There is a point, Mr. Speaker, at which no one can afford health insurance. The health savings account, this medical IRA, begins to change the way that we think about health insurance. It begins to change buying patterns so that long term we begin to affect the price of medical services themselves. One of the most important things that we did in this bill is began to understand that if we will catch problems at the front, at their initiation, they are far easier and cheaper to take care of.

One of the reasons that Medicare has been so expensive, one of the reasons it stands to break the budget of the United States, is that we have no preventive medicine. At least we did not until we passed this bill. In other words, we would not do screenings but Medicare would pay for the full cost of operations, heart surgeries, cancer treatments after they were full-blown.

In this bill with screenings, physical exams and preventive medicines guaranteed, I think that we are going to begin to collapse the cost of this Medicare bill overall down below what it has been, rather than the astronomical increases that we are seeing projected; because I think, as the good doctor has pointed out, that there are applications in this bill which will save us money, not cost us money.

The gentleman from Texas explained adequately that the benefit programs were one of the main questions that he faces in his district. Benefit programs are a concern to all of us. Many companies have employees who have retired and are using that company benefit for their health insurance. I have experienced the same concerns in my district that the gentleman from Texas has experienced, of people wondering, well, if you put this in place, then my company is going to drop it, they are going to drop the coverage that I currently have. That disappointed them. It concerned them.

I will tell you that we did something in this bill that to me made sense. We have our opponents, those people who want to criticize the bill, saying that we are giving corporate welfare. Mr. Speaker, what they are talking about is that we are giving an incentive, we are helping these companies that pay retirees' health benefits, we are giving those companies incentives to keep the benefits in place. We are saying that if the Federal Government can pay 20 or 25 percent and cause them to keep that health benefit in place for the retirees, that that is going to be far preferable to having the company drop the coverage and having Medicare pick up 100 percent of the coverage. And so those opponents of this bill who claim that it is corporate welfare can do so; but when they do so, they have to not be telling the full truth that we did it in order to encourage companies to keep those benefit plans open for retirees who really think they have got good plans.

One of the most important parts of this bill, Mr. Speaker, was the concept of choice, the ability to choose whether you like the current plan you are under, the traditional Medicare, or whether you want to opt out and move into the new plans that will be offered as competing plans for this program.

Mr. Speaker, I do not see anyone complaining about the right to choose. I see a lot of people complaining about the potential of being mandated to move into a complete private sector but not one person has said, don't give me a choice. I will tell you that the right to choose is one of the most fundamental parts of our American society and I am proud that in this bill we have given our seniors the right to stay where they are, to use Medicare completely as it is without any changes, but we have also given them a right to choose a different kind of coverage that meets their needs more.

Mr. Speaker, there are many reasons that I voted for this bill but the main ones were I believe that systemically it began to address the long-term changes that are necessary to make Medicare viable for the rest of this generation, for the next generation and the generations beyond. Access to affordable health care in rural parts of the country just cemented my belief that we have done very good work in this particular bill.

Mr. Speaker, I have more things to say but I would like to yield back to the gentleman from Texas and let him

continue and I will wait for the next coverage that he gives to me.

Mr. BURGESS. I thank the gentleman from New Mexico. We heard earlier this evening the gentleman from Michigan stand up and talk about paying for health care. Mr. Speaker, an op-ed piece by Ronald Brownstein out in Los Angeles, California in December talked about that he thought there were only two ways to pay for health care in this country: One was an employer-given indemnity insurance plan and the other is a government-paid system. As a longtime participant in the health care field, there is a certain segment of health care that is delivered free of charge. It is uncompensated because someone either cannot pay or will not pay, and the bill therefore is uncompensated and the hospital or physician or provider simply eats that charge, and that goes on every day of the week.

But there is a fourth source and that is, of course, the individual who is going to write a check themselves, going to pay for their care themselves out of pocket. One of the problems in the world nowadays is that medical care has become so expensive so many people find that daunting, but that is why the health savings accounts not just for seniors but started at an early age and really making them available to all Americans, that is why that is such a crucial part of the overall reform encompassed within the Medicare bill.

Mr. Speaker, the gentleman from Michigan also referenced the newspaper Roll Call. We are all familiar with Roll Call up here on the Hill. Certainly the writers in Roll Call are no particular friend of the President of the United States. In fact, sometimes they are quite critical of him. On one of those occasions where the gentleman that writes the column Pennsylvania Avenue was very critical of the President was right after the State of the Union address, I believe it was the Monday following the President's State of the Union address, where in this House he addressed both Houses of Congress and said that he appreciated what we had done with health savings accounts, he wanted now to extend that, he wanted there to be full deductibility for a so-called catastrophic medical insurance policy, that a person would be able to deduct the cost of that from their income taxes.

Mr. Speaker, combining the power of the HSA with full deductibility of catastrophic coverage pretty much removes from consideration, that is, anyone who pays insurance in this country would no longer have an excuse for not having health insurance. We would have given them every reason to spend those tax-deferred dollars on the insurance coverage that they need.

One of the other programs that the President talked about that night, and I think the gentleman from Michigan also referenced this, was association health plans. Association health plans are a critical tool that allows small businesses of a similar business model to band together across State lines if necessary and get the purchasing power of a larger corporation, an idea that has a lot of common sense to it. An organization such as a collection of chambers of commerce, for example, or a collection of realtors, for example, these would be businesses of a similar business model, they could group together; a group of realtors could go in together and get more purchasing power with the money they use to buy health insurance policies and extend coverage and keep people from dropping out of providing insurance coverage to their employees, one of the problems that the gentleman from Michigan referenced.

Association health plans were again passed in this House in June of last year and again that is an example of some legislation that sort of stalled on the other side of the Capitol Building. I hope that it will get taken up at some point.

There is another measure, Mr. Speaker. The gentlewoman from Texas (Ms. GRANGER), my next door neighbor in Fort Worth, has a bill to provide tax credits for the uninsured. You may say, gosh, that is great. Somebody who pays income taxes can now afford health insurance. But what about someone who does not make enough money to pay income taxes? What are they going to do for insurance? This would be a prefundable tax credit, available to someone at the beginning of the year to use for the purchase of a health insurance policy.

Mr. Speaker, the combination of these three things, the health savings accounts with the inclusion of the catastrophic policy, with full deductibility of a catastrophic policy, association health plans and tax credits for the uninsured, comprise a fairly significant number of the uninsured who can be taken off the rolls of the uninsured.

Mr. Kondracke was kind of critical of the President after those three proposals were sort of wrapped together in the State of the Union address. Mr. Kondracke said, gosh, that will only cover a quarter of the people who are uninsured in this country. Mr. Speaker, that is 10 million people, in excess of 10 million people. I submit if we have the power in our hands, without any heavy lifting, to provide coverage to 10 million uninsured by the end of this year without increasing the deficit, for heaven's sake that is something we should do. There should be a moral imperative for us to take up and pass that legislation.

I urge other Members of this body to look favorably on tax credits for the uninsured when that legislation comes forward. I would encourage the Committee on Ways and Means to let that be reported out of committee and come to this House for a vote. Again, good legislation that has stalled at the other end of the Capitol needs to see the light of day.

With that, Mr. Speaker, again my condolences to the people in Spain. I want to finish up tonight by yielding back the remainder of the time to the gentleman from New Mexico and thank him for his participation in this hour of debate this evening.

Mr. PEARCE. Mr. Speaker, if I could request how much time is remaining.

The SPEAKER pro tempore (Mr. BONNER). The Chair advises that there are 24 minutes remaining for this particular time period for the majority.

Mr. PEARCE. Mr. Speaker, I would like to discuss even a broader concept in health care costs. One of the most urgent questions that I get when I am in my district, people wonder how are we going to afford health care costs. How can we afford health insurance? What are the components of that? All of us, myself included, would look for easy solutions. We would want a bill that we could pass that would just limit the cost of care. Maybe it is by fixing prices in the pharmaceutical industry or maybe fixing prices that the doctors are able to charge. Some people want to go in and limit the capability of insurance companies to raise their prices to pay for the costs that they have. Mr. Speaker, anything that we attempt is going to be simplistic and will be, without doubt, ineffective. The reasons that our health care is so expensive, is, frankly because we are demanding it. We have more demand than there is supply. When that is the case, you can either increase the supply, which is the number of doctors and the number of hospitals, or you can begin to affect demand.

I would say, Mr. Speaker, that it is imperative, as long as we are going to try to solve the problem, we may address the supply, we may address the numbers of doctors, we may address the numbers of hospitals, but that does not completely deal with the problem that I see, that is, on the demand side. I think that the first step for us all is to begin to live healthier life-styles. There is one study which reports that if we lost nationwide 10 pounds per person that the incidence of diabetes could be cut by 25 percent nationwide. Nationwide diabetes is an exploding phenomenon that is going to affect the health care costs for every single one of us, even though we are not all affected by it. If we look at our young population, we are finding that exercise and healthy choices are so bad that youth diabetes is exploding in the country, also.

I will tell the Speaker and this assembled group that these health problems into the future raise such tremendous concerns on costs for budgets, quality of life, that we need to begin to make healthier choices. We need to make healthier choices in our life regarding smoking, regarding physical exercise, regarding illegal substances that we place into our bodies. All of those are things which affect the demand, the demand which causes health care costs to increase daily.

I think one of the things that we need to be smarter about in this country and which would also begin to lower that demand curve for the medical services and begin to affect the cost shifts upward each year is in regard to preventive medicines. We all need to be doing careful screenings, cholesterol checks. We should be doing the cancer screenings. I heard statistics today about the way that breast cancer is really spreading in this country. Breast cancer is a curable problem and one that is affecting, I think, 1 out of every 3 or 4 women. Mr. Speaker, if we will begin to do the screenings and the preventive medicines, we will find that long-term our costs will begin to deflate also.

The health savings accounts, we have already discussed how that can affect long term the cost of our medical care and the cost of associated insurance.

One of the things that we are wanting to institute in this particular bill is more competition.

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If we look at a couple of examples right now in the medical community of competition, I think Lasik eye surgery is one of the examples, also reconstructive surgery, the plastic surgery. Both of those elements have had competition introduced into their sphere in the last couple of years; and we have seen, I think, 30 percent decreases in the cost of those particular services. Competition is one of the important aspects of not only the American way of life but also in any free market enterprise, and we should see that always competition is never forbidden but encouraged, and it should be that way in our medical field.

The gentleman from Texas (Mr. BURGESS) mentioned that one of the most important things we can do to begin to lower costs of medical treatment rather than to see the constantly inflating and increasing cost of medical treatment is medical liability. Many physicians in my district talk about the escalating medical liability costs. Each year we face the prospect that more and more doctors are going to just stop practicing medicine. So instead of increasing the supply, we are actually decreasing the supply, which is going to give more incentive for prices to go up higher even. Medical liability is one of the most serious problems in day-today costs of health care and needs to be addressed. This House has addressed it. We feel like it is a thing that should be pushed on through the full Congress and sent to the President for signature.

I think, finally, the good doctor mentioned several times, and in good components, the cost of defensive medicine. Defensive medicine is not just in fear of lawsuits. Defensive medicine is when our doctors begin to prescribe more tests than should actually be done because they are afraid that they will be sued if they do not prescribe every single test that is available. Defensive medicine is when doctors begin to order more rather than exactly which tests they believe are the right ones, which procedures they believe to be right. It is in that defensive medicine, that overprescribing, that overtreating that we find, as the good doctor says, $50 billion worth of cost in this country alone and that one single step of changing that parameter in our health care costs could pay for, for instance, this Medicare prescription drug bill.

Mr. Speaker, we are going to make choices in this Nation that are expensive. In this particular case, this particular bill, it was the right thing because we have seniors who are having to choose between food and medicine. There is an immediate impact in this Medicare prescription drug bill which will give to our low-income seniors right now this year a $600 card that is good for any purchase of prescription drugs throughout the rest of the year. Next year the same thing is going to happen. Those people at lower incomes, $18,000 and below for a couple, will receive another $600 card next year, which will be good to help them defray the cost of the prescription drugs.

As we look at the plan itself, we have a lot of critics who are describing the gap and being very critical of the gap in the pharmaceutical coverage. I will tell those people that are assembled here today that the single most important reason we did that was to be able to afford the bill. We did not want to break the next generations because we paid for full coverage for every single person in this Nation.

I have often explained that my mom is one of the people who experienced the gap. Her income and her assets are high enough that she will be faced with seeing that coverage up to a point and then a gap and then the protection for catastrophic coverage. I asked her what she felt about it. She explained to me that she understood why we were doing it. She explained that she had felt blessed in her life, that she would gladly pay more in order to make it where it is affordable for the next generations.

Mr. Speaker, those people who are being so critical of this particular aspect of the bill I think are being disingenuous. They talk about the cost of the bill on the one hand, while complaining about the gap on the other. I am sorry. They simply have to choose one or the other. They have to choose full coverage and the high price above $1 trillion versus the $400 to $500 billion that we are facing in this bill as it stands. Either they choose full coverage and the higher price, or they give the gap in the lower price. We in this House and in the Senate and in the bill that was passed and signed by the President chose to allow those people to pay more who could pay more in order to make this bill more affordable for the next generations.

Mr. Speaker, I appreciate the President's calm and patient leadership on this matter. The President never wavered in his commitment to provide coverage for those seniors who are not able to provide coverage for themselves. And I think that this House chose rightly in passing that bill, and I think that the seniors are finding that it is going to be one of the tremendous changes in the way that we present medical coverage through the Medicare program in this country.

I appreciate, also, the President's leadership in many other issues. We have taken on serious issues in this House, and we have passed them. Not all have made it to the President, but many have made it to the President. We took bold steps to reinvigorate the economy. The economy, as we understand, had suffered from three deep shocks: the collapse of the dot-com industry back in the ending years of President Clinton's term; 9–11 was the second big shock. The third big shock were the corporations that were acting improperly. Global Crossing is a good example. Enron is also an example that has been used. When those companies began to act improperly, people began to suck their money out of the stock market and put it into interest-bearing accounts at the bank. Those three shocks to our economy were ones that were very difficult, and many economies could not have sustained them. The President has patiently built our economy back with a series of tax decreases to the American public. Many of those tax decreases fall on businesses which are able to maintain profitability, increase their employment, grow their capacity, increase the capability of competing with those firms overseas. I will tell the Speaker that we have done magnificent work in many areas; and I appreciate, myself, the calm and principled leadership of the President, who has decided to fight this war on terror, to fix Medicare as he saw the Medicare problems to be, to deal with the forests that were burning up throughout the West, to pass the Partial Birth Abortion bill and sign that, to pass the AMBER alert bill and to get that signed.

Mr. Speaker, we have done magnificent work in this House. The President has signed much of it into law. But one of the most dramatic things we have done is to pass this prescription drug Medicare reform bill, which I think is going to make sure that Medicare is available throughout the rest of this generation and on into the future for my children and my grandchildren.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. BECERRA (at the request of Ms. PELOSI) for today on account of personal reasons.

Mr. DAVIS of Illinois (at the request of Ms. PELOSI) for today on account of business in the district.

Mr. EMANUEL (at the request of Ms. PELOSI) for today on account of a family commitment.