

The constituents said to me: AL, what is wrong with you? You did not vote to save my 401(k). You let the market fall. You could have voted to support us.

I learned an invaluable lesson that day. The lesson is this: there are times when you have to do what you know to be the best thing, even when your constituents might stand in opposition to it. That is the lesson that I carry with me to this day. I came back. We had a second vote, and I voted for the funds necessary to deal with the toxic assets.

One of the reasons why I was so concerned about this was because I understood what was happening. There were instruments that were in the marketplace that were not suitable for everyone. We had something called a 327 and a 228; 3 years, 2 years of a fixed rate, and then 27 years or 28 years of a variable rate. This was not suitable for everyone. We had no-doc loans, meaning no documents necessary, and you could walk in and work out some means by which you could acquire a loan, Madam Speaker. We had negative amortization, a process that allowed you to at some point continue to owe more than you initially borrowed.

We had something called the yield spread premium. The yield spread premium allowed the person who originated your loan to originate a loan for you for an amount in excess of what you qualified for. Here is how it worked: That person would check to see what you were eligible for as a rate. You could qualify for a loan at 5 percent, but at that time because of the yield spread premium, the person originating could come out and say, good news, I have a loan for you for 8 percent. You qualify for 5, you get a loan for 8 percent interest, and the person would never have to tell you that you qualified for the 5 percent. The money between 5 and 8 was called the spread, and the yield on that spread could be shared with the person who originated the loan and the lender, the yield spread premium.

Poor people, well, people who are of little means who acquired homes with these 327s and 228s, that I mentioned where the rate would go up and down, they lost homes. It is said that in the African American community a generation of wealth was lost—a generation. The community is still recovering from the 2008 downturn.

I believe that we do have to reconsider how we address housing in this country. There are some people who are born into poverty. They are not born into plenty. For those who are not born into poverty, it is not easy to work your way to plenty. So we have to have housing as a means by which they can acquire and accumulate wealth.

One of the things that I tried to do—and there are many things that can be done—is to use something called alternative credit scoring. This is where you will score a person's light bill, gas bill, water bill, phone bill, and cable bill

and use that information with the traditional credit to allow that person to have maybe the little additional help needed so as to acquire a loan. It is a pilot program. We have passed the bill out of committee. It is H.R. 123.

This piece of legislation will allow many, many persons with thin files and with little credit, because they haven't been in the credit market, to get a home. Many people who are paying now X number of dollars for rent will be able to acquire a home for X minus some amount, meaning less than what they are paying for rent, they will be able to acquire a home.

I am pleased to say that many of the prudential agencies are in agreement and are encouraging this. Just today we had a hearing with the Housing, Community Development and Insurance Subcommittee, and Mr. Montgomery, who is the head of FHFA, was there. I will be visiting with him. He and I agreed to have an appointment so that we can talk about these things and see what we can do to help with homeownership for persons who were not born in the suites of life and many who now find themselves living in the streets of life.

This is something that is an imperative. It is a moral imperative. It is something that we have to do because we want to have a just society, and a just society would afford an equal opportunity to all to have a place to call home. In the richest country in the world, every person ought to have a fair opportunity to have a place to call home.

I thank the gentlewoman for allowing me to share, and I encourage her to continue on her mission to bring justice to those who find themselves living in places that, quite frankly, most people in Congress would not live in under any circumstances, but, unfortunately, we are not doing enough to help others to be extricated from the circumstances of which we speak.

Ms. TLAIB. Madam Speaker, I yield back the balance of my time.

#### PRESCRIPTION DRUG PRICING

The SPEAKER pro tempore. Under the Speaker's announced policy of January 3, 2019, the gentleman from Arizona (Mr. SCHWEIKERT) is recognized for 60 minutes as the designee of the minority leader.

Mr. SCHWEIKERT. Madam Speaker, what we are going to do today is actually sort of a little follow-up with a couple of other things sprinkled in here.

I want to walk through, once again, some of the numbers and some of the good things that have happened. I want to talk also about H.R. 3, which is a reference pricing bill that has gone through Ways and Means in regard to pharmaceuticals that actually I don't think anybody understands what the underlying mechanisms are on how Europe and those actually do set drug pricing and to understand the rationing that will be coming with that.

But, first off, what is the greatest threat to our society?

I am going to argue it is actually the coming mountain of debt. It is not Republican or Democrat, it is called demographics. There are 74 million of us who are baby boomers. 74 million baby boomers were born in an 18-year period, we have our earned entitlements coming, and we functionally have no cash in the bank for them. So this board is really, really important, and I can't believe I don't see it in everyone's office here.

This is a 30-year window. Let's actually just pull out Social Security and Medicare. Madam Speaker, you do realize that if you look at the Social Security and Medicare from the numbers, we have \$23 trillion in the bank. Now, this one is not inflation adjusted, so these are raw numbers, but \$23.1 trillion, if you want to be accurate, in the bank, but when we roll Social Security and Medicare in and their financing costs—the money has to be borrowed to keep the promises—we are functioning at \$103 trillion in debt.

□ 1630

It is math. It is not Republican or Democratic. It is demographics. We are getting older as a society.

Since 1971, our birthrates have been below replacement rates. We need to deal with the reality of math, but as this place now proceeds, we will make math partisan. But the math will always win.

It breaks my heart because there are things we can do policy-wise that make it work, that keep us under or right about that 95 percent debt-to-GDP, and we survive our demographic bubble. But we have people around here that say crazy things that have no basis in economics, no basis in the math, no basis in our demographics. The cruelty they are bringing down on our society and my 4-year-old daughter, destroying her future, is because of the unwillingness to own a calculator.

So, one more time, if we pull Social Security and Medicare out of our 30-year window, we have \$23 trillion in the bank. If we put them back in, we are \$103 trillion in debt in that 30-year window. Remember, just the growth of Social Security, Medicare, healthcare entitlements, just the growth every 5 years equals the entire Defense Department.

When you hear some of our brothers and sisters on the left come behind the microphone and say, "Well, if we would just reduce defense spending," you can wipe out all of defense spending, and in 5 years, you are back where you began.

That is the reality of our demographics. How many people have you heard come behind these microphones in the last year, other than myself and maybe one or two others who work on these things? It is silent because it is really hard to talk about. It is really difficult. It is scary. It is the single thing that destroys our economic vitality for the future. But once again, it would require owning a calculator.

It is lots of people's fault, but it is Congress' fault, but it is decades old.

Here is where most of that comes from. If you take some of the math for a couple that retires today—it is not their fault; this is just the math—they will have put about \$161,000 into Medicare. They are going to receive just shy of \$500,000 out. Take that, functionally, \$300,000-plus difference, multiply it by 74 million, and now you understand the driver of our debt.

You will hear people come behind the microphone and say, "Well, it is waste and fraud," or, "We don't tax rich people enough." Those are all absurd. The percentage of tax revenues as the percentage of GDP is within the margin. Waste and fraud, yes, we need to deal with it, but it would be a fraction of these numbers.

Remember, we are about to come up on the 2-year anniversary of tax reform. This last fiscal year, unlike every economist that the left brought to us out of the crazy—and I know that is mean, but it is true.

Things that were being said on this floor when we debated tax reform, reforming our system: "Oh, revenues are going to crash." "The world is coming to an end." "It is Armageddon."

We went up over 4 percent in what they call receipts growth last year. Our problem is that we spent dramatically more than that. I think our spending was approaching almost 7 percent growth because we had so many things added to spending. About half of that 7 percent is just, once again, demographics. But we grew revenues even with the tax reform slightly over 4 percent.

There should have been joy around here, if you think about where we are economically. You all saw the applications for unemployment today, 10,000 down from what the projection was.

Once again, we are demonstrating the labor markets are a miracle. They are remarkable. I don't think there is anyone living today who has lived in a time that is this economically stable, when you look at our labor markets, when you look at wage growth, the lack of inflation.

There should be joy on this floor, talking about the miracle of our brothers and sisters who were being written off just a couple years ago because they didn't have a high school education, didn't have a certain skill, were going to be part of the permanent underclass.

It turns out those folks who were willing to write off those brothers and sisters, those Americans, were wrong. That population—and I hate this term, but we use it—those lower quartiles of economics—education, skill sets—who were being written off, they have had the fastest movement of income. You saw the number, if anyone cares about these things.

Last year, a single woman, no partner in the house: 7.6 percent growth in wages. These are numbers that I can tell you from being on the Joint Economic Committee for years that every

economist we would bring in would look at us like we were out of our minds if we predicted numbers like that. Where is the joy?

The fact of the matter is there has been more progress in the last 24 months for our brothers and sisters who have physical issues, have had substance abuse issues, have had criminal records, these sorts of things, coming back into the labor force.

There is this thing called U-6 data, U-4 data, all these things. When you see the unemployment rate and all this information of workers who might be—we use the term "marginally attached" and haven't been looking, who quit looking, the number of those who are moving into the labor force that we barely give any credit for when we see the top-line number because the top-line number is those who are looking.

There is an economic miracle happening right now when you see the robustness, the stability of our labor markets. Shouldn't the debate on this floor be: It is working for our brothers and sisters who we have always said were poor or that we were writing off. Something is working for them. How do we keep doing more? How do we keep adopting the policies that are working and avoid the crazy policies of just a couple years ago that didn't work, that punished these populations?

These are the folks who had just a really crappy decade. They fell further behind every single year. There is some math out there, and it is not all put together. I am being maybe a little pathologically optimistic here, but there are some preliminary numbers that last fiscal year could be the very first year in modern times where income inequality did not grow and potentially shrank. It is not because wealthy people didn't make more money. It is because poor people made more money than they had before.

Where is the joy? Where is the discussion of how we do more of this?

It turns out, for all those out there who are busting their backsides, working, paying into programs like Social Security and Medicare, why aren't we being honest with them that the scale of the unfunded nature is devastating?

If you are a young person today, do understand that when you hit your peak earning years, your tax rate will have to be double today's just to maintain these basic earned benefits. There is a path, but that path requires a whole bunch of things.

It is going to be my very last board that I am going to put up because you have to have incredible economic robustness, and you have to have a tax system that maximizes economic vitality, an immigration system that maximizes economic vitality, a regulatory system that uses smart technologies to maximize labor force incentives, family formation incentives, technology adoption incentives, all these things. And there is a path to deal with this.

Then what happens this week is the discussion of H.R. 3, which is the drug

reference pricing model. Almost no one has read it or understood the actual mechanisms it is offering.

Why do I bring this up as part of an economic discussion? Part of the miracle we are about to live is that we are about to live in a time where technology, if we legalize it, is about to crash the price of healthcare.

Technology is something that looks like a big kazoo that you blow into that instantly tells you that you have the flu, instantly can update your medical records on your phone. If we make it legal, it can instantly order your antivirals.

When I talk about healthcare technology, it is a whole string of things that will keep us healthy. But the other side is that we are about to live in the time of miracles. The single-shot care for hemophilia, it is here. It is going to be really expensive, but hemophilia is also really expensive.

We should be talking about ways to have more of these disruptive pharmaceuticals that take care of hemophilia, ALS, Crohn's, cystic fibrosis, and sickle cell anemia. We are on the cusp of having the pharmaceuticals that either stabilize or cure these.

They are incredibly expensive. These are small populations, but remember, 5 percent of the population with chronic diseases is the majority of our healthcare spending.

If we go back to the slide here, the majority of what is about to hit us over the next 30 years is Medicare. It is healthcare spending.

What happens if you crash the price of healthcare? Well, one of the ways you do that is you cure people.

The Democrats are pushing a piece of legislation that sounds at first really good. "Hey, we are going to lower new drug prices by reaching out to a handful of European countries and getting their prices. Then you can't go more than that, or we are going to give you a 95 percent tax," which if you reverse it is a 1,950 percent tax.

Except, you have to understand, and I know this board is really hard to read, we are going to use the Great Britain model. What is a year of you being healthy worth? It is an honest question because that is what is about to be imported into the country. For you, your family, your child, what are you willing to believe is the value of a year of health? If you are in Great Britain, their model, their formula, is \$38,000.

If this breakthrough pharmaceutical would make you healthy for 1 more year and costs more than \$38,000, it is not purchased. It is not part of the formulary. That is what the Democrats are saying we need to import into this country.

So understand that the Democrats are about to say a year of you being healthy is not worth \$38,001. I don't think they know that. I don't think anyone who has read it understood how this handful of European countries builds their pricing mechanisms, but they do it by scarcity.

They basically say, “Hey, I know this would cure you for the next year, but you are out of luck. It is over \$38,000 here in Great Britain, so you are on your own.”

At a certain level, this is just incredibly cruel. How could you look someone in the eyes and say: “I value your life at \$38,000 for a year of you being healthy.” But that is the cruelty that is being discussed.

At first, it sounds really wonderful: “Hey, we are going to lower drug prices by using reference pricing.” But the fact of the matter is, how do you tell Americans that what this means is not only are you not going to be able to have these things that keep you healthy anymore because they are going to be outside the price window, but the other thing is there was a major report put together early this week that also said a substantial number of the drugs, like 100-plus, that are in the pipeline, that are about to cure our brothers and sisters who are part of that 5 percent of the chronic conditions that is the majority of our healthcare spending, those cures are going to stop because they are really expensive, really risky, really hard to put together?

The vast majority of them fail, so they sort of roll the dice and say: “If we succeed, we get a fairly decent payday, but it is going to pay for a whole lot of failed drug trials.”

We are about to make a policy decision as a country: “We are not going to cure you. You get to suffer.”

The pharmaceutical industry, for all the frustrations, they will go back to what they were doing a couple of decades ago, saying they are just going to do a derivative on an existing drug, so, therefore, they have very little research costs. They already know what their profit margin is. It is nice and safe to do.

The things the Republicans did in this Congress, where we did the CURES Act a few years ago, where we created a pipeline to cure people, that pipeline is about to get crushed.

You have to understand the cruelty of this. This is just math. This is what other countries do on their formula.

If you really wanted to crash the price of pharmaceuticals, it turns out, yes, there is a whole list of things that are bipartisan: the way you deal with the capital that is used for the investments, the way you do the patents, the way you allow competing types of biologics and others come to market.

But there is another crazy thought experiment here that almost no one has ever talked about. Do you realize that half the pharmaceuticals that will be picked up today, so half the pharmaceuticals someone is going through a drive-through for or walking into their pharmacy for right now, half of them will not be used or will not be used properly? Just part of the thought experiment.

They will not be used or will not be used properly. That is going to cost the country about half a trillion dollars

this year. It is 16 percent of the total U.S. healthcare expenditures because people don't take their prescribed pharmaceuticals properly, and they get sick and die.

It turns out we have all sorts of things we could do today, but it requires being creative. Let's face it, this is an absolute creativity-free as well as a math-free zone.

The little bottle that has the top that tells you when grandma has opened it so that you know she is taking her pharmaceuticals that keep her alive, we have that technology. It is not very expensive. It changes drug efficacy usage because you know when you took it.

How many of you know someone that has multiple pharmaceuticals they take, and they have to take them at certain parts of the day? We now have little distribution devices. There are several of them on the market that drop the pills, tell you the time, let you know if you don't pick them up. It rings your phone, rings the family's phone, if they are not picked up.

□ 1645

It turns out there are technology things that could actually change almost a half a trillion dollars of expenses a year. This is dramatically bigger than blowing up the cures that are coming, but it requires some creativity to understand that half of the pharmaceuticals that are being picked up today will not be taken or will not be taken properly.

Another proposal—and do it more as a thought experiment: For really high-value pharmaceuticals, go look in your own personal medicine cabinet right now. How many of them are still sitting in there? They are just getting old. You did not take them. They are just sitting there.

Why don't we package those high-value ones in a double-layer blister pack or in a pod that keeps them sterile and allow you to return them? Maybe there are folks in our society who those really expensive pharmaceuticals, if they were returned and could be redistributed, they would still be sterile.

There are creative ideas where you could have this massive disruption in the price that we as Americans put out in our drug costs. But it requires some creativity instead of the arrogance of we are basically going to blow up your future. Because that is what is being proposed to us.

But this number is stunning, if I came to you and said, if you could change the way pharmaceuticals are used and have the efficacy of proper use, it is 16 percent of all the healthcare expenditures of this country.

I threw this slide in as more back to: Remember how we were just talking about Medicare and, functionally, that is the ultimate driver of our future debt and, unless we have a disruption in healthcare costs—not debates about

how we finance, but disruption in the cost. Let me give you a single example of what the investment in cures means.

I know this chart is almost impossible to read, but the simple point is about 30 percent of Medicare spending is going to be diabetes. A single cure—now, diabetes is complex. We know it is more than the production of insulin. There are autoimmune responses. There is 1 and 2. It is complex, but do the thought experiment with me.

If you cured diabetes tomorrow, almost 30 percent of that unfunded liability of Medicare goes away. That is why it is so incredibly important we are investing in these cures that H.R. 3 is about to destroy.

We always either start or end with this slide. We are trying to make a simple point that, if we can get the policy correct here, we can have an amazing future. The United States can have an amazing future.

But we have spent almost the year here—2019, we have, functionally, done nothing.

Do you remember all the promises of we are going to work bipartisan because we have a Republican Senate and then, obviously, the left, the Democrats, control the House here? We are going to work together. We are going to do all these creative things together. And we have done none of it.

We have spent lots of time on impeachment. We have pushed out a handful of bills that were just almost crazy in their policy sets to satiate the radicalized face of the Democrats.

I am sorry. I know that is mean, but it is true.

So let's take a step backwards and pull out our calculators and understand, once again, that 30-year window, \$103 trillion of debt—if you actually normalize it to inflation adjusted. Okay. So it is, at today's discount rate—I am not sure. It would probably be somewhere in the \$83 trillion of debt, inflation adjusted.

So here is our argument: Get the things that grow the economy right. We have demonstrated getting the Tax Code right has produced a miracle of economic growth in the way of labor participation. Our brothers and sisters, people, are working. And it turns out those have cascade effects in everything from health to there will be falls in substance abuse use. We see great things happening.

But with economic growth, we have to get immigration correct. We have to get trade correct. We have to get the way we regulate, using technology. Instead of a 1938 model of fill out lots of paperwork and shove it in a file cabinet, and when you screw up, we pull out the file cabinet so we can sue you, using crowdsource technology where we know, if you screw up, we catch you instantly and we can fix it right then.

There are amazing changes right here.

Population stability: How do you encourage families? How do you build an immigration system that actually is

more talent-based so you maximize economic growth so we can keep our economic promises?

How do you encourage people to be in the labor force?

One of the very odd things we see in the data is that December, a year ago, suddenly we saw in the data statistics millennial females moving into the labor force at substantial numbers but millennial males still substantially underperforming. Why? Is this the opioid crisis? Are there other factors?

We need to know those sorts of things because, it turns out, when we have entire quartiles of our population who are underperforming in the labor market, it has really bad societal cascade effects.

So let's work on policies that get as many folks who are interested. Whether you be retirement age or that millennial male, what do we have to do as a society to encourage, to prod, to push for you to be in the labor force? Because that is important not only to you as an individual, but it is really important to the country's economic stability.

Technology disruption: We just talked about the curative drugs that are coming. We also can talk about the sensors and the other things that are going to allow us to stay healthy. How do we update the laws so that thing like that flu kazoo isn't illegal?

There is a reason you didn't go to Blockbuster Video last weekend. Technology changes. We need to make sure our law sets are sympathetic to the changes that can reduce our prices in healthcare, to protect the environment and so many other things.

Yet we are decades behind in the way we write laws here and understanding how to future-proof those laws so, when we have disruptive technologies—and anyone who is really interested in this, pull out your phone. Go to a search engine, and go look up “MIT ambient air capture” and look at the miracle they have.

If what they have published is correct on, now, their price per ton—they believe they can pull CO<sub>2</sub> right out of the air or do it right over a smokestack. If those numbers are correct, we now have a major change in CO<sub>2</sub> emissions in the world because of our ability now, at amazing prices, to be able to pull it almost right out of the air.

These technologies are here. Why aren't we here talking about them on the floor, and how to encourage more of it and how to get it rolled out in society, not only here, but across the world? Because, if you actually care about global warming—or climate change or whatever the current pop term is—it turns out there are amazing technology disruptions that are here. The only problem is they don't allow you to control other people's lives; they just solve the problem. And are we about solving the problem or just the control freaks who are often the Members of this body?

And then other things: The earned entitlements. You have earned your

Social Security. You have earned your Medicare. Are there things we can do in those benefits to encourage you to stay healthier; to, if you feel like it, work; to actually, instead of taking your benefits, say how long would you like—if we gave you a spiff, would you wait?

There is tinkering you can do here that actually makes the programs more sound. And if you do it all together, we believe we have a model that provides an economic future where we are not destroyed by the growing debt.

But there is no single answer. It is going to have to be almost a holistic approach of lots of types of policies woven together, and every single one of them needs to be about the reality of our demographics.

And now the experiment I will ask you all to engage in: Watch the floor this week and see how many people will ever come behind these microphones and talk about the economic growth and survival of this country because of what is about to happen, the debt that is about to crush us and the fact that we are not talking about it. Instead, we are busy, basically, doing levels of absurdity around here.

The cruelty you have just also subjected my 4-year-old daughter to—and her economic future—you should all be ashamed of yourselves, ourselves, myself, because there is a path. The problem is this path doesn't ideologically satiate those who have just gone so extreme.

But the math is real, the math works, and the math, Madam Speaker, always wins.

Madam Speaker, I yield back the balance of my time.

#### IMMIGRATION POLICY

The SPEAKER pro tempore. Under the Speaker's announced policy of January 3, 2019, the Chair recognizes the gentleman from Wisconsin (Mr. GROTHMAN) for 30 minutes.

Mr. GROTHMAN. Madam Speaker, obviously, most of the newspapers, insofar as people still read newspapers, most of the TV shows in the last month have focused on the impeachment hearings. And we all know that, at the end of the day, impeachment or no impeachment, President Trump is not going to be removed in the next year.

So the question is: Why are we spending so much time on impeachment?

I have felt, in the long-term future of America, the most significant thing going on right now is what is going on with immigration policy in the United States; and as long as this impeachment hearing has taken the top of the page in the newspaper, immigration is at the bottom of the page.

I believe one of the primary reasons for keeping immigration from the public is they don't want the public to know what is going on in immigration or what isn't going on in Congress with regard to immigration.

At its worst, we allowed over 140,000 people in this country in May. President Trump has been asking for help in this crisis, and he has gotten no—or virtually no help from Congress. Nevertheless, things that President Trump has done on his own have reduced that figure, if only temporarily.

I mention again, 145,000 people caught and processed in May and probably over another 10,000 people not even processed. That number has gone down to around 45,000 in September, and we believe it will be even lower in October. This is largely because of things that President Trump has done on his own.

He has negotiated with the Mexican Government—to a certain extent, under threat of tariffs—to put Mexican troops on the southern border.

The Mexican Government is patrolling the interior of its country for people trying to work their way north, and President Trump has reached agreements with the triangle countries of Central America, the countries of Guatemala, El Salvador, and Honduras, and they are currently taking people coming from farther south who need asylum.

President Trump has also—we wish he was doing more here, but he began building a wall, and we are working our way toward adding another 450 miles of wall by the end of next year. This is a significant improvement toward what it should be, but we are still well short of where we want to be.

What should Congress be doing, or what should we be focusing on while Congress is spending time debating impeachment?

First of all, we have a shortage of detention beds. So, when ICE is trying to remove people from this country, there are a lack of beds to place people in. There is no reason why, given the amount of money we are spending here, that should not be taken care of.

There have been requests for another 5,000 people in the Border Patrol, and there are still, unquestionably, people streaming across this border every month who aren't even counted because we are not taking care of them.

□ 1700

But there are other things that can be done as well. There is the Trafficking Victims Protection Act.

Some people talk about children being separated from their parents. This is something that Congress can solve on its own.

Right now, if children try to come here, single children from Mexico and Canada, they are returned to their parents to make their families whole. In a loophole in the law, if children come here from countries other than Canada and Mexico, we are bound to keep them and separate them from their families.

Congress should act, and the same law that applies to Mexico and Canada should apply to Venezuela or Honduras or Guatemala. We have no business allowing the current law to continue in