action against Iraq would be successful or lead America into action against Iraq with no allies. I believe we have no consensus on an invasion of Iraq and I am requesting a full review by Congress of the Administration's move against Iraq now—and where it will lead us.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF SENATE AMENDMENTS TO H.R. 327, SMALL BUSINESS PAPERWORK RELIEF ACT

Mr. LINDER, from the Committee on Rules, submitted a privileged report (Rept. No. 107-510) on the resolution (H. Res. 444) providing for consideration of the Senate amendments to the bill (H.R. 327) to amend chapter 35 of title 44, United States Code, for the purpose of facilitating compliance by small businesses with certain Federal paperwork requirements and to establish a task force to examine the feasibility of streamlining paperwork requirements applicable to small businesses, which was referred to the House Calendar and ordered to be printed.

THE NEED FOR A MEDICARE PRESCRIPTION DRUG PLAN

The SPEAKER pro tempore. Under the Speaker's announced policy of January 3, 2001, the gentleman from New Jersey (Mr. PALLONE) is recognized for 60 minutes as the designee of the minority leader.

Mr. PALLONE. Mr. Speaker, this evening, and I have a couple of my colleagues on the Democratic side that will join me, I am going to be talking again about the need for a Medicare prescription drug plan. I think, as you know, we have a situation where tomorrow, hopefully, if not Wednesday, we are finally going to see an opportunity in committee for the Republican leadership in the House to present what they claim to be a prescription drug plan, and hopefully an opportunity for the Democratic proposal also to be considered, both in the Committee on Energy and Commerce as well as in the Committee on Ways and Means.

I know that some of my colleagues know that for the last 2 months myself as well as some of the Members who are going to be joining me tonight have been demanding really that the Republican leadership bring up a prescription drug plan and allow us to consider prescription drugs on the floor of the House. It has been far too long since the Republican leadership has essentially stalled on a proposal. But now we hear that tomorrow, if not Wednesday, they are finally going to allow the two committees of jurisdiction to consider the prescription drug issue.

□ 2000

I would point out, however, though, that my concern over the Republican proposal, which we still do not have, but we have been provided some sort of vague description of, is not a Medicare prescription drug plan; in other words, it is not going to cover all of the seniors who are currently under Medicare and provide them with a prescription drug guaranteed plan under Medicare. Rather, what the Republicans propose to do is to simply throw some money to private insurance companies in the hope that they will offer drug-only policies and that some seniors would be able to take advantage of those. They also do not address the issue of cost at all; they do not have any mechanism to bring costs down.

Democrats have been saying all along in our proposal which we have put forward, basically, it would provide a Medicare-guaranteed drug benefit, a generous benefit; 80 percent of the cost would be paid for by the Federal Government, every senior would be guaranteed the benefit across the country, and we would bring costs down by basically saying or mandating that the Secretary of Health and Human Services negotiate lower drug prices because he now represents or has the negotiating power for 40 million American seniors.

Now, I would like to yield some time, but I want to point out, Mr. Speaker, that the problems with the GOP drug plan have been pointed out many times by many experts. Over the weekend, actually in Sunday's New York Times, Sunday, June 16, there was an article called "Experts Wary of GOP Drug Plan." I am not going to get into it now; I may a little later this evening. But basically they say in this article that drug-only coverage is not affordable and that insurers will not provide it. So essentially under the Republican plan, most seniors, if not every senior, will not be able to get a decent prescription drug program, if any at all.

With that, I would like to yield to the gentlewoman from Texas (Ms. JACKSON-LEE), who has joined me on many of these lonely evenings when we have tried to get the point across that we need to debate the prescription drug proposal; even if it is a lousy proposal on the part of the Republicans, let us debate it. Let us have an opportunity to contrast it with the Democratic proposal. I am pleased to say to the gentlewoman that it looks like, I am keeping my fingers crossed, but it looks like tomorrow or Wednesday, at least in committee, that opportunity will present itself. So I yield to the gentlewoman.

Ms. JACKSON-LEE of Texas. Mr. Speaker, I thank the distinguished gentleman. The reason I have joined the gentleman is because I can think of, among the many issues that we have to contend with, no issue that has prolonged itself disastrously as much as providing seniors the opportunity to have a prescription drug benefit with Medicare. I would like to just put these words on our screen, because there must be someone across America sighing right now: Seniors have waited long enough.

I am trying to count the months that have gotten down to 48 months, I think, and if I am not mistaken, that may be 4 years, and I think it has probably been 4 years and counting that we have tried day after day, month after month, and session after session to be able to respond to seniors who are in need. So if I can say anything, I can share with my colleagues this evening that I can take the time to talk about what we have come up with, because I believe seniors have waited too long. I can at least share our thoughts as to how we hope the hearings will proceed on Wednesday.

Let me just take a slightly different twist, because the gentleman is right. There are many experts on this legislative process that we hope will come into fruition on Wednesday, and I am hoping that we can challenge the pharmaceutical companies to look at what we have put forward and begin a real partnership in terms of answering the concerns of seniors. One, I do not see how they cannot acknowledge that seniors have waited too long and that, in fact, we have a proposal that is fair and balanced. I was trying to discern what the Republicans are offering. Let me just share why I think this is effective.

One of the things that we have to address with seniors is to give them a plan that is real, that does not have a lot of smoke and mirrors, because if we do that, it is confusing, it is stressful for seniors. I have been in pharmacies, and I believe when we debated last week, we talked about our good friend from Arkansas who owned a pharmacy, and I applauded him for the small pharmacies, the mom-and-pop or the family-owned pharmacies, how much they extend themselves to help our seniors and explain to them about the drugs, to try to share with them that they cannot take half of the amount that the prescription requires. But I can imagine, if we were to utilize what we think might be the Republican plan, the confusion of many seniors around the Nation trying to understand what they have.

Ours is plain and simple. It has no gaps, it has no gimmicks. The premium is $25 a month, the deductible is $100 a year; coinsurance, beneficiaries pay 20 percent, plain and simple; Medicare pays 80 percent, plain and simple. Out-of-pocket limit, $2,000 per beneficiary per year. We must realize that sometimes this is an economic hit, if you will, for our seniors who are husbands and wives with high prescription drug costs. It takes a large amount out of their collective income and, therefore, putting this amount so that they know what they can budget and know the options that they have, pretty plain and simple.

Additional low-income assistance. Of course, many of our congressional districts, whether we are urban or rural, have individuals who have incomes that are not going through the roof. So we are prepared to give assistance for

those incomes up to $13,290, no premium or coinsurance. Again, plain and simple. Then we have a sliding scale.

Now, in contrast, let me just say that as I am trying to read what may come out on Wednesday, I know for a fact that Republicans have no defined benefits, so we cannot get our hands around what kind of help our seniors will get. That is a concern to me. They create a drug benefit with a $250 deductible. That is pretty high. They have an 80–20 coinsurance split between the government and the beneficiaries, but they have a scale that does not make sense. The first thousand, and then a 50–50 coinsurance split for the next thousand, and that looks like it is just going up and up and up until you cap out at $4,500. That hurts the constituents that I know. It does not seem to clearly define where we are going with it.

No defined premium. We have already said; we have it right here. Plain and simple, understandable to a senior citizen, they can pretty well grasp that is what I am going to have to pay, and that is not in the Republican plan.

One of the things, when I speak to my mother, because I have gone with her to the pharmacy, and I am very delighted that she has had the family pharmacist who has tried to help her wade through this large mass of prescription drugs that she needs. We are so grateful that we have the opportunity to see seniors live healthy lives because they are having, to a certain extent, better access to health care, as we mentioned last week, because of Medicare when in 1965 President Johnson saw fit to put it in place.

We have in the instance of the Republican plan no guaranteed access to drugs that seniors need. The plan they are offering seems to put in strictures the access to certain drugs, access to certain covered drugs. Does that mean that they are going to cover only popular drugs, or does that mean that they are going to only cover hard-to-access drugs so that the popular drugs that the senior needs, such as for heart disease and diabetes and high blood pressure, typical ailments, does that mean because they are so popular, they will not have access to those drugs? I am confused about that and disturbed.

I yield to the gentleman.

Mr. PALLONE. Mr. Speaker, I think the gentlewoman is really contrasting what the Democrats have in mind versus what the Republicans have in mind. The most important thing I think the gentlewoman said is that we are very clear about what we are doing, and they are very unclear about what they are doing.

Essentially what the gentlewoman describes in terms of the Democrat proposal is no different from what we have right now under Part B. I do not want to sound too bureaucratic, but I think seniors understand that right now, if they need their hospital bill paid, that is basically paid for under Part A. If they need their doctor bills paid, then they pay a premium which is so much a month, fairly low, a low deductible, and 80 percent of the cost of the doctor bills are paid for by the Federal Government under Medicare.

What the gentlewoman described as the Democratic proposal is essentially a new part for Medicare, we call it Part D, but it is very similar to Part B with doctor bills. In other words, you pay a defined premium, $25, there is $100 deductible, and then 80 percent of the cost, up to $2,000, is paid for by the Federal Government. After that the entire thing is paid for by the Federal Government. For those people who are below a certain premium, the entire thing is paid for by the Federal Government, just like Part B with doctor bills. So it is clear what we are doing. And we are doing it under Medicare, which has been a very successful government program.

The problem with the Republicans is that they do not like Medicare. They do not like government programs. So they are coming up with whatever they possibly can do to avoid Medicare. They may say they are providing a Medicare prescription drug benefit, but the only reason that they can say it is because they are addressing the over-65 population, not because they are actually expanding Medicare to provide a guaranteed benefit.

I do not want to, I hate to read, but The New York Times article on Sunday was so much to the point, because if I could just read 2 paragraphs, it says, "Under the proposal," the Republican proposal, "Medicare would pay subsidies to private entities to offer insurance coverage for the cost of prescription drugs. Such drug-only insurance does not exist, and many private insurers doubt whether they could offer it at an affordable price. I am very skeptical that drug-only private plans would develop," said Bill Gradison, a former Congressman who is President of the Health Insurance Association of America.

This is the industry, the health insurance industry. The gentleman from California (Mr. THOMAS), the chairman, Republican chairman of the Committee on Ways and Means, insisted, "We should rely on private sector innovation delivering the drug benefit. The private sector approach offers the most savings per prescription." But the policy director for AARP said, "There is a risk repeating the HMO experience with any proposal that relies heavily on private entities to provide Medicare drug benefits."

Now, what I am hearing is the Republican leadership, in this case the chairman of the Committee on Ways and Means, the gentleman from California (Mr. THOMAS), just does not like the fact that Medicare is a government program. He is saying even though the insurance people are saying, we are not going to offer these policies; you can give us these subsidies, we are not going to offer these policies, seniors are not going to have this benefit, but he still insists that it has to be outside of Medicare, or private.

Then, when the other person representing the HMOs points out, well, you have already done this with the HMOs, you were hoping that by throwing them some money that you would get them to offer prescription drugs, they have not done it. More and more are dropping out. Fewer and fewer policies are available.

So I guess the frustration for me and for both of my colleagues is that we know that Medicare works. We know that trying this private sector giving money to insurance companies did not work with the HMOs. We know that the insurance companies say they are not going to do it.

The gentlewoman started off this evening talking about 4 years. Well, the gentlewoman knows 4 years ago the Republican leadership passed the same thing on the floor, drug-only policies. And everyone said, it will not work, nobody is going to sell them. So for the life of me, I just do not understand how they can come back here again with the same old, tired stuff that does not work, proof that it does not work, and they still insist.

Ms. JACKSON-LEE of Texas. Mr. Speaker, if the gentleman will yield, and I see the distinguished gentleman from Connecticut, who has certainly spent a lot of time on these issues. I appreciate the gentleman reading the article, and I think that was worthwhile to show the contrast.

The gentleman used the word "skepticism" I think was in the article, and I want to add the word "speculating." So this is a program that speculates that it might work, and that is the frustration that I see that the gentleman is expressing, and that is the frustration I have, recalling again our debate last week, and it was the frustration of going home every single week having our constituents ask us when. So if the Republicans are going to be serious, let us not play around with what is sometimes a life-and-death question for our senior citizens as it relates to health care.

I would simply close by saying, there is no doubt, the data is clear, that when we passed Medicare, we put years of life on our seniors in America, just as when we passed Social Security in the 1940s to give destitute individuals who really had worked all of their lives some ability to live past retirement to have income. Medicare provided the health care component to it.

Now we come to modernizing Medicare, we all believe in that, and modernizing it is the goal with now the expanded life span, if you will, of our seniors. In order to make that life extension whole, they have to have prescription drugs. Nothing in the Republican plan speaks to making that a reality.

So I am hoping that we can be, if you will, encompassing, and I hope we can be bipartisan. Why not look to a plan that exists?

I will conclude simply by saying that I will be optimistic. Why can our pharmaceutical companies not look at a realistic plan that we have as Democrats,

see the vitality of it, and work with us to be able to assure that Medicare is reformed, expanded, and has a prescription drug benefit plan that works so that our seniors will have access to the drugs they need?

□ 2015

I cannot foresee or cannot imagine how my colleagues can turn their back on millions of seniors who would take advantage of this plan to make sure that they remain healthy and have access to the prescription drugs that they need.

So I thank the gentleman very much for bringing this to our attention on the floor, bringing it to our attention that we have until Wednesday, which we hope that we will see a fair hearing, a bipartisan hearing, and that the proposals that we are offering, that really offer closing the gaps and not relying on gimmicks, will have the opportunity to be heard in the committee hearings.

Mr. PALLONE. Mr. Speaker, I yield now to the gentleman from Connecticut (Mr. LARSON).

Mr. LARSON of Connecticut. Mr. Speaker, I thank the gentleman from New Jersey for yielding, and I join with the distinguished gentlewoman from Texas in addressing this very important issue that in so many respects he has been like the lone sentinel on the watchwall of freedom, making sure that everyone understands the importance and significance of this issue.

As the gentlewoman from Texas has pointed out, there is not a weekend that I travel home that I do not hear from senior citizens about this issue, and basically we are all hopeful, as she pointed out, that there would be a solution here, hopefully a bipartisan solution. After all, we have got a Presidential race where both major candidates and the third-party candidate all agreed that we needed to have prescription drug relief for senior citizens, and everybody, at every gathering, talked about the greatest generation ever, and heralded Tom Brokaw's book, and talked about the great sacrifices these individuals have made, and gave them great hope that truly every Member of Congress, most members in local statehouses, all campaigned on the issue in 2000 that we would provide relief for seniors.

So everyone every weekend we come home, and there still has not been a debate on the floor. They cry out and ask why, and it is, with hopefully some optimism, that we are going to have an opportunity not only to debate, but hopefully to pass some constructive legislation.

I applaud the gentleman for not only reading the article from the New York Times, but for laying out the Democratic initiative. I know from having spoken to colleagues on the other side of the aisle of their deep interest in solving this problem as well. I can express it no better than the woman on 60 Minutes, however, who said, I feel like I am a refugee from my own health care system; I have to get on a bus and travel to Canada in order to get the prescription drug relief that I need, in order so that I am not forced between making the nightly decision between the food I am going to eat, the prescription drugs I am going to provide, and, in our area of the country, whether or not there will be the money there to heat our homes in the winter or cool them in the summertime. These are real, everyday concerns.

We wonder sometimes aloud in this body why more people do not vote, why do they not come out. It is because they hear the platitudes and never see the ensuing policy. The time for platitudes is over.

As one gentleman said to me the other day, I am grateful that people are finally recognizing the greatest generation ever; I am glad we have been heralded in books and on film and in oratory of every elected official, but what we would really like, what we really need is prescription drug relief. We do not need platitudes. We need prescription drug relief, and that is why this initiative is so important.

I happen to have signed on to the Allen bill, which I believe we need to have in conjunction with what we move forward to, irrespective of whatever policies pass here, but I can also say this, and I mean not to disparage anybody on the other side, anyone who at least puts forward a plan and thinks this is a step in the right direction toward dialogue, but in truth, hailing from the First Congressional District, the home of the managed care and health industry, they know that the proposals that have emanated from the other side, at least the ones that advocate having a private sector solution, are unworkable and untenable. Insurance is pretty straightforward when it comes to actuarial concerns, and trying to actuarially underwrite prescription drugs, as one executive told me, is like trying to underwrite haircuts. That is how difficult it would be, and that is what would make this almost impossible to price out.

So knowing that this cannot possibly work, knowing the tremendous concern that exists in this body and in the other body to have a remedy for seniors, knowing the great sense of community that we all felt after September 11, is this not the time for us to come together and help out a population that has already lived through one day of infamy on December 7, 1941, and have experienced yet another?

We asked people to sacrifice in this Nation, and they have stepped up and done so throughout their lifetimes. Now it is the time for us to pay it forward, to make sure that they have the prescription drug relief that they need to live out their final days in dignity, to be able to get the kind of relief that their doctors have told them they must have to sustain their lives.

For the life of me and the people that I represent, they are confounded by the fact that a Congress and an executive branch that believes that this is necessary has yet to move and yet to act. The time is now, and as the gentlewoman from Texas said, we hope that we are able to move bipartisanly with a plan that works; but if not, then let us seize the day here and let us move the Democratic initiative forward, and let there be an up-or-down vote in this Chamber on where people stand on this issue so that senior citizens get to know where people stand on the issue and can distinguish between lip service and platitudes and those that are putting forth a policy that is workable. And collectively I think we owe that to the American public and clearly to those senior citizens.

I commend the gentleman once again for bringing this to the forefront.

Mr. PALLONE. Mr. Speaker, I want to thank my colleague from Connecticut, but he raised three points, if I can remember them now, that I would like to develop just a little bit because I thought they were very important.

First, with regard to the possibility of passing something, I really cannot emphasize enough, and I know that he obviously believes the same, that what we really need here is a bill that is going to pass. It is going to pass this House; it is going to pass the other body; it is going to be signed by the President. I really do not think that is going to be possible unless there is a basic understanding that this has to be a Medicare benefit, and I think that some of my colleagues on the other side of the aisle, maybe those who really would like to get something passed, have tried to frame this in terms of what is a more generous benefit.

Clearly, the Democratic benefit is much more generous. As our colleague from Texas pointed out, we are talking about a very low deductible, $100, as opposed to $250 for the Republican. We are talking about a lower premium. We are talking about an 80 percent benefit that starts from the first $100 after the deductible and goes up to $2,000 when it is 100 percent. The Republicans are talking about 80 percent for the first $1,000, then 50 percent for the next $1,000, and then I think it goes down to zero, sort of like a donut hole where a person gets no Federal money up to $4,000.

What I have tried to say, if our colleagues on the Republican side were willing to sit down, we could probably work out the difference in terms of the benefit; the Democratic benefit clearly more generous, the Republican benefit clearly a lot more stingy. Maybe we could work out some compromise there in terms of the benefit, the amount that the Federal Government is going to provide.

The problem that I have is that is not what the Republican leadership is doing. They are acting as if they are providing this benefit, and they want to argue the dollars, but really they are not providing any benefit because they are not putting this under Medicare, and they are back to their same

drug-only policy of having this function through private insurance, which, as my colleague says, I know where he is from, in Hartford the insurance companies do not want to do.

Unless everyone comes to the table with the notion that they are going to provide a Medicare benefit, I think that the Republicans, and I will be cynical, are just blowing smoke and really do not want to pass anything. They just want to talk about it.

Mr. LARSON of Connecticut. Mr. Speaker, will the gentleman yield?

Mr. PALLONE. I yield to the gentleman from Connecticut.

Mr. LARSON of Connecticut. Mr. Speaker, it has been my observation that a proposal of that nature is something I have aptly named, in my opinion, the Marie Antoinette plan. We all know in history the story of Marie Antoinette, who, when approached about the plight of the French citizens saying they were starving because they had not bread, she replied, well, let them eat cake.

What this privatization proposal, the buying of a drug benefit, is, is seniors crying out that we need prescription drug relief and, in an insensitive manner, saying, they need prescription drug relief, let them buy insurance. It just simply is actuarially not capable of being written at a price that anyone could remotely pay for, and so, therefore, the skepticism with respect to this, I think, has been well chronicled.

But we are a better body than that. We need to rise above this and speak to the better angels that exist in this body and appeal, as I have heard Members from both sides come down with their concern to address this. We need the membership of both sides to have a debate on this and to pass a bill that seeks to provide relief for our senior citizens, and we need to do so because of the commitment and promises that have been made by virtually every Member in this Chamber.

Mr. PALLONE. Mr. Speaker, I know we are just beating a dead horse here, but there was a report that was done by Families USA that came out a few weeks ago, and basically it said private health plans cannot provide prescription drug coverage; that is just not going to happen. It kind of follows up on what the gentleman said, and if I could just mention, I just want to read a little bit from the summary.

It says, At the time H.R. 4680 was being considered, that is the bill we had last session that had the drug-only policies, it said, At the time H.R. 4680 was being considered, the insurance industry, acting through the Health Insurance Association of America, made clear that it had no intention, no intention, of offering drug-only policies. The health insurance industry reasoned that drug-only insurance policies would be subject to adverse risk selection; that is, they would disproportionately attract consumers who have existing health conditions, are sick or disabled, and are among the oldest of the old. As a result the policies would be very expensive and would have very few takers among healthier Medicare beneficiaries. The failure to attract beneficiaries with low drug costs would further drive up premium prices and lead to an increasingly unaffordable price spiral.

Then they go on to talk about how we have the example with HMOs and that that is what is happening.

Mr. LARSON of Connecticut. Mr. Speaker, I think that is very charitable because I think it is next to impossible to underwrite for that kind of a circumstance, and while I think the industry has gone out of their way not to offend the powers that be, I think when we ask them directly, is this possible, could they possibly come up with a solution, the answer, frankly, is no. And so we ought to just get on with it and recognize that every day that we do not respond to the concerns, that is another senior at night that is sitting down and making that decision between food, between cooling their homes in the summer or heating them in the winters, and the prescription drugs that they have to buy.

I am sure it is true for my colleague in New Jersey, as it is for me in Connecticut. I have been going home now, I have only been a Member for 2 years, but over the last 3½ years in telling people that this is what we are fighting for down here, and they watch TV, probably the only generation that watches consistently C-SPAN, and they say, we hear the Members talking about it, but we see no action from our Congress, a Congress that can come together in an instant and bail out the airlines when there was a crisis at hand, a Congress that can respond when it needs to, and yet here are these valiant citizens have been reaching out, in many respects storming the United States Capitol, whether it be through e-mail, whether it be through their various organizations and associations, speaking out again, emphasizing that this is the number one issue that they face.

□ 2030

Everyone agrees that perhaps, and most notably, this should have been included under Medicare in 1965 in its inception, and we probably would not be here this evening talking about that; but it was not, so, therefore, the Democratic proposal is logical from the outset.

As my colleague heard me say earlier, I think we have to go deeper in terms of the kinds of cuts that we can get in the cost of the prices, which will make it even more affordable. And to those ends, I think we have to engage the pharmaceutical industry to help out that valued industry as well, and not at the expense of research and development, that they have invested in this and the great products they have turned out. This is a wonderful industry. But when you can travel to Canada or Mexico or anywhere in the Western industrial society and get prescription drugs that are 40 percent less, on average, there is something wrong here.

It is up to us to sit down and have frank conversations that address that issue as well. We can do so under the sanity of a policy that is put forward under Medicare, where it should rightfully belong. And again I applaud the gentleman for bringing this forward.

Mr. PALLONE. If I could just ask the gentleman to comment a little bit on the price issue, because I think it is so important. We have not talked about it too much tonight; but the gentleman brings it up, and I think it is very important that he does so.

The problem we face, or one of the major problems, maybe the most important problem, is one of price, because seniors tell us they cannot afford them. They go to the pharmacy, and they cannot afford the prices. And for the last 6 years, prices of prescription drugs have gone up, in double digits every year. Much higher than inflation in general.

The one thing we have to understand, and again I understand the gentleman understands this, but my colleagues on the other side need to understand, and they, the Republicans, are determined, by at least everything we have seen, they are determined not to address the price issue. Now, we have not actually seen the Republican proposal. I am on the Committee on Energy and Commerce, and we will have opening statements tomorrow and we are going to have a markup on Wednesday; but we still have not seen the bill. But there have been statements made by Republican colleagues that say that they may actually put in the bill language that says that there can be no effort to control or deal with price in the bill.

Now, whether the bill finally has that language or not, I do not know; but you can be sure that it is not going to have any language that would effectively control price. It may only have language that says we cannot.

Mr. LARSON of Connecticut. Well, the great irony here, and again if the gentleman will yield, a gentleman who I have great respect for, the gentleman from Minnesota (Mr. GUTKNECHT), was down here on the floor earlier talking about this anomaly, I will say, where we are talking about free markets being able to set the price. And what has happened here in this country, the great shame that has taken place here in this country is that the profitability or the profits garnered in this industry have been done almost exclusively on the backs of the elderly and those who can least afford to pay it.

And why do we know this and why have we asserted that it is a free market approach? Because every survey, every study that has been done, whether it be internally in our own country, whether it be in Mexico, in Canada, whether it be in the United Kingdom, Australia, Japan, or Germany, what we found consistently is that their citizens are able to enjoy, on average, a 40

percent differential in terms of what they pay, not for generics but for the exact same prescription drugs. Shame on us.

And that is why I think people in this body, if we are allowed an opportunity to vote, and I cannot even believe as an American that I am standing here on the floor of Congress and saying if we are allowed the opportunity to vote. These are the people that we are sworn to serve, and yet bringing this issue that universally everybody agrees with to the floor has been the most agonizing, painstaking process. I hope that, as the gentleman has pointed out, the efforts are, in fact, real. If they are not, I hope the Members of this body, bipartisanly, join together to issue some form of discharge petition, like we did on campaign finance reform, and come together, both sides, to address the concerns of our seniors; put aside the special interests, whatever they may be, and come up with a plan that provides relief for these seniors.

Mr. PALLONE. Well, I am hoping, and I am trying not to be so cynical, but the gentleman does point out that there is a real possibility that the Republicans may not even allow us to bring up our proposal and have a vote on it. I hope that is not true. But the best thing, or one of the most important things about the Democratic proposal is that because we are putting this program under Medicare, now the Secretary who administers Medicare, the Health and Human Services Secretary, now will have these 30 or 40 million seniors that fall under Medicare. We have a mandate in the Democratic bill that he has to negotiate prices down, and he will have the power to do so because he has the 30 or 40 million seniors in Medicare that he now represents. I have no doubt that that will lead to a price reduction of maybe 30 percent because of his negotiating power.

The Republicans have nothing like that in there. The only thing President Bush has talked about is the drug discount cards, which are essentially a farce because they are already available. The cards are available. I am not saying the cards are a farce, but for him to suggest that somehow the Federal Government would lend its name to it is meaningless. The cards are out there. You can buy them any day. Most seniors are aware of them. They do provide some discount, but the Federal Government is not doing anything. I guess the only thing President Bush is saying is just promote the cards, go out and buy one, which I think is meaningless.

If we do not control price in some meaningful way, whatever plan we pass here will not work because seniors are not going to be able to afford it in the long run.

Mr. LARSON of Connecticut. Well, if the gentleman will continue to yield, he is absolutely correct. Again, I think the gentleman from Maine (Mr. ALLEN), who has been as dauntless as the gentleman from Connecticut has been in coming down here and addressing this issue, if we do not do something about price, and as the gentleman points out with the ability to negotiate with the large number of Federal employees that we have, we are able to drive down the cost of prescription drugs, so by placing prescription drugs in a Medicare program, which is a Federal program, and as the gentleman points out with the large numbers of people, we are going to be able to negotiate a price that will be fair and competitive for everyone, but it will be, on average, far less. And then the combination of those two things, both being in the Medicare program and having the ability to negotiate down, will be extraordinarily helpful.

I think also, in the process, and I was on the floor earlier talking about the need for research and development in aeronautics, we also have to recognize the continued commitment on the part of this country to invest in research and development in these related fields. And I think that that is so essential to our future. We know how productive the field has been.

I hail from the State of Connecticut, home of a number of pharmaceutical companies and the insurance industry. New Jersey has been a long-standing State that has been influential in terms of some of the major breakthroughs that we have had in pharmacology. So we want to continue to promote that and work together along those lines, but we also want to make sure that we are not doing so at the expense of the elderly population in this country. And that, unfortunately, is what has happened; and we have to put an end to that.

I think we have a good plan to do that, and again I commend the gentleman for bringing it to the floor this evening.

Mr. PALLONE. I want to thank the gentleman for joining me tonight. I totally agree that the whole research component is something that we have to continue. Certainly my home State has been, for many years, a leader in research amongst pharmaceuticals. But what we are seeing is that so much of the price does not come from research, but rather from advertising. The majority of it really is, and we already provide a lot of money for research at the Federal level, and we also essentially underwrite a lot of the research in terms of the kinds of tax credits or tax breaks that we give to the pharmaceuticals. And I think it is important to make sure that we are helping with the research, but not providing the money that is going towards advertising and some of the other things that are unrelated to research.

Mr. LARSON of Connecticut. Mr. Speaker, I would add, and I speak for myself here, but looking at this problem long term, I certainly for one am more than willing to extend opportunities to pharmaceutical companies who have invested their own money, who have done the research and development in bringing a product to market to allow them the opportunity to recoup the moneys on research and development, but as the gentleman from New Jersey (Mr. PALLONE) adroitly points out, not in the advertising field, not in the promotional areas, not through the gifts to docs and trying to influence people one way or another, but truly as a research and development component and for the risks that they have taken in terms of bringing these things to market.

Clearly, we do not live in a risk-averse society, but what we should be doing is rewarding risk once it has been able to come to the market and provide them with an opportunity and award them, so to speak, for the valiant research and development that they have done.

Mr. PALLONE. I thank the gentleman from Connecticut (Mr. LARSON).

Mr. Speaker, before we close tonight, I wanted to just basically go through the Democratic proposal in a little more detail. I know that our colleague, the gentlewoman from Texas (Ms. JACKSON-LEE), went into it somewhat; but I wanted to give a little more information about it.

The Democratic bill is called the Medicare Prescription Drug Benefit and Discount Act, and of course the most important thing is that it provides an affordable prescription drug and reliable benefit to all seniors; and as our colleague, the gentlewoman from Texas (Ms. JACKSON-LEE) said, seniors have waited long enough. But basically the purpose of the Democratic bill is four-fold. First, it lowers the cost of drugs for all seniors. It offers an affordable guaranteed Medicare drug benefit. It insures seniors coverage of the drug their doctor prescribes, and it does not force seniors into HMOs or private insurance.

In terms of the actual premium and benefit, no gaps, no gimmicks. The premium is $25 a month. The deductible is $100 a year. Co-insurance beneficiaries pay 20 percent; Medicare, meaning the Federal Government, pays 80 percent. Out-of-pocket limit is $2,000 per beneficiary per year; and if one is below a certain income, then the premium is paid for. So it is very similar to part B, the way one now pays doctor bills, maybe even a little more generous than that.

To just give an example, to give some idea in terms of income for seniors, if a senior's income was up to $13,290, there would be no premium or co-insurance. So just like in part B if one falls below that income, he is not paying the $25 a month and is not paying the 20 percent. It is all being paid for by the Federal Government. So as the gentlewoman from Texas (Ms. JACKSON-LEE) said, there is not going to be anybody who is not going to be able to afford this because of their income. If a person's income is between $13,290 and $15,505, the premium assistance is on a sliding

scale; so he would not have to pay $25 a month. He might pay 15 or 10 or 5, depending on what his income is.

But probably the most important thing is what my colleague from Connecticut (Mr. LARSON) and I have already discussed, and that is lowering the drug prices. And as my colleague from Connecticut pointed out, the question of affordability of drugs is not just an issue for seniors. It is an issue for everyone. We are addressing it here in the context of seniors, but a lot of things we talk about could be applied across the board. But in any case, the Democratic Medicare benefit lowers drug prices because it uses the collective bargaining power of Medicare's 40 million beneficiaries to guarantee lower drug prices. Medicare contractors compete for enrollees by negotiating discounts, and it reduces drug prices for everyone by stopping big drug company patent abuses.

I do not want to keep going through this, but I think that it is very important to understand that this is a Medicare benefit. This does not rely on private insurance companies. There is no privatization the way the Republicans have proposed.

We just want to give an example of what a senior would save. A senior with drug costs of, say, $3,059 a year, which is the average senior drug spending that would be anticipated in the year when this proposal went into effect, some people might say, gee, $3,059 is a lot; but that is the average, what we estimate will be spent when this plan goes into effect. So a senior with drug costs of $3,059 per year would spend $300 in premiums, that is the $25 a month, $100 deductible, and $592 co-insurance, which is the 20 percent per prescription, for a total of $992.

□ 2045

So for that $3,059, they would be saving $2,067, which is very comparable to what you do now with part B for your doctor bills.

● Mr. LARSON of Connecticut. Mr. Speaker, the gentleman said earlier in the evening that while this is a benefit that will clearly benefit everyone with regard to prescription drugs, you said that this was like part D of the Medicare program. Could you explain that again, because I think this is the thing that most seniors understand. I know in the State of Connecticut, for example, we have a program for seniors as well. By this coming under a Federal program and the Federal Government offering this to its recipients, this is going to allow a State that is currently doing this to offer greater benefits to people and reach upward where I believe some of the people are harmed the most by prescription drugs and are in desperate need of relief.

Mr. PALLONE. Mr. Speaker, as the gentleman points out, and New Jersey is typical, some States have provided prescription drug programs depending on income; and in New Jersey, it is income-related, and we finance it through casino revenue funds for people below a certain income. Those programs would continue in the State. The State would then get money to pay for those programs. I do not know how Connecticut works, but most States are not as generous as New Jersey. And this applies to any Medicare beneficiary.

In New Jersey it is a little over $20,000 per year income that you are able to tap into the casino-funded prescription drugs program. But remember, this is not income-based, because Medicare is not income-based. So if you are making $25,000 a year or $30,000 or even $100,000 a year, you would still be able to take advantage of this benefit by paying your $25 a month premium, and you pay 20 percent, and the Federal Government pays 80 percent.

Frankly, I think that is important because most of the people that contact us are the people not getting what the States are offering. In other words, a lot of States have no benefit. Some States like New Jersey and Connecticut have some benefit, but most seniors in New Jersey are still not getting any kind of meaningful coverage through the State program because it is very expensive for the State. We are doing something now that will click in for every Medicare beneficiary.

We have part A, which is the hospital bills; part B is the doctor bills; part C is HMOs; and part D would be the new prescription drug program. It is like part B, you pay a low premium, and you get the benefit, and it starts and applies to everyone across the board.

● Mr. LARSON of Connecticut. Mr. Speaker, I stand here very proud of the Democratic initiative and our efforts to bring this to the floor in a timely fashion and hopefully provide the relief that is so desperately needed by our seniors out there.

Mr. PALLONE. Mr. Speaker, I thank the gentleman for joining us.

I am going to be quoting this New York Times article over the next 2 weeks or so because I think that it provides independent backup, if you will, for what I have been saying about the Republican plan. Again, I am glad and I hope the Republicans will bring this up in the Committee on Energy and Commerce and the Committee on Ways and Means on Wednesday, and that they will bring it to the floor of the House the following week for a vote. Hopefully they will allow the Democrats to bring up our proposal as a substitute so we can have a good debate. If they do that, I will be very happy that at least we have an opportunity. But we have to stress that the Republican proposal is not a Medicare benefit. It is just giving some money to insurance companies, and that is not going to work because the policies are not going to be offered, and seniors are not going to have a benefit.

If I can go back to this New York Times article again, and I went through parts of it, but I would like to cover a little more of it. As I said, the headline is "Experts Wary of GOP Drug Plan. Some Say 'Drug Only' Coverage Isn't Affordable for Insurers."

Mr. Speaker, this is an article by Robert Pear. It says, "A Republican plan to provide prescription drug benefits to the elderly through private insurers is drawing a skeptical reaction from many health policy experts. The plan, they say, would face problems like those that have plagued Medicare's attempt to encourage the use of health maintenance organizations."

Basically what the Republicans are doing with their proposal is doing the same thing they did with HMOs, throwing some money in the hope they will provide some coverage. They do not provide the coverage, and they have been cutting back and throwing seniors out of the plan.

The article in the New York Times goes on to say, "Private health plans were once seen as Medicare's best hope for controlling costs. In 1998, the Congressional Budget Office predicted that half of all beneficiaries would eventually be in such managed care organizations. But the market has been extremely unstable. Many HMOs have found Federal payments inadequate and pulled out of Medicare, dropping 2.2 million beneficiaries since 1998."

Mr. Speaker, I would ask the other side of the aisle, we know that the experience with HMOs in terms of providing prescription drug benefits has not worked. Why would they want to replicate that again by going to private insurers and expecting them to come up with a drug benefit? It is not going to happen.

The article in the New York Times goes on to say, "Many companies sell insurance to fill gaps in Medicare coverage, but premiums for such Medigap policies have increased rapidly in recent years, and only 3 of the 10 standard policies include drug benefits.

"Richard Barasch, chairman of Universal American Financial Corporation of Rye Brook, New York, which sells Medigap coverage to 400,000 people, said he seriously considered offering a separate insurance product just for drug costs. But after much research, he concluded it was not feasible because most of the buyers would be people with high drug expenses."

So if Members do not believe the HMO experience shows that private drug policies will not work, what about Medigap coverage? Medigap is supplement coverage you can buy to cover things that are not covered by Medicare. This article shows that the Medigap experience is not offering any meaningful drug coverage either through private insurers. The examples show HMOs are not providing the coverage. Medigap is not providing the coverage. Why do my Republican colleagues think that they will be providing coverage through private insurers?

At the end of the article it says, "HMOs have long boasted that they hold down costs, but their ability to do

so has been challenged by hospitals and doctors demanding higher payments. Companies managing Medicare benefits would face similar pressures from drugstores.

"The National Association of Chain Drugstores recently sent a bulletin to its members opposing the Republicans' Medicare drug proposal. Crystal S. Wright, vice president of the association, said, 'This could be an economic disaster for community pharmacies. Benefit managers are likely to get even more leverage than they currently have to reduce pharmacy reimbursement.'"

So the drugstores are saying, we are not going to be able to get adequate reimbursement, so we are going to go out of business. Where is it we expect this Republican plan to work?

The last thing the New York Times article says, "House Republicans said insurers could set different premiums and benefits, so long as the overall value of each drug plan was equivalent to that of the standard coverage suggested by the government. The Republican plan is part of a bill costing $350 billion over 10 years."

Well, again, I do not understand what my Republican colleagues expect. Experience is that private insurance does not work to provide these kind of drug benefits. The insurance companies say they are not going to sell it. The pharmacies say it will not work. The only reason I can imagine that they are proposing it is they know this is a major issue that is going to face them in the election. They have promised the American public that they are going to provide a prescription drug plan, and so they come up with this sham which they hope to pass through the House, probably on a totally partisan vote, send to the other body, and never hear from it again, but they can say to the voters that they have tried. But they are not trying, they are just putting out something that is a sham. Hopefully as Democrats we will show the sham for what it is and to ask our colleagues to vote for the Democratic alternative which would provide a meaningful guaranteed benefit under Medicare for all seniors.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. KENNEDY of Minnesota).

Members are reminded to refrain from improper references to the Senate.

IMMIGRATION POLICY

The SPEAKER pro tempore. Under the Speaker's announced policy of January 3, 2001, the gentleman from Colorado (Mr. TANCREDO) is recognized for 60 minutes as the designee of the majority leader.

Mr. TANCREDO. Mr. Speaker, I have often come to the floor of the House to discuss the issue of immigration and immigration reform. I have also had that opportunity to do so in a variety of different settings over the last several years. I have watched with interest in the way that this debate has evolved, or some may say degenerated.

The fact is that it does seem to me that the debate over immigration reform is entering a new phase, and unfortunately I think not a productive one. Nonetheless, it is a phase in which the opponents of immigration reform have moved from a thoughtful, sometimes thoughtful, I should say, analysis of a major public policy issue to a darker, more sinister and far less intellectually based discussion.

I say that because of an article that was run in the Dallas newspaper, the Dallas Morning News, and I will get to it because it describes an event and some of the activities surrounding an event that I attended in Guanajuato, Mexico, a few weeks ago. The event was an annual meeting of American Congressmen and Mexican parlimentarians and legislators. It is an annual event, and I think this is the 21st or 22nd year of its existence. I was asked to attend this year, I am not sure exactly why, but nonetheless I was asked to attend. I did so, and found it to be a very stimulating and rewarding experience, stimulating because the debate on immigration and immigration reform is one that raises a lot of concerns and a lot of emotions; productive because at the end of the 2 days, 2.5 that we were there, I walked away with a feeling that at least my colleagues from the Congress of the United States and our colleagues in the Mexican Congress were much more understanding of the position that I hold vis-a-vis immigration and immigration reform, and that which is held by a relatively large majority of the people in this country.

I made it a point to explain that my observations with regard to immigration are not borne out of any hostility towards Mexico, any feelings of ill will, and certainly not any feeling about Mexican immigrants themselves. In fact, my feelings about immigration are not in any way, shape or form the result of opinions I have about anyone's ethnicity or nationality. They are irrelevant. I view everyone who comes into this country the same way I view my grandfather and great-grandparents who came to this country at the turn of the century. They are people for the most part seeking a better life. They come to the United States for promises of economic prosperity and political freedom.

□ 2100

These are, of course, laudable goals. And if I were in their position, I have no doubt I would be doing exactly the same thing. I would be looking for ways to come to the United States in order to better my life and the prospects of a good life for my children, grandchildren and future generations.

I blame no immigrant for the problems we have in the United States with regard to immigration. They are two different things entirely. I am not anti-immigrant. I am certainly concerned about the effects of massive immigration into this country. And it really does not matter the country of origin from which the people coming here emanate. What matters to me most is the numbers. And the fact that massive immigration has an effect on many aspects of our society seems to me to make that particular subject worthy of civil debate.

I think it is hard to suggest that the growing numbers of Americans and/or people living in this country without benefit of citizenship, many of whom live here without benefit of legal status, it is hard to suggest that that growing number of people in this country does not represent some intriguing opportunities and/or problems. Economic problems certainly, in terms of the cost, the infrastructure that needs to be created to support the many millions coming into the United States, the schools, the hospitals, the social services.

The other economic issues deal with jobs. Some suggest that everyone coming to the United States is taking jobs that no one here will take. Others, and certainly I side with those who suggest that that needs far deeper review than what has been given it, and that there are many thousands, perhaps hundreds of thousands, even perhaps millions of Americans who are today looking for a job that someone else holds and that someone else may very well not even be a citizen of the United States, or even here legally for that matter.

Then, of course, there is the national security issue. It is undeniably true that the most recent terrorist activities that have plagued the United States have been perpetrated by people who have come into the country as visitors on visas. Some of them overstayed their visas. Some of them lied about what they were going to do here and could have been and should have been deported. Others, one in particular, actually violated the status of his visa by leaving the country, I believe that was Mohamed Atta, and could have been kept from returning to the United States, or he could have been deported once he came back after violating that visa status. Nonetheless, all were here and all did their deeds.

As we look at the future, there is a great possibility, even probability, that the United States will suffer other similar types of terrorist attacks. And there is a great possibility that these attacks will be perpetrated by people who come to this country from somewhere else, either by sneaking into the country or coming here on some sort of legal status but only for the purpose of doing us harm. And so our ability to control our own borders, limited as they may be because of the length of the borders, because of the fact that we have about 500 million visits a year into the United States, those complicating factors make it more difficult