

we should reward these outreach efforts through generous tax deductions for property or items that are donated to help those most in need, even if the recipients are at the four corners of our world.

While many of these efforts are truly commendable, like those of the International Red Cross, others simply represent the dumping of worthless products. Under the title, "In a Wave of Balkan Charity Comes Drug Aid of Little Use," the New York Times reported this very summer how camps filled with refugees from Kosovo received anti-smoking inhalers and hemorrhoid treatments instead of much-needed antibiotics.

The Times reported that "the outpouring of aid from corporate America and elsewhere for more than a million refugees who flooded into Albania and Macedonia during the war was indeed vast and included many badly-needed medicines. But the World Health Organization said about one-third to half of all of the shipments were inappropriate and likely to gather dust in warehouses or be destroyed at government expense."

Should American taxpayers subsidize the donations of useless pharmaceutical products to foreign countries? I think the question really answers itself, but this practice continues to occur, encouraged by our U.S. tax laws. Normally when a corporation donates property it may deduct its cost to produce the item.

To encourage donations to a charity for needy causes, as is the case for these drugs that are destined for foreign relief, our tax laws permit a corporation to receive twice its basis. That is fine when the drugs are useful, but it is totally unjustified when they are worthless. I am filing legislation today to prevent this abuse of the enhanced charitable deduction for overseas contributions of worthless drugs, and some 50 of my colleagues are joining me in this effort.

A recent study by the Harvard School of Public Health entitled *An Assessment of U.S. Pharmaceutical Donations* concluded that up to 40 percent of the drugs that are sent abroad were not requested and that about one third had less than a year of usefulness remaining. This is not a new problem. The *New England Journal of Medicine* had previously described a similar situation surrounding the misery in Bosnia. After analyzing about 30,000 metric tons of drugs and medical materials donated over a 4-year period, the *Journal of Medicine* study concluded, "in total, we considered 50 to 60 percent of all the medical supplies donated to Bosnia and Herzegovina to be inappropriate." Over one-third of these donations consisted of the dumping of large quantities "of useless or unusable drugs." They even included medicine for leprosy, a disease not found in these countries, and this is a problem not limited to the Balkans. It stretches from Armenia to Papua New Guinea.

Yet our existing law continues to encourage and subsidize such contributions. We should stop this now with straightforward amendments to the Internal Revenue Code. These amendments would include requiring that there be one year of good shelf life remaining as specified by Food and Drug Administration regulations, that drugs be labeled in a manner understandable to foreign health professionals, and that charities assure the drugs that are sent are drugs that are requested and needed by the foreign recipient.

Said one World Health Organization official, "if you overload people with things that they do not recognize and do not know how to use, you're not helping." And indeed to those in need around the world, the dumping of useless drugs is actually worse than no help at all, since such toxic junk must be destroyed by those most in need.

The *Journal of Medicine* study estimated that the cost of destroying 17,000 tons of inappropriate drug donations in the Balkans reached \$34 million. That is \$34 million wasted, some of which went to destroy drugs subsidized by American taxpayers that never should have been sent in the first place.

The bill that I am filing today has received the support of the Partnership for Quality Medical Donations, a group consisting of a number of major pharmaceutical companies and international relief agencies.

The provisions of this bill are drawn from the drug donation guidelines of the World Health Organization. These guidelines and this bill incorporate what are really the "best practices" of industry at present, but we incorporate these into Federal tax law. Some companies have been singled out for public praise, and rightly so, but U.S. tax laws provide an incentive for foreign dumping that must end. Let us stop rewarding those who have been more interested in obtaining a tax deduction than helping those who are truly in need. Let us stop the tax subsidies for drug dumping.

---

#### MICROENTERPRISE DEVELOPMENT, THE TIME HAS COME TO SUPPORT HARD-WORKING AMERICANS

The SPEAKER pro tempore. Under the Speaker's announced policy of January 19, 1999, the gentlewoman from Maryland (Mrs. MORELLA) is recognized during morning hour debates for 3 minutes.

Mrs. MORELLA. Mr. Speaker, this seemed like a good opportunity to call attention of this body to a bill that I think is worthy of consideration and passage. From Bangladesh to Guatemala, one of the most exciting strategies for fighting poverty in developing countries is microenterprise development. For poor women especially, the practice of extending very small loans and improving access to financial services has revolutionized the lives of poor people and the way in which we think about poverty-focused development.

We are now learning that microenterprise development can transform the lives of poor Americans as well. The time has come for us to provide the same support to these hard-working Americans that we have provided so successfully to millions of people around the world.

The program for investment in microentrepreneurs, called the PRIME Act of 1999, which is H.R. 413, sponsored by my colleagues the gentleman from Iowa (Mr. LEACH) and the gentleman from Illinois (Mr. RUSH), and I am a co-sponsor, that provides us with an opportunity to do just that.

Unlike developing countries where access to credit is the biggest obstacle to poor entrepreneurs, American entrepreneurs face significant challenges to access the training and the technical assistance that is necessary to navigate the complex American economy. Though poor entrepreneurs may already have a business idea and a willingness to work hard, they may lack the financial and business skills that are necessary to turn a good idea into a sustainable business.

Very often, a little training and technical assistance can be the difference, the difference between success and failure, between food on the table and an evening of hunger. The PRIME Act can be a catalyst for such change. I hope this body will consider it and pass it.

---

#### RECESS

The SPEAKER pro tempore. Pursuant to clause 12 of rule I, the Chair declares the House in recess until 10 a.m.

Accordingly (at 9 o'clock and 14 minutes a.m.), the House stood in recess until 10 a.m.

---

□ 1000

#### AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Mrs. BIGGERT) at 10 a.m.

---

#### PRAYER

The Chaplain, the Reverend James David Ford, D.D., offered the following prayer:

Let us pray using the words of St. Francis:

Lord, make us instruments of Your peace.

Where there is hatred, let us sow love;

where there is injury, pardon;

where there is discord, union;

where there is doubt, faith;

where there is despair, hope;

where there is darkness, light;

where there is sadness, joy.

Grant that we may not so much seek

to be consoled as to console;

to be understood as to understand;

to be loved as to love.

For it is in giving that we receive;

it is in pardoning that we are pardoned; and