

an American citizen, our members can be harassed, detained, threatened or kicked out of China because of our activities. And what are our activities? Consistent delivery of overseas donations to the June 4 massacre victims and families from Tiananmen Square.

We support and have supported conditional yearly renewal of the most favored nation trade status for China, and because we lobby the United States Congress to provide protection for Chinese students and scholars from punishment by the Chinese Government due to their roles in fighting for democracy since 1989.

She says, "Take my story as an example. In 1998, while I went home to visit my aging parents in China, I was taken away by the secret police for interrogation on many details related to our student association and the activities of other Chinese Democratic groups and organizations.

For several days, they tried to force me to do things I did not want to do, including signing a confession letter. On the fifth day I was given 20 minutes to pack my luggage and say good-bye to my scared parents and was forced into Hong Kong. Still, the secret police told me they had treated me leniently because I am married to an American.

He had contacted his congressional representative, the gentlewoman from Ohio (Ms. KAPTUR), in order to protect me. The government told me I must cooperate with them afterwards and do what they wanted me to do if I ever wanted to return home to visit my parents again.

Last September, I learned my father had a 102 degree fever for several days and was diagnosed with cancer. I decided to take a trip back home immediately. However, about 20 police stopped me at the Shanghai International Airport. They searched my luggage and would not let me make phone calls or even go to the bathroom.

In the airport I asked them to respect the United Nations Universal Declaration of Human Rights, which the Chinese President had just signed, and let me go visit my ill father, but my plea was simply ignored. I was put on the airplane back to Tokyo, even though they knew that the hospital had sent us a critical condition notice which stated that my father could die any minute.

In Tokyo, I repeatedly appealed to the Chinese authorities to allow me into China for basic humanitarian reasons but to no avail. Up until this day, I still have not been able to visit my poor father.

"For a long time," she says,

I have viewed America, its people and its government as the ones who hold the moral flags high who would be willing to help and sometimes sacrifice themselves for the people in the rest of the world to gain their basic human rights and dignity, and for humanitarian reasons.

Now for this permanent normal trade status, as well as admission to the WTO, the World Trade Organization, I wish you could prove that again. I wish you could answer this question correctly: Is business more important than the principles we live by? Do we care about the human rights condition of more than 1.2 billion human lives

In the past, the annual congressional conditional renewal of most favored nation to China was able to provide some leverage for Chinese human rights improvement, such as the release of some political prisoners and the relaxation of the political atmosphere within China. Unfortunately, as

you all know, without the attachment of the human rights improvement, conditions in China have deteriorated in the last few years.

Mr. Speaker, at this point I would like to insert the remainder of this letter in the RECORD, and I will come to the floor again to read the conclusion.

The Chinese Communist government has not and will not learn democracy and respect human dignity from the PNTR. They would only take its passage as an advantage and signal that it is OK to continue their miserable, poor record on human rights and democracy.

But, if America could care less about people far away (look at what they have done to FaLun Gong members and Taiwan recently), I hope you do realize that the PNTR would do no more benefit for American workers, especially those in the trade Unions where people earn a living wage with health and retirement benefits. In China, there are no real workers unions; thus, it puts American workers in a much more disadvantaged position to compete with.

Let me stress, I wish that America will protect the human rights of its own people. Furthermore, America should help to protect the human rights of its own people by helping to protect the human rights of the people in the other countries. Only when these countries have human rights and democracy, shall the world be in peace. And I wish we could hold morality above money, but not the other way around. And I wish none of us, including our democratic government, would have to kneel in front of a dictatorial government for money, or mercy, or the human rights we deserve to have. And finally, with all of your conscience and help, I wish that in the near future, I would be able to visit my ill father in my homeland.

Thank you all.

Sincerely,

CIPING HUANG.

WHAT CAN BE DONE TODAY TO CHANGE THE CURRENT CLIMATE AS FAR AS PRESCRIPTION DRUGS FOR SENIORS IN THIS COUNTRY

The SPEAKER pro tempore (Mr. REYNOLDS). Under the Speaker's announced policy of January 6, 1999, the gentleman from Oklahoma (Mr. COBURN) is recognized for 60 minutes as the designee of the majority leader.

Mr. COBURN. Mr. Speaker, I wanted to address the American public and Members of the House tonight. I find myself in a minority in Washington, both among the Republicans and the Democrats. I am a practicing physician that normally practices and sees patients on Mondays and Fridays when I am not in Washington, and I see before us a situation much like a patient who would come to me with a fever, chills and night sweats, and the treatment we are about to give to that patient is to tell them to take an aspirin and cover up in a blanket and go home and they will get better, when the underlying problem is that they have pneumonia. Without totally diagnosing their disease, what I have done is committed inappropriate care and have actually harmed the patient.

If one is a senior citizen tonight, I want them to listen very carefully to

what I am going to explain to them about Medicare, and the tack that I am going to take is not necessarily going to be appreciated by most of the Members of this body.

I also happen to be a term-limited Member of Congress. I am not running for reelection, and I want to say that in my heart, knowing how severe the problems are for my patients with prescription drugs, the worst thing we can do for seniors is to add a costly prescription benefit drug to the Medicare program.

I am going to spend the next hour outlining why that is the case and why it ignores what the real problems are in the drug industry and the physician practices that now many of our seniors find themselves involved with.

I also want everyone to know that Medicare has been abused by the Members of this body, the other body and previous Presidents, because most workers in this country, as a matter of fact all workers in this country except if they are a Federal employee, are paying 1.45 cents out of every dollar they earn, no matter how much money they earn, into the Medicare part A trust fund.

As they pay that 1.45 cents, so does their employer. So that is almost 3 cents out of every dollar that is earned by every employee is paid into the Medicare part A trust fund.

The Congress, with the consent of the Presidents over the last 20 years, have stolen \$166 billion of that money. What they have done is they have put an IOU in there and said we will pay this back some day in the future, but they took that money and spent it on other programs. They did not say we need to raise taxes to do this good program. They did not say we are going to take the Medicare money and spend it on this program. They just very quietly took \$166 billion out of that trust fund for a hospital trust fund and spent it on other programs.

Now that is not a partisan statement. That is Republicans and Democrats alike.

So we now find that as of 2 weeks ago, that trust fund is going to be totally bankrupt by the year 2015.

Now we had some good news this last week. That has advanced to 2023; that is, if we do not do anything with Medicare.

We know that at least 17 cents out of every dollar that is paid out for Medicare is inappropriate. Where is the reform for Medicare? Where is the fix to the very program that is supposed to be supplying the needs of our seniors?

I see every day that I am in practice seniors who have a difficult time accomplishing what I want them to do as far as their drugs. I see seniors, and we have had described tonight, that have to make a choice between whether they are going to eat a meal or take a medicine. That is not all because there is not a prescription drug benefit because of Medicare, and what I want to outline is some of the deeper problems that are

associated with the pricing of drugs in this country, the overprescribing of drugs in this country, the lack of review of drugs that seniors are taking in this country, and what we can do about it to fix it before we ever start adding another program.

The reason that that is important, because if we add another benefit now the people who are going to pay for that is our grandchildren. It is not going to be 3 cents out of every dollar. It is going to be 9 cents out of every dollar, and what is really being said is the grandchildren's standard of living, if we establish a Medicare drug benefit, because that is who is going to pay for it because it is going to start in the year 2023 and there is going to be a significant price to pay, and that price is going to be manifested in the fact that their standard of living is going to be far less. They will not buy a new home because they are going to be paying 6 percent additional out of their income for a Medicare program.

What can we do today to change the current climate as far as prescription drugs in this country? I say there is a lot we can do. The first thing we can do is we can ask the President to instruct the FDA to get on the ball as far as generic drugs. The gentlewoman from Michigan mentioned that she had somebody write in and say she was taking Premarin. For 5 years there has been an application pending for an identical drug to Premarin that the vast majority of women over 50 years of age in this country are taking that will sell for one-sixth the cost that Premarin presently sells for.

Premarin sells for, a month, about \$30 average in this country. The same drug made in the same plant in Europe, not Canada and Mexico because they have price controls, in Europe sells for \$6.95. How is it that we are subsidizing the drug consumption of the rest of the world? There is something wrong with the market.

So it is not a nonconservative position to ask that competition be restored. The first thing we do is we get the FDA to approve more generic drugs.

I might also note that there was a recent release March 16 on four drug companies where the FTC found that two drug companies had paid two other drug companies to delay the release of their generics. In other words, they fixed prices. What that says to us is the Justice Department in this country ought to have an aggressive policy that is going to attack anticompetitive practices in the drug industry. If we do not fix that and we create a Medicare drug benefit, what we are going to do is waste money in Medicare, besides supplying the need for our seniors which is very real. I do not deny that.

If we do not fix that underlying pneumonia in this program and in the drug industry, all we are going to do is pay more money for it.

Those companies, and this can be found on the FTC Web site as of March

16, 2000, if anyone is interested in knowing, clear evidence that there is price fixing that is ongoing in the drug industry today; clear evidence that the Justice Department is not doing its job to make sure that there is competition among the drug industry.

The other thing that is important is 2 years ago, which I voted against and very few of us did, this Congress and this President passed FDA reform which allowed prescription drug companies to advertise prescription-only medicines on television. This year they will spend \$1.9 billion on television advertising for medicines that can only be gotten if a doctor writes a prescription for someone.

1930

Who is paying for that? We are paying for it. It is not necessarily more effective for the patient. It does not necessarily make us healthier. It just creates a brand name under which that drug company can sell more of a particular brand of drug without necessarily inuring any health benefit to us as a Nation. We ought to reverse that.

There is no reason to advertise prescription drugs on television. That is \$1.9 billion that would drop out of the price of drugs tomorrow. That is expected to go to \$5 billion next year. So we can take \$5 billion next year out of the cost of drugs.

This year, the average wholesale price of existing drugs in this country rose 12 percent. That is the year 1999. Not new drugs, drugs that were already out there. The costs associated to those drug companies for those was 1.8 percent. So they had a six-fold increase in price for existing drugs with a 1.8 percent increase in price.

That to me tells us that there is no competition in the drug industry. When the average cost of living was less, the increases all across the board were 3 percent, and prescription drugs, not new drugs, not new benefits, not things that were breakthroughs, increased four times the rate of inflation, we have to ask the question, what is going on in the drug industry?

Do not get me wrong. I believe in the free enterprise system. I believe in competition. I believe competition allocates scarce resources very effectively. But we do not have competition in the drug industry today.

A third thing that can happen is we ought to put a freeze, no additional mergers in the drug industry until there is a blue ribbon panel that says there is, in fact, competition to make sure that there is true competition.

A drug was recently introduced that competes with a drug that is on TV, everybody knows it as the purple pill. It is called Prilosec. A new drug, does the same thing slightly different, one would think they would want to get market share. One would think they would want to introduce that new drug at a price lower so that people might switch to that one to use it. Guess

what the average wholesale price? Exactly the same as Prilosec. Why is that? Because there is no competition in the drug industry.

Now, the statements I am making on the floor tonight will be met with hardball politics tomorrow by the drug industry, my colleagues can bet it. But unless America wakes up and does not go to sleep saying the problem to solve drugs for our seniors is to create a new program on a bankrupt program and charge it to our grandchildren, we will never solve the problems. The problems are severe.

There is another thing that could happen tomorrow that would help almost every person that has been mentioned in the hour before I started speaking. Almost every drug company in this country has an indigent drug program. They will give drugs free to indigent seniors, but it takes a little work. The doctor has to fill out something. It has to be mailed to the drug company. They will mail them a 30-day supply. One has to keep doing it if one wants them to keep getting it.

The drug companies are willing to do that, but the physicians in this country, because they are already overworked because of the overburdened system of managed care, do not really have the time to take advantage of that.

So here we have a benefit that would lower the cost, would make available drugs to many of our seniors, but it is not being utilized because of the mandated system and lack of competition and the lack of freedom associated with the health care system that we have.

There is still another thing that we could do, and this one my physician friends are not going to like. But we heard comments that a senior was on 17 medicines. Well, I will tell my colleagues any person in this country on 17 medicines is not feeling well. One of the reasons they are not feeling well is the medicines are making them not feel well.

Most good doctors were trained to do a medicine review at least every couple of months on somebody taking 17 medicines. One of the things that makes me happiest when I see seniors, they come to see me, and I look at the medicines they are on, if they are a new patient, the first thing I do is take them off three or four, and they think I am a hero. I am not a great doctor. It is just common sense that if one is on too many medicines, one is not going to feel good.

The second thing is, if one is on 17 medicines, one is not going to be taking them right. So they are not going to be effective.

The third thing is doctors have to pay attention to what medicines cost. Guess what? Most physicians are not doing that. They are writing a prescription. Our goal ought to be, as physicians, is if we are going to help somebody get well, we ought to make sure we can give them a prescription for a drug they can afford to take.

Now, that may not always be the best drug. It may be one that works 95 percent as well. But if they are taking the one that costs \$5 that works 95 percent as well compared to the one that costs four or five times as much and worked 99 percent instead of 95, which would one rather have one's mother and father on. I would rather have them on the one they are going to take.

So I think there are a lot of common sense things that ought to be approached before we ever start talking about sacrificing the future of our grandchildren by expanding a new Medicare program.

Now, let me give my colleagues a little history on Medicare. We talked about all the things. The closest the Federal Government, the best the Federal Government has ever done in estimating the cost of a new Medicare benefit they missed by 700 percent. So when my colleagues hear a new drug program is going to cost \$40 billion, it is going to cost \$280 billion at the least, \$280 billion.

Instead of this program being bankrupt in 2023, it is going to be bankrupt in 2007, 2008. Now, politically, if one is running for office, it does not take much courage to say one will vote for a Medicare benefit. But it takes a whole lot of courage to say, I do not think that is the best thing for all of us as a society as a whole.

Why do we not fix the real problems associated with the delivery of medicine and drugs and competition within the health care industry. By ignoring it, that patient I talked about that had pneumonia is going to die, and that is what is going to happen to Medicare. We will not let it die because the career politicians do not have the courage to challenge the system. It was last year that we finally got the Congress to stop touching Social Security money. But this year, if you will notice these charts, you can see how the Medicare money comes in. Medicare trust money comes in, it goes to the Federal Government. They use it, the excess money they put an IOU in there and the IOU is credited to the Medicare trust fund. Here is what is going to happen for the next 2 years.

These are not my numbers. These are Congressional Budget numbers as of 2 weeks ago. This year, the surplus in the Medicare part A trust fund is \$22 billion. The surplus in the fiscal year 2000, right now, as estimated by the CBO is \$23 billion. So \$22 billion of the \$23 billion that the politicians in Washington are going to call surplus is actually coming from Medicare trust fund.

Mr. Speaker, how about us not touching that? How about us not spending that on something else? How about us retiring outside debt, so that when it comes time for us to use that, we will have the money, that we will not have to go borrow it from our children and grandchildren.

Year 2001, the same thing, \$22 billion of the surplus which is projected right now at \$22 billion, it is all Medicare

part A money. So we can claim we have a surplus, but we have to wink and nod at you and say, well, it really is part A trust fund money, but we are going to borrow it, because we cannot control the appetite of the Federal bureaucracies. We cannot make them efficient to do what they need to do it, and we cannot meet the needs of the commitments that we have made to the rest of America by making sure government is at least as efficient as the private sector, what we are going to do is we are going to steal the money.

Instead of \$166 billion that we owe, we are going to go to \$189 billion this year, and then we are going to go to \$211 billion next year. And then pretty soon, it is going to tail right back off, because as we add a drug program, the numbers are going to be uncontrollable.

So we have major problems ahead of us, and they are confused because the only thing that the people in Washington want to talk about is answering the easy political problem. A senior has problem buying drugs, so, therefore, we create a Federal program that buys drugs. That is not the answer that our children deserve. That is not the answer that you deserve when you elect people to come up here.

We need to make the hard choices, even if it means we do not get re-elected, we need to make the hard choices to fix the programs so they work effectively.

I notice a friend of mine has shown up, the gentleman from Minnesota (Mr. GUTKNECHT), and I would welcome him and recognize him now and yield to him.

Mr. GUTKNECHT. Mr. Speaker, I thank the gentleman from Oklahoma (Mr. COBURN) for yielding and for this special order and I thank our colleagues earlier for talking about this problem, because it is a major problem. And, unfortunately, for both the administration and some of the leadership here in Congress, what we are talking about is solving what some people say is the problem, and that is that seniors are not getting the prescription drugs or a benefit that some people feel they should, when the real problem is runaway prices, and as the gentleman indicated earlier, a tendency to overprescribe.

Mr. Speaker, I am not certain what we can do in terms of influencing the medical professionals as it relates to overprescribing, but I think we need to take an honest and sober look at how much Americans pay for prescription drugs relative to the rest of the world. Now, I do not believe in price controls. I believe in markets. I believe at the end of the day that markets are more powerful than armies.

Last Saturday night, I was privileged to attend a dinner and the last leader of the Soviet Union, Mikhail Gorbachev, spoke to us; and it was interesting, because as he talked for an hour and 12 minutes, he went through sort of his metamorphosis and where he fi-

nally came to the acknowledgment that they could not compete with the United States, that a market economy was much more efficient than a controlled government-run economy.

He finally reached the point where he realized that both militarily, economically, and, perhaps, even socially and culturally, that the West had won, and they had to do something else. I believe in markets.

Mr. Speaker, I believe that the idea of having a big government bureaucracy trying to control prices and make certain that everybody gets the right drugs, I think that is ridiculous; and frankly, if anything, here in Washington, we ought to be restricting the power of the Health Care Finance Agency and of the FDA.

Let me just run through this. There is a group, I believe they are out of Utah. I owe them a big debt of gratitude William Faloon has put out a brochure, and this is available to any Member or anyone else who wants to call my office, we will send them out a copy of this. They have done an interesting study on the differences between prescription drug prices here and in Europe.

We have a tendency to still think of Europe as being sort of our adolescent child. After World War II, the United States basically made certain that the European economy was rebuilt, but today the European Union has a bigger economy, in terms of gross domestic product, than we do. It is interesting in respects, we continue to subsidize what is happening in Europe, whether it is militarily and even in drugs.

Let me just run through a few of these drugs. And frankly the gentleman probably knows better than I do what these drugs are prescribed for, but these are some of the most commonly prescribed drugs in the world. One the gentleman mentioned earlier is Premarin. The average price in the United States, according to a study done by the Life Extension Foundation, Mr. Faloon's organization, the average price in the United States last year was \$14.98 for a 28-day supply. The average price in Europe is \$4.25.

Mr. COBURN. For one third of the price?

Mr. GUTKNECHT. Less than a third of the price.

Mr. COBURN. The same drug?

Mr. GUTKNECHT. The same drug made by the same company in the same plant under the same FDA approval.

Mr. Speaker, let me run through a few more. Synthroid, now that is a drug that my wife takes. In the United States, the average price for a 50-tablet supply of 100 milligrams, the average price in the United States \$13.84. In Europe, it is \$2.95. Cumadin, that is a drug that my dad takes. He has a heart condition. It is a blood thinner I understand. Cumadin, 25 capsules, 10 milligrams, the average price in the United States \$30.25; the average price in Europe \$2.85.

Let us take Claritin, which is a commonly prescribed drug in America today, and they advertise quite heavily, as the gentleman indicated earlier, the average price in the United States for a 20-tablet supply of 10 milligrams is \$44. In Europe that same drug made in the same plant by the same company, same dose everything is \$8.75.

Augmentin, and I do not know what Augmentin is for perhaps the gentleman does.

Mr. COBURN. Augmentin is a very effective antibiotic.

Mr. GUTKNECHT. For Augmentin, a 12-tablet supply of 500 milligram here in the United States we pay an average of \$49.50. In Europe, for exactly the same drug, the price is \$8.75.

1945

Glucophage. Perhaps the gentleman can share with us what this is.

Mr. COBURN. That is an anti-diabetic drug.

Mr. GUTKNECHT. Apparently it is commonly prescribed; 850 milligram capsules, quantity of 50. The average price in the United States is \$54.49. The average price in Europe is \$4.50.

And this is a group in Minnesota that has done this study. Another commonly prescribed drug, Prilosec, the average price here in the United States is around \$100 for a 30-day supply. That same 30-day supply, if a person happened to be vacationing in Winnipeg, Manitoba, and they take their prescription into a drugstore there, they will pay \$50.80 for the drug that sells in the United States for roughly a hundred dollars.

But here is what is even more troubling. I will use that term. What is more troubling is that if we were to buy that same drug, same company, same FDA approval, but we purchase it in Guadalajara, Mexico, that same drug sells for \$17.50.

Now, I do not believe in price controls. I do not believe we should have a new agency to try to control drug prices. I believe that markets are more powerful than armies. But let me just say this. A few years ago this Congress passed the North American Free Trade Agreement; and we allow corn, we allow beans, we allow lumber, we allow cars, we allow steel, and we allow all kinds of goods to go back and forth across the border between the United States and Canada and between the United States and Mexico. That is what free trade is all about. But there is one exception. We do not allow prescription drugs to go across those borders.

And, really, to give an analogy, and it is the best analogy that I have come up with, let us just say that there are three drugstores. One is on the north side of town, one is on the south side of town, and one is downtown. Now, there is over a 50 percent difference in the prices that those three stores charge, but our own FDA, our own Federal Government, the Food and Drug Administration, says, Oh, you American

consumers can only buy your drugs from the most expensive store.

Now, I asked a businessperson this morning. I said, Suppose you are in a business, and you find out that you are the largest customer of a particular supplier, and yet you also find out that they are selling exactly the same thing to some of your friends that are in the business cheaper than they are selling to you, even though you are their biggest customer. How long do my colleagues think that would last? But that is exactly what is happening in the drug industry.

The FDA, and I believe really without any legislative approval, has decided that they will unilaterally stop the importation of drugs into the United States which are otherwise approved in the United States. And to me that is outrageous. We should not stand idly by as a Congress and allow our own FDA to stand between American consumers in general and American seniors in particular. We should not allow our own FDA to stand between them and lower drug prices.

And the one great thing about markets, whether we are talking about oil or we are talking cotton or we are talking about prescription drugs, I do not care what it is, the great thing about markets is they have a way of leveling themselves.

In southeastern Oklahoma, I will bet that if the gentleman goes to any of the elevators in his district, he will find that the elevator in Enid—well, Enid is not in the gentleman's district. I am trying to think of one of the towns. I have been to virtually every town in the gentleman's district. But if the gentleman were to go to one town in southern Oklahoma, the wheat price might be X amount today. And if the gentleman called over to another elevator, it might be a different price. The chances are the prices would be different.

But over time, what would happen? Those prices would tend to self-regulate. Because the farmers start figuring out that if the elevator in Enid, Oklahoma, is paying a higher price than the one in Muskogee, they will all start going to Muskogee. And what happens is the prices start to level. That is the way markets work. The unfortunate thing is that our Federal Government has been standing in the way of allowing those markets to work.

And so, again, I would say that Members who would like a copy of this brochure, and I must say that I had nothing to do with writing this, but this brochure, put out by the Life Extension Foundation, is a reprint of their February Year 2000 brochure, which tells the whole story. It gives an excellent chart of how much more American consumers are paying.

Now, again, I do not want price controls. But this is what I say to my seniors: we should not have "stupid" tattooed across our foreheads. It is outrageous that Americans are paying upwards of 40 percent more than the rest

of the world for prescription drugs, and it seems to me that we have a moral obligation, particularly now that we are having this discussion about opening up, in effect, perhaps a new entitlement, if we do that without dealing with the real problem, which is runaway prices, then I say, shame on us.

I yield back to my colleague from Oklahoma.

Mr. COBURN. Well, I thank the gentleman for making the point on competition, and I think that is the question I would ask of the seniors and those that are out there working today and those that are going to be working tomorrow. Would it not make sense to try to fix competition within the industry, improve the quality of our health care and increase the efficiency and accuracy of the system before we go solve the problem?

The question is can we make sure our seniors have available to them the drugs that they need, that will give them effective treatment, and can we do that in a compassionate way so that they are not passing up supper to take a pill or they are not missing a pill to get supper? Can we do that without creating a big government program?

I can tell my colleague that I believe we can. It will not be easy, because we will have to attack our friends. We are going to have to say there is not good competition. We are going to have to go back in and make sure that the branches of government that are involved in assuring competition in the drug industry are there.

That is not to say that the drug companies do not do a wonderful job in their research. And it is not to say that they are not going to be doing an even better job as we have all these genetically engineered drugs that will come about in the next 10 years. But we hear the drug companies say that they will not be able to do this because all these prices are based on the fact that we spend all this money on R&D. Well, the fact is the pharmaceutical industry spends more money on advertising than they do on research. They have a cogent argument as soon as that number on advertising drops significantly below the amount of money that they are spending on research. Until then, they do not have an argument that holds any water.

So our seniors out there tonight that are having trouble getting prescription drugs and affording it, the first thing they need to do is to ask their doctor to make an application for them for the indigent drug program that almost every drug company has. That way they can at least have the drugs.

Number two, they should ask their doctor if in fact there is not a generic drug that could be used that will be almost as effective and that will save a significant amount of money each year.

Number three, they should ask the doctor if he or she is sure that every medicine they are taking they have to be taking. That way we can make sure

that the patients are getting medicines that they need today; that the medicines that they are taking are as effective and cost effective as well, and that they truly need them.

That takes care of part of the demand. The other thing they can do is insist that their representatives ask the Justice Department to look aggressively at collusion and anti-competitive practices within the drug industry. They should ask their elected representative to reverse the bill 2 years ago that allowed drug companies to advertise prescription drugs on television. Because we could save at least \$2 billion this year, \$5 billion next year in terms of the cost of drugs.

Finally, they should ask that their representative not steal one penny from Medicare this year to run the Government. And if in fact we do those things, we can meet the needs of our seniors, we can preserve Medicare and extend its life, and we can assure that our children and our grandchildren are not going to be burdened with another program that is inefficient, underestimated in cost, and really does not solve the underlying problem associated with prescription drugs for our seniors.

I yield to the gentleman from Minnesota for any additional comments.

Mr. GUTKNECHT. Well, I thank the gentleman from Oklahoma (Mr. COBURN).

I would only say that I think what the gentleman is really saying is, and this is really an interesting debate, that at the end of the day it is about fundamental fairness. It is, from a generational perspective, wrong for us to borrow from the next generation.

But it is also wrong for the drug companies to require Americans to pay the lion's share of all the research and development cost as well as footing most of the cost for their profit. And the dirty little secret is that that is what is happening in the world today. We have a world market, but the drug companies have realized that they can get most of their profit, most of their research and development money, from the American market.

Now, I think Americans should pay their fair share of research cost. I think that is important. I agree with the gentleman that I am not certain Americans should have to pay advertising costs. Ultimately, it really should be the decision of the doctor more than being market driven and having almost a pulling effect through the marketplace by advertising, by broadcasting on television, radio, and so forth. I am sure that that is an issue that we need to address.

But I want to come back to just how much more we pay. It is not just us saying this. This is a study done by the Canadian Government. If people forget everything that I have said tonight, remember a couple of numbers. One of the most important numbers is 56. By their own study, the Canadian government says that Americans pay 56 percent more for their prescription drugs than Canadians do.

Now, 56 is important, too, because over the last 4 years prescription drugs in the United States have gone up 56 percent, 16 percent just in the last year. One of the biggest driving costs in terms of the cost of insurance over the last several years has been the increasing cost of prescription drugs.

Now, again, that is important. We need prescription drugs. We need to make certain that we are doing what we can so that the next generation of drugs can come online. I believe in research, and I believe part of the reason we enjoy the high standard of living that we do in America today is because of the research that has been done in the past. So we do not want to cut that. We do not want to create a new bureaucracy. But we also do not want to steal from our kids, and we do not want to "solve this problem" by creating a whole new entitlement.

Here is another fact. Last year, according to the Congressional Budget Office, we, the American people, we the taxpayers, the Federal Government, spent over \$15 billion on prescription drugs. Now, that is through Medicare, Medicaid, the VA, and other Federal agencies.

Mr. COBURN. Let me clarify that for a minute, because I want to be sure all our colleagues understand that. That is Federal payments for prescription drugs.

Mr. GUTKNECHT. Just Federal payments. Now, there is a match with Medicaid, there is a match with some of the other programs, and of course in some of those cases the individuals themselves had some kind of a copayment. But that is what the Federal Government spent for prescription drugs last year, according to the Congressional Budget Office.

Now, virtually every study I have seen, independent studies, say that Americans are paying at least 40 percent more than the world market price for those drugs. Now, I am not good at math, and I demonstrated that this morning; But let us say 30 percent. Let us say we are already getting some discounts. And I suspect we are. I do not think we are paying full retail at the Federal level for our prescription drugs. So let us say we are getting some discounts. But let us just say we could bring our prices somewhere near the world average price for these same drugs. If we could save 30 percent times \$15 billion, that is over \$4 billion.

That would go a long ways to solving our problem, to making certain that people on Medicare all have the opportunity to get the drugs that they need and, again, that they do not have to make the choice that the gentleman talked about earlier. They do not have to choose between eating supper on Friday or taking the drugs they need, not only to preserve their health but to preserve their quality of life. Because drugs are important in that regard. It is not just about extending our life, it is about improving the quality of our life.

And drugs are wonderful things. And I certainly do not want to take anything away from the pharmaceutical companies. But as I say, I do not think we should be required to pay more than our fair share of the cost of developing those drugs, of making those drugs, of getting those drugs approved, and then plowing more money back into the next generation.

So I think we are on the same page. I just want to finally say this. This is a matter of basic fairness. As I said earlier, I do not think we should allow our own FDA to stand between American consumers and more reasonable drug prices, because that is what is happening today.

Finally, not hearing most of the discussion from our friends that spoke before us, this is not a debate between the right versus the left. It is not even a debate between Republicans versus Democrats. This is really a debate about right versus wrong. And it is simply wrong for us to shovel billions of more dollars into an industry who right now is charging Americans billions of dollars more than they would normally pay in terms of a world market price.

2000

The answer is not to steal more from our kids to give more money to the big pharmaceutical companies. The answer is coming up with a market-based system that allows some kind of competitive forces to control the price of the drugs and therein creating the kinds of savings which will make it much easier for us and for those seniors to get the drugs that they need.

And so, my colleague is absolutely right, this is not an unsolvable problem. If we will work together, if we will listen to each other, if we will be willing to tackle some of those tough problems, and if we are willing to take on some of the entrenched bureaucracies, whether it is at the FDA or the large pharmaceutical company, the Department of Justice, and even some of our friends in the medical practice, if we are willing to ask the tough questions, force them to have to work with us to find those answers, this is a very solvable problem.

I just hope we do not make the mistake of creating a new expensive bureaucracy, a new expensive entitlement and, at the very time we ought to be doing more to control the prices of prescription drugs, have the net practical effects of driving them even higher. That would be a terrible mistake not just for this generation but for the next, as well.

Mr. COBURN. Mr. Speaker, I thank the gentleman for his comments.

In closing, the next time my colleagues hear a politician from Washington talk about prescription drugs, ask themselves why they are not treating the pneumonia that this industry has, ask themselves why they are not saying there needs to be competition in drugs, ask themselves why they are not

saying the FDA needs to be approving more generics, ask themselves why they are not speaking about the underlying problems associated with delivery of health care and medicines to our seniors instead of creating a new program which our children will pay for but, most importantly, will be twice as expensive as what it should be because we have not fixed the underlying problems.

I want to leave my colleagues with one last story. I recently had one of my senior patients who had a stroke. She was very fortunate in that she had no residuals. But the studies of her carotid arteries proved that she had to be on a medicine to keep her blood from clotting.

One of my consulting doctors wanted to put her on a medicine called Plavix. It is a great drug. It is a very effective drug. The only problem is it costs over \$200 a month. The alternative drug that does just as well but has a few more risks, which she had taken before in the past, is Coumadin.

Now, the difference in cost per month is 15-fold. I could have very easily written her a prescription for Plavix. She would have walked out of the hospital, not been able to afford the Plavix, and had another stroke, or I could have done the hard work and said, this is going to do 95 percent of it. It is going to be beneficial. It has a few risks. Here is what this costs. What do you think? She chose to take the Coumadin because that gives her some ability to have some control of her life.

So these are complex problems; and I do not mean to oversimplify them, and I do not mean to derange either the physicians, the patients, or the drug companies, other than to say that our whole economy is based on a competitive model and, when there is no competition, there is price gouging.

Today I honestly believe in the drug industry there is price gouging. We need to fix it, and we need to fix that before we design any Medicare benefit to supply seniors with drugs, especially since there are free programs out there that are not being utilized that are offered by the drug companies.

DIFFERENCES IN APPLICABILITY OF WATER USAGE IN WEST AS COMPARED TO EAST

The SPEAKER pro tempore (Mr. WALDEN of Oregon).

Under the Speaker's announced policy of January 6, 1999, the gentleman from Colorado (Mr. MCINNIS) is recognized for 60 minutes.

Mr. MCINNIS. Mr. Speaker, this evening in my night-side chat I would like to take the opportunity really to talk about three subjects.

The first subject is the subject that is very important to all of us, obviously. It is the only way that we can survive. But in the West there is a lot of differences on the applicability of it as compared to the East. And that is water.

The second issue that I would like to talk about tonight is also a doctrine that has particular specifics in regards to the West. It is called the Doctrine of Multiple Use.

The third subject I hope I get an opportunity this evening to talk about is on the issue of education.

Mr. Speaker, it seems, as my colleagues know, last evening I spoke about education. I spoke about discipline in the classroom. I spoke about the fact that we need to assist our teachers out there by having some consequences of misbehavior in the classroom. And apparently I hit a soft spot with some people because I heard from some people overnight say, how dare you talk about discipline in the classroom.

I could not believe it. Some of these people were very antagonistic. I am pleased to say I did not get many letters out of the West. I got them out of the East. And I am sure I got them, in my opinion, from some pretty liberal people that, for some reason, think that we should follow political correctness when we talk about classroom discipline, that, for some reason, classroom discipline really is not a problem in today's school system. So I hope I have an opportunity to come back to that subject because it is something I believe very firmly in.

Education is so fundamental for the survivability of this country. It is so fundamental for our country to remain the superpower in this world that we have to give it all of the attention that we can give to it. But it also means that we have got to be ready to face the music. And when we have problems with discipline in our school system, sometimes we cannot be politically correct. Sometimes we have got to go right directly to the problem. I hope we have an opportunity to talk about that.

But let us talk and begin, first of all, by talking about water. Water in the West is very critical. One of the concerns I have is here in the East. In fact, when I came to the East for the first time, I was amazed at the amount of rain that we get in the East. In the West, we are in a very arid region, and we do not have that kind of rainfall. It does not rain in the western United States like it rains in the eastern United States. As a result of that, we have different problems that we deal with in regards to water.

My district is the Third Congressional District of Colorado, as my colleagues know. It is a mountain district. The district actually geographically is larger than the State of Florida. And if any of my colleagues here have ever skied in Colorado, if they have ever gone into the 14,000-foot mountains, with the exception of Pike's Peak, they are in my district in Colorado.

Water is very critical, as it is everywhere else. But we are going to talk about some of the different aspects of water, about the spring runoff, about water storage, about water law in gen-

eral, about how we came about to preserve and to store our water through water storage projects.

But let us begin I think with an appropriate quote from a gentleman named Thomas Hornsberry Ferrell. He said, speaking about Colorado, "Here is a land where life is written in water. The West is where water was and is father and son of an old mother and daughter following rivers up immensities of range and desert, thirsting the sundown, ever crossing the hill to climb still drier, naming tonight a city by some river a different name from last night's camping fire. Look to the green within the mountain cup. Look to the prairie parched for water. Look to the sun that pulls the oceans up. Look to the cloud that gives the oceans back. Look to your heart, and may your wisdom grow to the power of lightning and the peace of snow."

Let us say a few basic facts so that we understand really some fundamental things about water. First of all, I have got a chart and I know it is somewhat small, but I hope that my colleagues are able to see it. Let me go through it. It talks about water usage. It is very interesting, very few people realize how much water it takes for life to exist, how much water it takes to feed a person three meals a day, how much water it takes to feed a city, for example, their drinking water or their cleaning water or their water for industrial purposes. But this chart kind of gives us an idea.

The chart is called "water usage." I would direct the attention of my colleagues to my left to the chart. Americans are fortunate, we can turn on the faucet and get all the clean, fresh water we need. Many of us take water for granted.

Have my colleagues ever wondered how much water we use every day? This is direct usage of water on a daily basis, our drinking and our cooking water. Now, this is per person. Our drinking and our cooking water, two gallons of water a day. Flushing of our toilets on a daily basis, five to seven gallons per flush. That is on an average. We now have some toilets that have reduced that usage somewhat. Washing machines, 20 gallons per load. Now, remember, this is daily. Twenty gallons per load. Dishwasher, 25 gallons every time we turn on that dishwasher. Taking a shower, 7.9 gallons per minute. In essence, eight gallons every minute a person is in the shower. Eight gallons of water.

Now, growing foods takes the most consumption of water. As I said earlier, water is the only natural resource that is renewable. But in our foods, growing foods, the actual agriculture out there is the largest consumer of water in the Nation. And here is why growing foods takes the most water.

One loaf of bread takes 150 gallons of water. From the time they till the field, to watering the field, to harvest the wheat, to take care of the industrial production of the bread, to actually have the bread mix made and have