

a local Chamber of Commerce or at a coffee shop in my hometown down on Liberty Street, people say that not only are their taxes too high, they complain about the complexity and the unfairness of the tax code.

I believe this series of questions really illustrates a key area of unfairness that we should make a priority in this Congress this year in getting the job done on eliminating this most unfair area of our tax code, that is why I want to explain why enactment of the Marriage Tax Elimination Act is so important with the question of fairness. Do Americans really feel that it is fair that under our tax code, married working couples pay more in taxes just because they are married? Do Americans feel that it is right that 21 million married working couples pay on average \$1,400 more under our Tax Code just because they are married, \$1,400 more than an identical couple with identical incomes who live together outside of marriage?

Clearly I think the American people agree that the marriage tax penalty is wrong and we need to set it right. The marriage tax is not only unfair, it is wrong. It is wrong that under our Tax Code you are punished for getting married. As I noted earlier, it affects 21 million married working couples on average \$1,400 in higher taxes just because they are married.

Let me give an example here of a couple in the south suburbs of Chicago. You have a case where a machinist and, of course, this particular machinist works at Caterpillar in Joliet, he makes the heavy machinery that we use to mine and dig things and build things. He makes \$30,500. If he is single, after the standard deductions and exemptions he is in the 15 percent tax bracket. But under our Tax Code because two working people who choose to get married, their incomes are combined and in fact you file your taxes jointly, you are pushed into a higher tax bracket. This example of this south suburban couple, this machinist who meets and marries a schoolteacher in the Joliet public schools with an identical income of \$30,500, because under our Tax Code they combine their incomes and their combined income is \$61,000, pushes them into the 28 percent tax bracket. And because this machinist and this schoolteacher in Joliet, Illinois, in the south suburbs of Chicago chose to get married, they pay more in taxes. That is just wrong.

Of course I would like to point out that for this schoolteacher and this machinist in Joliet, \$1,400 is real money. \$1,400 is one year's tuition at Joliet Junior College, our local community college, and it is 3 months of day care at a local day care center. We need to eliminate that marriage tax penalty. It is wrong that under our Tax Code this machinist and schoolteacher end up paying higher taxes when they

get married. Had they chose not to get married and just lived together, their taxes would have been \$1,400 less. That is just wrong.

Under the Marriage Tax Elimination Act, we eliminate this marriage tax penalty for this machinist and this schoolteacher. In fact, we do it by doubling the standard deduction. We also double the brackets so that joint filers can earn twice as much as a single filer and remain in each bracket. Had the Marriage Tax Elimination Act been law today, this machinist and schoolteacher would have seen the marriage tax penalty eliminated.

What is the bottom line? Mr. Speaker, in just a couple of weeks this House of Representatives will be working to pass the tax provisions for this year's balanced budget, the 3rd balanced budget in 30 years, thanks to a Republican Congress. I believe as we work to provide tax relief as part of this balanced budget, our first priority should be making the Tax Code fairer for this schoolteacher and this machinist by working to eliminate the marriage tax penalty.

I am pretty proud of what we have accomplished. In 1996 we created as part of the Contract With America the \$500 per child tax credit benefiting 3 million Illinois children. This year let us help married working couples. Let us help Illinois families by eliminating the marriage tax penalty.

PRESCRIPTION DRUG COVERAGE FOR SENIORS

The SPEAKER pro tempore. Under the Speaker's announced policy of January 19, 1999, the gentleman from Ohio (Mr. BROWN) is recognized during morning hour debates for 5 minutes.

Mr. BROWN of Ohio. Mr. Speaker, today the President proposed a Medicare reform package that preserves what is fundamental about Medicare. It treats all seniors equally.

Unlike the privatization/voucher proposal that has resurfaced, the President's plan does not jeopardize the core Medicare program so many seniors depend on and it does not create different classes of coverage for seniors at different income levels. It does not abdicate our responsibility to seniors by turning the Medicare program over to private managed care plans, the same plans that dropped 400,000 seniors last year and are poised to do the same this year.

What the President's plan does do is provide prescription drug coverage for Medicare beneficiaries. Medicare covers hospitalization, it covers doctors' visits, and, of course, it should cover prescription drugs. That is why we need to modernize Medicare. Prescription drugs are no longer supplemental to basic health care. They are integral to it. The President's proposal updates Medicare coverage to reflect modern

medicine. The President's proposal is designed to make prescription drugs more affordable for seniors by covering half the cost of prescription drugs up to a \$2,000 cap.

The value of this benefit depends on one key variable, the sticker price of prescription drugs. Obviously higher prescription drug costs will exhaust the benefit much more quickly than lower prescription drug costs. That is where the drug companies, Mr. Speaker, come in. Drug companies are overpricing their products. This remains true regardless of how much these companies spend on research and development. By the way, we do not know how much drug companies spend on R&D because they have refused to disclose this information to the public or to this Congress.

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How do we know that drug companies overprice their products? Just look at their profits. Remember, these dollars are the dollars left over after research and development. Last year drug company profits outpaced those of every other industry by over 5 percentage points. Drug company profits last year were \$22 billion. Last year the CEO of Bristol-Myers Squibb made a \$1.2 million salary, a \$1.9 million bonus and \$30.4 million in stock options. Drug companies cannot continue to monopolize price their products and expect the American people to accommodate them.

Prescription drug coverage for seniors is critically important, but it is not intended to address, nor does it address, the market failure in prescription drug pricing that is driving up health care costs and hindering access to needed medications here and around the world. Drug companies can voluntarily price their products to promote access, which they are not doing, or they can disclose their costs and try to justify their windfall prices, which they are not doing, or they can continue to exploit their monopoly advantage, which they are doing, until Congress is forced to regulate their prices like a utility.

If drug companies continue to price irresponsibly to make the huge profits they are making to pay the huge marketing costs and executive salaries they pay, the third option; that is, government regulation of huge overblown prescription drug prices, the third option may be the only one left.

INDIA-PAKISTAN: MILITARY ACTION IS NOT THE SOLUTION

The SPEAKER pro tempore (Mr. BALLENGER). Under the Speaker's announced policy of January 19, 1999, the gentleman from Nebraska (Mr. BEREUTER) is recognized during morning hour debates for 5 minutes.

Mr. BEREUTER. Mr. Speaker, this Member rises to express his grave concern regarding the current conflict in