There was no objection.

Mr. SCHAFFER. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California (Mr. ROHRABACHER) that the House suspend the rules and agree to the concurrent resolution, H. Con. Res. 390, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the concurrent resolution, as amended, was agreed to.

The title was amended so as to read:

Concurrent resolution expressing the sense of the Congress regarding Taiwan's participation in the United Nations and other international organizations.

A motion to reconsider was laid on the table.

ELECTION OF MEMBERS TO CERTAIN STANDING COMMITTEES OF THE HOUSE

Mr. GUTKNECHT. Mr. Speaker, I offer a resolution (H. Res. 608) and ask unanimous consent for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 608

Resolved, That the following named Members be, and are hereby, elected to the following standing committees of the House of Representatives:

Committee on Transportation and Infrastructure: Mr. Martinez of California;

Committee on Armed Services: Mrs. Wilson of New Mexico.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

The resolution was agreed to.

A motion to reconsider was laid on the table.

SPECIAL ORDERS

The SPEAKER pro tempore (Mr. PEASE). Under the Speaker's announced policy of January 6, 1999, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. BROWN) is recognized for 5 minutes.

(Mr. BROWN of Ohio addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. GEKAS) is recognized for 5 minutes.

(Mr. GEKAS addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Maryland (Mr. CARDIN) is recognized for 5 minutes.

(Mr. CARDIN addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. CAMPBELL) is recognized for 5 minutes.

(Mr. CAMPBELL addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oregon (Mr. BLUMENAUER) is recognized for 5 minutes.

(Mr. BLUMENAUER addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Tennessee (Mr. DUNCAN) is recognized for 5 minutes.

(Mr. DUNCAN addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. PALLONE) is recognized for 5 minutes.

(Mr. PALLONE addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. PETERSON) is recognized for 5 minutes.

(Mr. PETERSON of Pennsylvania addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. FILNER) is recognized for 5 minutes.

(Mr. FILNER addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from West Virginia (Mr. WISE) is recognized for 5 minutes.

(Mr. WISE addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. ENGEL) is recognized for 5 minutes.

(Mr. ENGEL addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from California (Ms. MILLENDER-MCDONALD) is recognized for 5 minutes.

(Ms. MILLENDER-MCDONALD addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

THE STATE OF AMERICA'S AGRICULTURAL ECONOMY

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

Mr. GANSKE. Mr. Speaker, I first want to thank the Speaker for the hours that he has spent in the chair for these special orders. The gentleman has gone above and beyond the call of duty to be present to enable Members to address the House for these special orders, and I want to personally thank the Chair.

Mr. Speaker, my colleague, the gentleman from Minnesota (Mr. GUTKNECHT), and I will be talking about an important issue for the agricultural community. I rise today to address an issue that should concern all Americans, the state of our agricultural economy.

Our farmers and livestock producers are faced with another year of daunting economic prospects. Just yesterday, Mr. Speaker, Agriculture Secretary Glickman reported the U.S. had distributed a record $28 billion in direct financial assistance to American farmers and ranchers during fiscal year 2000, $28 billion. This represents up to 50 percent of on-farm cash income. This is significant and should open our eyes to what is happening to American agriculture.

When I listen to farmers in my district, I hear several messages as they try to explain the causes of the economic situation. Many say that we need to address the issue of additional export markets, and I fully agree, and I applaud this Congress for passing monumental trade legislation and opening the door to the potential represented by over 1 billion China citizens when we passed in this Congress permanent normal trade relations with China.

But I also hear from my farmers fears that they are being squeezed out of business by large agricultural corporations. Over the past several years, we have watched as agribusiness after agribusiness has consolidated its operations, merged with its competitors, and created yet an even larger company, dramatically tilting the playing field to the potential disadvantage of the family farmer.

The meat industry may be the best example of concentration run rampant, with concentration and vertical integration in the packing industry making it difficult for small producers to get a fair shake.

In today's livestock markets, four companies, four companies, slaughter

80 percent of the Nation's steers and heifers. In 1998, four companies slaughtered 56 percent of the Nation's hogs, up from 32 percent in 1985.

Complicating matters further is the increased vertical integration of the industry. The most visible was the recent merger of Smithfield Foods, one of the largest packers and owners of hogs, with Murphy Farms, perhaps its greatest competitor in live hog production.

So what has this done to the markets? Well, maybe it has negatively affected competition. Maybe the increased concentration has reduced the marketability of hogs and cattle raised by independent producers in Iowa and other States, like Minnesota. Maybe it has given these large agribusinesses an unfair competitive advantage and allowed them to manipulate prices, and forced smaller companies out of business. We just do not know.

Who will provide answers to these questions? The farmers and livestock producers in my district are looking for help from their government, their only available ally. Some advocate new laws to protect their interests, claiming the existing ones are not doing the job.

But I am not sure that new laws are necessary. We already have some pretty strong laws on the books. The problem is, this administration has not enforced the laws that are already on the books.

I think that increased concentration in the agricultural markets has negatively affected competition and put farmers and producers in Iowa and elsewhere at a disadvantage. But in recent years, the USDA's Grain Inspection and Packers and Stockyard Administration, known as GIPSA, has found relatively few incidents of illegal business practices in livestock markets.

This should provide some reassurance, should it not? Unfortunately, it does not, because last month the General Accounting Office released this report, ''Packers and Stockyards Programs, Actions Needed to Improve Investigations of Competitive Practices.''

In this report, the GAO says, ''USDA has authority under the Packers and Stockyards Act which has been delegated to the Grain Inspection and Packers and Stockyards Administration to initiate administrative actions to halt unfair and anticompetitive practices by packers and livestock marketing and meatpacking.''

The authority is already there, but USDA, under this administration, has not done its job. It is not that GIPSA does not investigate alleged anticompetitive behavior. It does. In fact, between October, 1997, and December, 1999, it conducted 74 investigations. The problem is, GIPSA's investigative procedures are inadequate for determining anti-competition investigations.

□ 2115

Despite repeated recommendations to improve its practices, GIPSA continues in its failed attempt to protect the interest of small producers. The GAO found that GIPSA's ability to investigate and enforce allegations of unfair and anti-competitive practices was insufficient because its investigations are lead by economists without the formal involvement of the USDA's Office of General Counsel.

The GAO wrote, ''As a result, a legal perspective that focuses on assessing potential violations is generally absent.'' The GAO recommended that investigation should be based upon the model followed by the Department of Justice and the Federal Trade Commission. These agencies ''emphasize establishing the theory of each case and the elements that will prove a case. At each stage of the investigation, there are reviews by senior officials who are attorneys and economists which focus on developing sound cases.''

Under these procedures, violations of the Packers and Stockyards Act would be much easier to identify. However, at GIPSA, legal reviews are generally not performed until an investigation is completed. In fact, between 1994 and 1996, only 4 of 84 investigations had been submitted to the general counsel for review because investigations were conducted by staff with inappropriate qualifications, inadequate input from attorneys, and apparent lack of cooperation among GIPSA branches. That, in my mind, is unacceptable.

In addition to developing investigative procedures based on Department of Justice and FTC models, the GAO recommends that the USDA, A, develop a teamwork approach for investigations with GIPSA's economists and USDA's attorneys working together to identify violations of the law; B, determine the number of attorneys that are needed for USDA's general counsel to participate in and, where appropriate, lead GIPSA's investigations; C, provide senior GIPSA and general counsel officials to review the progress of investigations at main decision points; and, D, ensure that legal specialists are used effectively by providing them with leadership and supervision by USDA's attorneys and ensure that GIPSA has the economic talents that it needs.

Mr. Speaker, the Department of Agriculture accepts and agrees with the GAO recommendations. In their official letter of comment, Undersecretary of Marketing and Regulatory Affairs, Michael Dunn, said, ''Overall, GIPSA and the OGC concur with the recommendations provided in this report. The Department finds that GAO's recommendations are within GIPSA's existing reorganization, reengineering, training, and long-term planning and implementation strategies.''

But reform has not been coming from the agency. In 1997, GIPSA's own Inspector General recommended similar changes. That report highlighted the importance of having attorneys participate in GIPSA's investigations. The office of Inspector General recommended then that GIPSA should follow the FTC and Department of Justice models and recommended several reforms that would greatly improve GIPSA's ability to enforce the Packers and Stockyards Act. At that time, like now, GIPSA agreed; but this new GAO report shows that the reforms taken by GIPSA in response to its office of Inspector General's recommendations are insufficient to properly enforce the law.

In addition, in 1991, the GAO recommended USDA implement a more feasible approach for monitoring activity in livestock markets. So we are looking at an agency which was told 9 years ago it needed to improve its performance with respect to anticompetitive activity in the livestock markets. The agency was again told by its Inspector General 3 years ago what specifically needed to be done to improve its investigative procedures, and they have not done so.

Obviously, USDA needs some Congressional pressure to implement the necessary reforms. That is why today I joined the gentleman from Minnesota (Mr. Gutknecht), who is with me here tonight, and our colleagues in the Senate, Senator GRASSLEY from Iowa and Senator GRAMS from Minnesota, in introducing the Packers and Stockyards Enforcement Improvement Act of 2000.

This bill requires USDA to implement within 1 year the recommendations of the GAO to improve its investigations into alleged anti-competitive activity. In addition, the bill requires USDA to develop and implement a training program for competition, investigations, and to provide an annual report to Congress on the State of the cattle and hog industries, identifying business activities that represent possible violations of the Packers and Stockyards Act.

Mr. Speaker, this is an important issue. Farmers and producers rely on the USDA to protect them from anticompetitive practices. If GIPSA cannot do this, who can they turn to? We should implement this bill this year. Our farmers deserve a department and an agency which are properly prepared to address their concerns.

Mr. Speaker, I yield to the gentleman from Minnesota (Mr. GUTKNECHT), a cosponsor of this bill, and I want to express my appreciation to him.

Mr. GUTKNECHT. Mr. Speaker, I thank the gentleman from Iowa for yielding to me. I thank him for this special order, and I thank him for this bill.

I want to say a special thank you to our colleagues in the Senate, particularly Senator GRASSLEY for his hearing in September, on September 25, where he highlighted this report.

I want to point out to people who may be watching who the General Accounting Office is. The General Accounting Office is basically our auditors; and many times, they file reports. We send them out to investigate different agencies to find out if they are really doing their jobs. Altogether too

often they do a beautiful job of coming back with a report and recommendations, and the reports wind up sitting on some desk somewhere and gathering dust.

So I want to say a special thank you to our colleagues over on the other body for at least saying this time we are going to do something about it, this time we really mean it.

I want to talk a little bit about the Packers and Stockyards Act. It goes back about 70 years, and it was designed to protect individual producers. It was not designed to protect the packers and the stockyards. As the gentleman from Iowa (Mr. GANSKE) mentioned, and I do not want to become repetitive, but what we have seen in the last 10 years especially is a tremendous change in what has happened in the livestock industry.

Frankly, from my perspective, and listening to the gentleman from Iowa speak earlier, we came here together in 1994, and I have always thought in many respects we both come from what I thought was the Teddy Roosevelt wing of the Republican parties, whether it is fighting for open markets and more competition for prescription drugs, which I think we are winning, and I am not so certain. We seem to be waging a war, not only against the pharmaceutical industry, but the FDA itself, and sometimes our own leadership makes our job even more difficult. But the important point is we understand that markets are more powerful than armies and that competition is good.

I was reading about Teddy Roosevelt this weekend; and the more one reads about him, the more interesting he is. But he really and deeply and fiercely believed that competition was a good thing, that it brought out the best, whether it was on the sporting fields or whether it was in business. He fought literally all of his life to make certain that there was adequate competition in every field.

What we have seen in the last several years are really disturbing trends. Let me just share with the people who may be watching this what has happened relative to some of the large mergers. We have talked about this relative to pharmaceutical industry. It was not that long ago we had, well, let us see, there was Glaxo and there was Wellcome and Bristol-Myers. There was Squibb. There were four separate companies. If they have their way, by the end of this year, there will be one company. Now, all of those companies were big companies, and they had tremendous market power, but imagine what it is like now that there is one.

We have talked about the oil industry, the same thing. People sometimes scratch their heads, and they wonder why is it we seem to be at the mercy of the large oil companies. Well, at one time we had Exxon and Mobile, and one was a $55 billion company, and the other was a $43 billion company, and now they are one company.

It was Teddy Roosevelt who was behind breaking up Standard Oil. Now we see all those big oil companies coming back together.

Let us talk about concentration.

Mr. GANSKE. Mr. Speaker, reclaiming my time for a moment, at the moment that we are speaking here on the floor, there is a Presidential debate going on. I hope that one of the questions that is asked Vice President GORE and Governor Bush is what would be their position on antitrust.

I, too, feel like I am a member of the Teddy Roosevelt wing of the Republican Party, a progressive wing that felt that it was important for the little guy to have a chance to compete.

To bring us back to this issue of meat packing, correct me if I am wrong, but I believe the gentleman from Minnesota (Mr. GUTKNECHT) has some personal experience in the business, does he not?

Mr. GUTKNECHT. Mr. Speaker, my experience, I think the gentleman from Iowa is referring to, is that I am a licensed and bonded auctioneer. Yes, I can spit it out pretty fast.

I would like to illustrate, 10 years ago, about 80 percent of the livestock in the United States was sold either in what we call a spot market or in some kind of an auction format. That has now changed that 80 percent of livestock today is sold under some kind of a contract.

Now, I am not totally opposed to contracts, but we have a number of problems with contracts. One is transparency. Many times one producer, independent producers living right across the road from each other, both could have contracts with the same packer, and neither may know what the other's contract really is.

Mr. GANSKE. Mr. Speaker, reclaiming my time, many times, I think they may have clauses in those contracts that say they are not supposed to divulge the contents of that contract; is that not right?

Mr. Speaker, I yield to the gentleman from Minnesota (Mr. GUTKNECHT).

Mr. GUTKNECHT. Mr. Speaker, that is correct. But the interesting thing is, under the Packers and Stockyards Act, as I understand it, actually the USDA has access to that information. Now, I am not saying they ought to share the information from one neighbor to the other, but there ought to be a way that they can share more information about what actually is going on in the marketplace. Because as I have said, many times our independent producers, our farmers, it is like they go into the casino every day, and they make bets. They are betting against the big grain companies, they are betting with the big fertilizer companies, they are betting with the packers and the people who buy their products.

The problem is the people that they are dealing with have enormous amounts of information. They know what is going on in China. They know what deals they may have going on in other parts of the world. They have much better information. So, in effect, they are going in and they are betting against the house, and the house always wins.

We are not saying that the packers or the stockyards are necessarily evil. But there is something wrong with the system where they have a lot more information, they know what the prices are actually being paid, and the producers do not.

What we are saying is it is time for the USDA to, at least, do what the General Accounting Office is telling us and what they have told us in the past needs to be done to more aggressively enforce the act.

Let me go back to this issue of concentration, because I want to share these numbers with the gentleman from Iowa and some of the people who may be watching.

Since 1993, which coincidentally was when Mr. GORE and Mr. Clinton came into office, since 1993, there have been in the United States 46,571 mergers in the United States that were approved by the Department of Justice. Those deals totaled more than $5 trillion. Now, that is just a big number to most of us, but let us compare that to the previous 8 years. During the previous 8 years, there were only 19,518 mergers, and they totaled a little more than $1 trillion in value.

What we have seen in the last several years is just an enormous amount of concentration, and we are seeing it particularly in agriculture, whether it is on the seed and fertilizer side of the farmer's ledger or whether it is on the side of the ledger where he is selling what he is producing, whether it is grain, or whether it is livestock.

As an auctioneer, I know this. If you have an auction and you only have two bidders, you are not going to get as good a price as if you have five or six bidders.

Now, we cannot always force the situation relative to how many people are going to be in the meat packing business. Again, I am not saying they are particularly evil, but I think there is a system beginning to develop that looks incredibly sinister to those independent producers, and it looks an awful lot like that there is potential for manipulation of some of these prices.

So all we are really saying is we do not need to rewrite the Packers and Stockyards Act. That is what this report says. What we have to do is a better job of enforcing those laws. This is true throughout so much of what we do.

A lot of our more liberal friends says we need more laws, whether it is campaign finance laws or other laws. Some of us say, yes, maybe we do need some changes in the law, but first and foremost, let us enforce the laws that are on the books today. That is what this audit says. That is what this bill says. In effect, this says to the USDA, this time we really mean it.

□ 2130

Mr. GANSKE. Mr. Speaker, I appreciate the gentleman's comments on the meat packing situation. In talking to farmers across the Fourth Congressional District in Iowa, they are very frustrated. We in the State of Iowa have been trying to put together a deal which would create a new beef packing plant in the State of Iowa. I do not know that there has been a modern beef packing plant done in the United States in the last 15 to 20 years.

It is clear that there are a number of reasons why there needs to be more modern packing plants in terms of, I think, the water quality issues and things like that, but also packing facilities that are at a reasonable distance from the producer and an option for them to use. There would be farmers that would have cattle, producers that would have an option then of going to one of the established packers or coming, for instance, to central Iowa. They would then be able to make that judgment based on some competition for the price between those two cattle packers. That does not exist right now.

As the gentleman has pointed out, the number of mergers not just in this industry but in the entire economy is just accelerating beyond belief. And I am glad that the gentleman mentioned the instance of the pharmaceuticals, because we can talk about prescription drugs in a few minutes, but before we leave this issue of enforcement, I think it is important to go over again what we are talking about, and that is that there already is what is called the Grain Inspection and Packers and Stockyards Administration. This administration is charged with finding out whether or not there are anti-competitive practices. Unfortunately, as this GAO report has shown, and others in the past have shown, because of the way the investigations are done by GIPSA, they are not taking advantage of counsel along the way that will help their inspectors determine whether in fact anti-competitive behavior has occurred.

There needs to be counsel giving advice on that. That is one of the recommendations in this report. And it is unfortunate that the USDA and GIPSA has not followed the recommendations of the report in the past. Nine years ago a similar report was made to this, and still nothing has happened. So that is the reason why the gentleman and I have introduced our bill, and Senator GRASSLEY and Senator GRAMS in the Senate have introduced our bill, The Packer and Stockyards Enforcement Improvement Act of 2000.

We are calling on our colleagues, both Republicans and Democrats, particularly in areas that are rural and where they have constituents who are meat producers, to sign on to our bill. As my colleague from Minnesota said, this bill does not write new language in terms of the law, it seeks to affect a more efficient and effective implementation of the prior law.

Mr. GUTKNECHT. And I just want to point out that one of the things that many times people inside the bureaucracy will say is, well, we do not have enough staff or we do not have enough money. But the General Accounting Office does not say that in their report. We currently allocate 153 people and about $16 million, and over the last 2 years they have conducted a grand total of 74 investigations.

Now, I do not know how many is the right number, whether it is staff or whether it is the appropriation or how many investigations that they should conduct, but I do know this; that there is enormous distrust out in farm country among our independent producers out there of the way this law is being enforced. There is a lot of concern. And I think the way to allay that concern is to make certain that at least the recommendations of our own General Accounting Office, as it relates to the investigative methodology that is used, is implemented, to make certain we get to the bottom of this.

We cannot completely solve this problem of concentration. I think that is sort of a function of the way the economy seems to be moving today. On the other hand, I think we can do all within this law that is possible to make certain that if there is only going to be four major packers that are involved in beef packing, that at least there is adequate competition.

Personally, I would love to see moving back to more of an auction format. Frankly, I think that is the fairest way to sell almost anything. And I say that as a licensed and bonded auctioneer. But the real key about the auction was that a person could go to the auction ring and sit there and see what cattle or hogs were actually selling for. If they paid close enough attention, they could tell who was buying them; whether they were going to Armour or Swift or Hormel, wherever they were going. If someone paid attention, they could know who was buying and how much was being paid.

In today's market, that is next to impossible. They publish some prices in the paper, but, in fact, I have to tell my colleague that when we went through that period when hogs dropped to $8 per hundred, the truth of the matter was that many of the hogs being slaughtered in our facilities in Iowa and Minnesota were not selling for $8 a hog, they were selling for substantially more than that because they were on some form of contract. Even today, when we look at the cash market, that may or may not be the price that hogs are actually being sold for on that given day.

The USDA has enormous power under the Packers and Stockyards Act, and what we are saying as part of this is that they need to do a better job of sharing the information they have with those independent producers.

And let me just say finally about the independent producers that anybody who has spent any amount of time with these people who raise livestock, farmers in general but livestock producers in particular, these are the salt of the earth people. The truth of the matter is they do not ask for much from government. Matter of fact, if any of my colleagues were to go to the National Cattlemen's Association, if there is any group in America who says get the government out of our business, it is the Nation's cattlemen. I admire them so much.

All they really ask for is a level playing field and a set of rules that are fair so that they have a chance to compete and take care of their families, perhaps grow their farms and their ranches for their families and future generations. They do not ask for much. And so I think the very minimum that we can do in this Congress is to make certain that we at least implement the recommendations of our own General Accounting Office.

So I congratulate the gentleman for bringing this bill forward. I congratulate the Senate sponsors as well. Hopefully, we can get this bill passed, perhaps in the next 10 days. But I will promise the gentleman that if we do not get it passed before we are able to go home and this Congress adjourns, we will be back next year and I will be prodding my colleagues on the Committee on Agriculture, and I know the gentleman will be prodding his colleagues in the Committee on Commerce to make certain that we do follow through on this and that something happens for these great people out there working their tails off every day.

Mr. GANSKE. Well, Teddy Roosevelt was known as the trust buster, and what we were dealing with at that time was the big oil and the railroads. Probably one of the great books in American literature on capitalism is a book by the name of the ''Octopus,'' and I would encourage all our colleagues to read that book because that book dealt with the iron grip that the railroads had over our agricultural communities at that time. The average farmer there was the victim of a monopoly most of the time in those areas. Take it or leave it; this is our freight rate, and they had no choice. It required the hand of government to come in and act as an equalizing force so that, in effect, competition could flourish and that we could see some justice in the economic markets.

I am afraid that we are heading, with the continued concentration in the food industry, and particularly the meat packing industry, in that same direction. I think it would be better to implement the current laws now effectively rather than at some time in the future be faced with a more draconian type of legislation. And strange things can happen in a democracy. I think that it would behoove the meat packing industry itself to have an interest in the effective application by GIPSA of the Packers and Stockyards Act. So I thank my colleague for joining me on this issue.

I think that we also could speak for a few minutes on a very important issue to our constituents, and that is the high cost of prescription drugs. This is an issue that is important not just for senior citizens but for everyone in the country. We are seeing health insurance premiums rise at 10, 11, 12 percent per year now, largely due to the fact that prescription drug costs are rising at 18 to 20 percent per year, and so employers are being hit with increased costs of premiums and they are passing part of that on to the employees, which is making health care much more expensive.

We are seeing prescription drug prices in this country at four times the cost for the same medicine than it would cost in Mexico; at twice the cost for the same medicine as someone can get the medicine from Canada or the European Union.

I got a letter from a constituent who said that he had been in a clinical trial for a new arthritis medicine. It worked great. He was a volunteer at a hospital, so he went to the hospital pharmacy where, with his volunteer discount, he could get that pill for $2.50 per pill. He got on the Internet that night and he found he would be able to get that pill for about half price from Canada or Europe, Geneva, Switzerland, and a quarter price from Mexico.

And yet, if he does that, he is likely to get a threatening letter from the Food and Drug Administration saying that he is breaking a law that was passed in 1980 that prevents the reimportation of prescription drugs; drugs that are made in this country, safely packaged in this country, and sent overseas. In 1980, they passed a law that said we could not reimport those drugs back into the United States.

It was part of an FDA reform bill. It was a small part, but Ronald Reagan, who was the President at that time, signed the bill in general but gave a warning about that particular part. He said he was really concerned about that special protection for the pharmaceutical industry, because he thought that not allowing reimportation could result in the increase of prescription drugs in the United States. And Ronald Reagan was right, because we are now seeing these high costs.

The gentleman from Minnesota and I, and the gentlewoman from Missouri (Mrs. EMERSON), and a couple of our other colleagues, the gentleman from Oklahoma (Mr. COBURN), including some of our colleagues on the Democratic side of the aisle, the gentleman from Vermont (Mr. SANDERS) and the gentleman from Maine (Mr. BALDACCI) and others, have worked hard to try to fix that law that was passed in 1980 so that we can reimport prescription drugs. If we allowed drugs to come back into the United States at a lower cost, I guaranty the competition in the market would lower the cost for everyone, not just for senior citizens.

I would be happy to yield to the gentleman to give us an update on where that bill is at this point in time.

Mr. GUTKNECHT. Well, the gentleman has done a great job of setting the stage. In this case, I should say Dr. GANSKE. The gentleman probably understands this issue as well as anybody. I sort of fell into it at some of my town hall meetings.

Several years ago, seniors started to talk about bus trips to Canada to buy prescription drugs. And, to be honest, the first couple of times it came up, I just sort of dismissed it. If people want to go to Canada, they can go to Canada. But then I began to learn that the FDA actually sent these threatening letters to seniors if they attempted to reorder. Generally speaking, they will allow people to go across the border with a legal prescription and go into a pharmacy in Canada or Mexico, or, frankly, around the rest of the world.

But I want to take a moment to talk about the differentials. Let us take one drug. The purple pill; Prilosec. The average price in the United States now is about $139 for a 30-day supply. And one of the aspects of many of these drugs is that once a patient begins to take these, they tend to be on them for very long periods of time.

□ 2145

Prilosec is a wonderful drug. It is for acid reflux disease and for ulcers. It is a wonderful drug. I really do not want to bash the makers of it. But the problem is this. In the United States that 30-day supply is about $139 now. That same 30-day supply of exactly the same drug made in the same plant under the same FDA approval sells in Canada for about $55. But in Mexico I am told you can buy the same drug for $17.50. In Europe the average price is about $39.

I think Americans want to pay their fair share. But what is really happening right now is the pharmaceutical industry is shifting much of their cost for research and development and most of their profits are coming at the expense of American consumers. That is just wrong. When we talk about Teddy Roosevelt, we talk about competition and how competition makes things stronger. Competition in sports, competition in business. What we are saying is you have got to have competition in the drug industry. Right now they hide behind the protection of the FDA. We are saying that that has to stop.

I will give the gentleman one more example. My 83-year-old father, unlike some of the politicians' stories, really does take Coumadin. It is a blood thinner. The average price here in the United States for a 30-day supply is about $28. That same drug in Switzerland sells for $2.85. The President and the Vice President and a lot of people on both sides of the aisle say, ''We've got to have prescription drug coverage for seniors.'' But one of the seniors at my town hall meetings said it so well. He said, ''If you think drugs are expensive today, just wait till the government provides them for free.'' If we do not solve this price side of this problem, we will never be able to solve the coverage side. I support the coverage side. I think it is time to have a benefit as part of Medicare that includes prescription drugs. I think that is the right thing to do. But you will never get there, you will never be able to afford that benefit if we do not create some competition in the United States so that Americans have access to world market prices. It is the only area I know of where the world's best customers pay far and away the world's highest prices.

We are making progress. The President has now embraced our bill. Congressional leaders on both sides have embraced our bill. But the FDA and the drug companies are not exactly embracing our bill. As we speak, they are trying to throw more and more grit into the gears to try and slow this thing down. I do believe that ultimately, because we are in the Information Age, this is going to happen. You cannot hold back markets. Shortly after the Soviet flag came down for the last time over the Kremlin, a headline was written and it was so powerful, because what it said was, markets are more powerful than armies. If you think about it, the Soviet experiment was 70 years of the government trying to hold back markets. It cannot be done, particularly in the Information Age. We are going to win this fight. We are going to see prescription drug prices in the United States come down by at least 30 percent. And with those savings, and the estimates are next year we are going to spend $150 billion in this country on prescription drugs, a 30 percent savings, I am not good in math but that works out to $45 billion in savings for American consumers. With some of those savings we can begin to create a better safety net, a better program, some kind of a benefit that will take care of those seniors that currently fall through the cracks.

I want to thank the gentleman for all his help. It has been bipartisan. We have the gentleman from Vermont (Mr. SANDERS), we have got a lot of Democrats who have joined us, the gentleman from Maine (Mr. BALDACCI), lots of Democrats have helped us on this. It is not a partisan issue. I always tell people this is not a debate between the right and the left. This is a debate between right and wrong and it is wrong to make American consumers pay the world's highest prices.

Mr. GANSKE. I would point out that on the House appropriations bill, we have passed an amendment in a bipartisan fashion, 375–12, to allow the reimportation of prescription drugs back into the United States. And on the Senate side, the vote was about 75 for allowing reimportation. Here is where we are on the specifics of the legislation as I understand it today in talks that are ongoing with the White House and between congressional leadership

and, that is, that there is an issue on labeling. The prescription drug companies want to try to get a provision into this bill that would say that if the label is at all different, then you cannot bring the drug back in. Those labels frequently will be written in the foreign language of the country that they are in, not necessarily the instructions inside the box, the instructions inside the box could easily be just like the instructions inside the box of a DVD that you would buy. In other words, they would be written in English, German, Spanish, French, so that you would have the same information, but the drug companies are trying to prevent the reimportation by saying that if there is anything different on the label, then it cannot come back in. We need to make sure that that type of loophole is not allowed into it.

Then the drug companies are looking at ways where they can write contracts with wholesalers and retailers overseas, restrictive contracts that would say that they cannot send those drugs back into the United States. That would be totally gutting the bill if they were allowed to do that. We cannot allow the pharmaceutical companies to put a provision into a bill saying that they can write contracts that would be exclusive contracts and not allow for the reimportation.

On the safety issue, honestly I believe that prescription drugs that are made in the United States, shipped overseas, can safely be reimported. The Secretary of Health and Human Services Donna Shalala says that we think that the FDA can monitor the safety of drugs coming back into the United States. Just give us about $24 million more to beef up our inspection service in the FDA and we think we can do it safely and effectively. $24 million is a drop in the bucket compared to the billions of dollars that consumers in this country would save by having increased competition.

I just have to reinforce what my colleague has said. We are talking about increased competition. We are not talking about price controls. We are talking about really letting the market work, whereas right now there is a special protection for those products that almost no other industry has. Do our farmers have that kind of protection? We are dealing with a global market. Our farmers when they sell their corn and beans, that sale price is determined by how many acres are planted in Brazil. They are dealing with a global market. So are our appliance makers. So is our entire economy if we are selling financial services. It is a global market. There is no reason why one industry should have such a special protection when we can safely and effectively administer the reimportation.

Finally, I just want to point out, the negotiations with the White House are primarily going on about whether to allow wholesalers and retailers to reimport prescription drugs. I think the gentleman from Minnesota would agree with me 100 percent, this should not be just for wholesalers and retailers. This should be for individuals as well. And at a bare minimum we ought to delete that law that says that the Customs Department and the Food and Drug Administration can send threatening letters to citizens from this country if they would purchase prescription drugs overseas.

Mr. GUTKNECHT. The gentleman is exactly right. I think that it has to be about allowing the local pharmacies and other groups to import, but most importantly, if nothing else happens this year, we ought to make it very clear to the FDA that as long as it is an FDA-approved drug, made in an FDA-approved facility, they should stop threatening American seniors for trying to save a few bucks on prescription drugs. It is immoral for them to send threatening letters to 87-year-old widows trying to save $15 on a prescription or $20 or maybe $100, whatever it happens to be. For our own FDA to be the bully in this whole debate, it seems to me is outrageous. Now, if it is an illegal drug, then absolutely it ought to be stopped at the border. But if it clearly is an FDA-approved drug made in an FDA-approved facility, for them to be allowed to send threatening letters to our seniors ought to stop and it ought to stop the day the President signs that bill. I feel very strongly about this. Yes, we want to do it for everybody.

Let me come back just real briefly to the whole issue of safety. One of the arguments and we have seen ads, in fact I think the pharmaceutical industry spent something like $400 million this year lobbying and advertising on this issue, it is the Henny Penny, the sky will fall. People just have to think what we can do today with today's technology. There is a software company in Minneapolis that was one of the people who developed the bar coding technology that is now being used in almost every hospital, where they bar code the pharmaceuticals and they put a bar-coded bracelet on everybody. They know exactly when you got your Prilosec or whatever drug was given to you. That technology is there today, could be modified and we can make certain that every product that comes off the line, whether the plant is in Switzerland or Indianapolis, that that is in fact what it says and that it was made on such and such a date at such and such a time, we can check that instantly with today's technology. Not only that, we have got tamperproof containers today that we did not have in 1980. Finally, we can bar code boxes. I do not know when the last time you got a package from Fed Ex or UPS or the post office but almost all of them now have bar coding technology. They know where that package is almost at any moment from the time you deliver it to the parcel delivery service to the time it is electronically signed for. The idea that we cannot protect this commodity when it is going from Great Britain or Geneva to the United States is just outrageous. That is not true. We have the technology.

Finally, let me say, how safe is safe? The truth of the matter is, sometimes people here in the United States get the wrong prescription, or even when they get the right prescription in the right dosage, some people will have adverse reactions. The gentleman mentioned our farmers. Every day hundreds of thousands of pounds of food go across our borders with very, very little inspection by the Food and Drug Administration. But somehow we have to build a wall a mile high to keep out pharmaceuticals. That is just not good common sense. That is all we are really asking for, is some competition and some common sense.

I do not like price controls. The way to break the backs of price controls in other parts of the world is open up the markets. But what will happen is American consumers on a net basis will see their costs go down while the rest of the world starts to pay their fair share.

Mr. GANSKE. I think that this is a very important issue. There are competing plans for more comprehensive pharmaceutical benefits in Medicare. They are caught up right now in presidential politics as well as partisan politics with the elections coming up. But this is something that we have been able to already vote on in both the House and in the Senate in a very bipartisan manner. Would this solve the total problem? No. But it would be an important step forward. I do think that it would result in more competitive and lower priced prescription drugs in this country. It would take a little while for the implementation of the rules that the FDA would make in terms of being able to inspect periodically reimported drugs. So I do not think it would be an immediate benefit. We might not see it in the first 6 months or maybe even year after the implementation, but very shortly I think it could be implemented. And I think that the administration has come to the conclusion that this can be done safely, too. Otherwise, Secretary Shalala would not have said we think that with some small amount of additional funding for the FDA, we can adequately protect American consumers on the reimportation of drugs.

I would point out that as the gentleman already has that food passes back and forth across our borders rather freely. It is inspected periodically. But there are pathogens that can appear on food that can be life-threatening, too. Yet we do not say that there can be no international trade on food. And so this is something that we ought to get done before we finish up. I truly encourage our leadership and the administration to work together in good faith and not to be unduly swayed by attempts by the pharmaceutical industry to put in provisions that would in essence continue this practice of protectionism.

Mr. GUTKNECHT. I would just thank the gentleman again for this special order. If I could just say that the two of us came in 1994 and hopefully, with the blessing of our voters in our district, we are going to be back next year to continue to fight in that Teddy Roosevelt tradition, to create more competition, whether it is in the pharmaceutical industry, whether it is with packers and stockyards, because at the end of the day one of the rules of the Federal Government is to ensure that there will be adequate competition, that there will be a level playing field, and that everybody has a chance to succeed in this marketplace.

□ 1000

So we are going to be back next year, regardless of what happens on either of these issues. We are going to continue to press the envelope, and the spirit of Teddy Roosevelt is still alive and well here in Washington.

RECESS

The SPEAKER pro tempore (Mr. PEASE). Pursuant to clause 12 of rule I, the Chair declares the House in recess, subject to the call of the Chair.

Accordingly (at 10 p.m.) the House stood in recess, subject to the call of the Chair.

□ 2317

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Mr. DREIER) at 11 o'clock and 17 minutes p.m.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 4828, STEENS MOUNTAIN WILDERNESS ACT OF 2000

Mrs. MYRICK, from the Committee on Rules, submitted a privileged report (Rept. No. 106–930) on the resolution (H. Res. 609) providing for consideration of the bill (H.R. 4828) to designate wilderness areas and a cooperative management and protection area in the vicinity of Steens Mountain in Harney County, Oregon, and for other purposes, which was referred to the House Calendar and ordered to be printed.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. BROWN of Ohio) to revise and extend their remarks and include extraneous material:)

Mr. BROWN of Ohio, for 5 minutes, today.

Mr. CARDIN, for 5 minutes, today.

Mr. BLUMENAUER, for 5 minutes, today.

Mr. PALLONE, for 5 minutes, today.

Mr. FILNER, for 5 minutes, today.

Mr. WISE, for 5 minutes, today.

Mr. ENGEL, for 5 minutes, today.

Ms. MILLENDER-MCDONALD, for 5 minutes, today.

(The following Members (at the request of Mr. GUTKNECHT) to revise and extend their remarks and include extraneous material:)

Mr. SIMPSON, for 5 minutes, October 5.

Mr. PETERSON of Pennsylvania, for 5 minutes, today.

Mr. BILIRAKIS, for 5 minutes, October 10.

ENROLLED BILLS SIGNED

Mr. THOMAS, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker.

H.R. 3363. For the relief of Akal Security, Incorporated.

H.R. 4115. To authorize appropriations for the United States Holocaust memorial museum, and for other purposes.

H.R. 4733. Making appropriations for energy and water development for the fiscal year ending September 30, 2001, and for other purposes.

H.R. 4931. To provide for the training or orientation or individuals, during a Presidential transition, who the President intends to appoint to certain key positions, to provide for a study and report on improving the financial disclosure process for certain Presidential nominees, and for other purposes.

H.R. 5193. To amend the National Housing Act to temporarily extend the applicability of the downpayment simplification provisions for the PHA single family housing mortgage insurance program.

SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 704. An act to amend title 18, United States Code, to combat the overutilization of prison health care services and control rising prisoner health care costs.

S. 179. An act to designate the Federal courthouse at 145 East Simpson Avenue in Jackson, Wyoming, as the ''Clifford P. Hansen Federal Courthouse''.

ADJOURNMENT

Mrs. MYRICK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 11 o'clock and 18 minutes p.m.), the House adjourned until tomorrow, Wednesday, October 4, 2000, at 10 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 8 of rule XII, executive communications were taken from the Speaker's table and referred as follows:

10422. A letter from the Chairman, Federal Deposit Insurance Corporation, transmitting the Annual Report for the calendar year 1999; to the Committee on Banking and Financial Services.

10423. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting certification of a proposed transfer of major defense equipment from the Government of Israel [Transmittal RSAT–2–00], pursuant to 22 U.S.C. 2776(d); to the Committee on International Relations.

10424. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting certification of a proposed license for the export of defense articles or defense services sold commercially under a contract to South Korea [Transmittal No. DTC 130–00], pursuant to 22 U.S.C. 2776(c); to the Committee on International Relations.

10425. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting a notice, in accordance with Section 42(b) of the Arms Export Control Act, that the Government of Egypt has requested that the United States Government permit the use of Foreign Military Financing for the sale and limited coproduction of 13 M88A2 tank recovery vehicle kits; to the Committee on International Relations.

10426. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting the Department's final rule—Passport Procedures—Amendment to requirements for executing a passport application on behalf of a minor—received October 2, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on International Relations.

10427. A letter from the Chairman, Federal Maritime Commission, transmitting a Strategic Plan covering the program activities through fiscal year 2005; to the Committee on Government Reform.

10428. A letter from the Administrator, National Aeronautics and Space Administration, transmitting the NASA 2000 Strategic Plan (Enclosure 1); to the Committee on Government Reform.

10429. A letter from the Chairman, Nuclear Regulatory Commission, transmitting the Commission's Strategic Plan for Fiscal Years 2000 through 2005; to the Committee on Government Reform.

10430. A letter from the Director, Office of Federal Housing Enterprise Oversight, transmitting the Strategic Plan for Fiscal Year 2000–2005; to the Committee on Government Reform.

10431. A letter from the Acting Director, Office of Government Ethics, transmitting the Strategic Plan for Fiscal Years 2001–2006; to the Committee on Government Reform.

10432. A letter from the Board Members, Railroad Retirement Board, transmitting the Board's Strategic Plan for 2000 through 2005; to the Committee on Government Reform.

10433. A letter from the Secretary of Health and Human Services, transmitting the Department's Strategic Plan for Fiscal Years 2001 through 2006; to the Committee on Government Reform.

10434. A letter from the Secretary of Transportation, transmitting the Department's Strategic Plan for Fiscal Years 2000 through 2005; to the Committee on Government Reform.

10435. A letter from the Assistant Attorney General, Office of Justice Programs, transmitting the annual report of the Office of Justice Programs, Fiscal Year 1999, pursuant to 42 U.S.C. 3712(b); to the Committee on the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk