

the historic preservation of the Customs House, the Old South Meeting House, and Faneuil Hall. He worked tirelessly for the citizens of Walpole during the sludge landfill debate. Fred also provided critically important legal research during the lawsuit involving Massachusetts and the 1990 Census. In fact, his hard work help lay the groundwork for Massachusetts' prevailing in the historic census Supreme Court case.

But it is not just these grand issues that which Fred devotes himself. Indeed, I know that he takes great pleasure in helping a veteran in Brockton get his benefits, helping students in Taunton find financial aid, and helping people find safe and affordable housing in South Boston.

Fred has always enjoyed a commitment to politics and to public service. He has been involved in political campaigns at all levels. He ran his father, Fred Sr.'s successful election and re-election to the Board of Selectmen in his hometown of Easton. He has run many of my campaigns for re-election to the U.S. House of Representatives. In 1988, he worked at the Democratic Convention in Atlanta and helped organize Governor Mike Dukakis's campaign for President in St. Louis, MO. Fred enjoys all levels of campaign activities, from designing political messages and strategies, to organizing efforts to get people out to vote, to walking the neighborhoods doing literature drops. He believes in good old-fashioned democracy and feels lucky to be a part of it. He leads by his example of hard work and devotion to the causes he supports.

Fred has proven himself to be a wonderful son and brother, a caring and devoted husband and father. His loyalty and commitment to his friends and coworkers has earned him their continued admiration and support.

Fred has been my dear friend, my trusted advisor, and a tireless advocate for my constituents. I have watched him grow both, professionally and personally. I have been blessed by his service. I hope he will pause to reflect and enjoy this well-deserved acknowledgement of his hard work and dedication.

PERSONAL EXPLANATION

HON. LYNN N. RIVERS

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 23, 2000

Ms. RIVERS. Mr. Speaker, I inadvertently voted "yes" on rollcall vote 41—H.R. 3081. It was my intention to vote "no" on rollcall vote 41—H.R. 3081.

INTRODUCTION OF THE SAVE MONEY FOR PRESCRIPTION DRUG RESEARCH ACT OF 2000

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 23, 2000

Mr. STARK. Mr. Speaker, I introduce the Save Money for Prescription Drug Research Act of 2000, a bill to deny tax deductions to drug companies for certain gifts and benefits, but not product samples, provided to physicians and to encourage use of such funds for pharmaceutical research and development.

In its January 19, 2000 issue, the Journal of the American Medical Association (JAMA) published a critical examination of the extent to which physicians interact with the pharmaceutical industry. The study found that U.S. drug companies spend more than \$11 billion per year on drug promotion and marketing that is, an estimated \$8,000 to \$13,000 per physician is spent on drug company gifts every year. These promotions include "gifts" such as free meals, travel subsidies, sponsored teachings, drug samples, and recreational benefits such as sporting event tickets and golfing fees, to name just a few. According to JAMA's analysis, physician-industry interactions appear to affect prescribing and professional behavior and should be further addressed at policy and education levels.

Over the years, I have personally received numerous examples of outlandish drug company gifts to physicians. One memorable example came from a physician who sent me a sample of perks he received over the course of one week. The week started with an invitation to the horse races—including a private suite, lunch and open bar from noon to 3:00 pm. Only a day later, he was offered free dinner at a fine restaurant where meals averaged \$25/plate, and on the next day he received major league baseball tickets for the entire family.

As yet another example of industry-physician interaction. I would like to insert in the RECORD, a March 9, 2000 USA Today article. This article describes a growing trend among advertising and marketing firms to sponsor physician continuing medical education courses that doctors in 34 states need to keep their licenses. These marketing firms are paid by drug companies and often hire faculty to teach these courses and educate medical professionals about their sponsors' products. This provides drug companies with another opportunity to impact physician prescribing practice and attitudes while increasing their company profits.

At my request, the Congressional Research Service (CRS) last December completed an analysis of the tax treatment of the pharmaceutical industry. The conclusion of that report is that tax credits contributed powerfully to lowering the average effective tax rate for drug companies by nearly 40% relative to other major industries from 1990 to 1996. For this reason, I introduced the Prescription Price Equity Act of 2000 to deny research tax credits to pharmaceutical companies that sell their products at significantly higher prices in the U.S. as compared to their sales in other industrialized countries. The U.S. government already provides lucrative tax credits to the pharmaceutical industry in this country, making additional tax deductions seem particularly unnecessary.

The pharmaceutical industry reaps billions in profits every year and certainly does not need excessive tax breaks. Fortune magazine rates the pharmaceutical industry as the most profitable business in America. The average compensation for 12 drug company CEOs was \$22 million in 1998. Likewise, CRS reported that after-tax profits for the pharmaceutical industry averaged 17%—three times higher than the 5% profit margin of other industries.

Although U.S. drug companies claim their exorbitant profits are justified by the high cost of research and development, pharmaceutical companies generally spend twice as much on

marketing and administration as they do on research and development. In fact, some companies are guilty of spending even more than twice as much on advertising/administration expenses. For example, Merck & Pfizer spent only 11% of revenues on R&D in 1997, and spent more than twice that amount (28%) on administration and marketing making available an abundance of funds for generous drug company "gifts."

Research and development is a much more important pharmaceutical expenditure than the billions of dollars wasted on drug company gifts to physicians. Our nation has reaped great rewards as a result of pharmaceutical research; pharmaceutical and biotech research have discovered life-saving cures and treatments for ailments that afflict our society. But drug companies can do more. If the pharmaceutical industry would stop wasteful spending on promotions and spend instead on R&D, think of all the additional lives that could be saved.

Currently, one third of Medicare beneficiaries have no coverage for prescription drugs and two-thirds of beneficiaries have no coverage or unreliable drug coverage. Over half of our most vulnerable are above the poverty level. That's why I've introduced H.R. 1495, Access to Prescription Medications in Medicare Act. This bill provides a universal, comprehensive Medicare drug benefit with a \$200 deductible and 20% coinsurance for seniors up to \$1,700 per year. Seniors with very high drug expenses get 100% of their drug costs paid by Medicare (i.e., stop-loss) after \$3,000 in annual out-of-pocket spending.

The need for this bill is clear. Denying the pharmaceutical industry the ability to deduct expenditures for certain gifts and benefits to physicians is a critical step in providing Americans with access to more life-saving drugs. By redirecting drug company promotional expenditures to their R&D budgets, the American public should reap the benefit of increased medical breakthroughs. To the extent the companies do not redirect these expenditures to R&D, the denial of the tax deduction will help finance a Medicare prescription drug benefit to ensure that our nation's seniors and disabled have access to the medications they need.

A TRIBUTE TO COL. JOSEPH D. HUGHES, JR.

HON. MIKE MCINTYRE

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 23, 2000

Mr. MCINTYRE. Mr. Speaker, today I pay tribute to Col. Joseph D. Hughes, Jr., who is retiring from the North Carolina National Guard after 37 years of service to the Tar Heel State.

As superintendent of the Maneuver Area Training Equipment Site at Fort Bragg, NC for the past 11 years, Colonel Hughes has been responsible for a variety of tasks, including supervision of essential personnel and maintenance of defense equipment. Through each of these duties, Colonel Hughes has performed admirably and thoroughly. In addition, Colonel Hughes has worked with my Fayetteville district office on a variety of issues to assist the citizens of the seventh congressional district. For his service to our region, our State, and