

that are in the high prices of corporations, we need to take some of those revenues and put them into research and development and into training workers.

Mr. Speaker, we have a transition period here, a period which will go on for some time still to come where these great downsizings will make more people unemployed. Something needs to be done during this transitional period. Nobody knows where capitalism will go. It is not planned. No one wants to stop progress, but you need to take some steps to deal with it, and one of the steps that should be taken is to balance the tax burden by taking more revenue from corporations.

Corporations now pay only 11 percent of the total tax burden. Individuals are paying 44 percent. That is ridiculous. We need to bring down taxes for individuals and raise taxes on corporations to get enough revenue to sustain the programs that need to be sustained for education and for job training.

Mr. Speaker, I am rushing, because I do not want to take too much time today. We will expand on this in the future. We need a creative revenue commission, a commission similar to the base closings commission, which will look at the revenue situation, look at the fact that over the years corporations have gone down from paying almost 40 percent of the tax burden to paying now only 11 percent of the tax burden. At one point, under Ronald Reagan, it went down to 8 percent of the total tax burden.

The Committee on Ways and Means has swindled the country. The Committee on Ways and Means, part of this body, and other taxing authorities, have allowed a situation to be created where the burden is very lopsided. One of the things that a tax commission could do is find ways to raise the taxes on corporations, pull out more revenue from corporations while you are lowering families and individuals, and use the money that you get to pour it into education, research and development, and job training.

I am going to end at this point, Mr. Speaker. There are a lot of proposals on the board: Flat tax proposals, consumption tax proposals, various proposals that are on the drawing board for such a commission to examine. I would want to add to that an anti-monopoly tax, where any industry which gets more than 25 percent of the market would have to pay a surcharge because it has an advantage that does not need as great an expenditure.

I would also add that something should be done about the banking and financial industry, to recapture the almost \$300 billion that the American taxpayers have put out through the Federal deposit insurance to bail out the savings and loan associations. All of the industries in the banking field and related financial institutions ought to have a surcharge put on them to collect back some of that money. There are a number of creative propo-

sitions by which we could get more revenue instead of focusing only on cuts.

Yes, we should downsize government; yes, there is waste, but there is a great problem. We need to balance the tax burden at the same time that we are trying to balance the budget. In doing that, we will produce a situation where the workers of America, the children of America, the families of America would have more to look forward to in terms of facing these tremendous radical changes that are presently taking place in our economy and our society.

The material previously referred to is as follows:

[From the New York Times, Sept. 3, 1995]

COMPANIES MERGE, FAMILIES BREAK UP

(By Lester C. Thurow)

No country without a revolution or a military defeat and subsequent occupation has ever experienced such a sharp shift in the distribution of earnings as America has in the last generation. At no other time have median wages of American men fallen for more than two decades. Never before have a majority of American workers suffered real wage reductions while the per capita domestic product was advancing.

So on Labor Day this year, as with a lot of Labor Days, most laborers don't have a lot to celebrate. The median real wage for full-time male workers has fallen from \$34,048 in 1973 to \$30,407 in 1993.

Wages of white men are falling slightly faster than those of black men, and the young have been clobbered; wages are down 25 percent for men 25 to 34 years of age. Median wages for women didn't start to fall until 1989, but are now falling for every group except college-educated women. The pace of decline seems to have doubled in 1994 and early 1995.

The tide rose (the real per capita gross domestic product went up 29 percent between 1973 and 1993), but 80 percent of the boats sank. Among men, the top 20 percent of the labor force has been winning all of the country's wage increases for more than two decades.

Adding to the frustrations, the old remedy for lower wages—more education—no longer works. True, wages of males with only a high school education are falling faster than the pay of those with college degrees. But investing in a college education doesn't get one off the down escalator and onto an up escalator—it merely slows one's descent.

No one knows exactly how much of the decline can be traced to any particular cause, but we do know the set of causes that has been responsible.

New production and distribution technologies require a much better educated work force. If decisions are to be pushed down the corporate hierarchy, those at lower levels have to have skills and competency beyond what was required in the past.

With our global economy, where anything can be made anywhere and sold everywhere, the supply of cheap, often well-educated labor in the third world is having a big effect on first-world wages. One month's wages for a Seattle software engineer get the same company an equally good engineer in Banagalore, India, for a year. Ten million immigrants entered the United States during the last decade, competing for jobs and lowering wages.

American companies are moving production overseas, using new technology to replace workers, engaging in mega-mergers such as this week's Chase-Chemical deal, and otherwise downsizing. Each year more than a half-million good jobs are eliminated by the

nation's most prestigious companies. More new jobs are being generated in the service sector, but they come with lower wages and fewer fringe benefits.

With the death of Communism and, later, market socialism as economic alternatives, capitalists have been able to employ more ruthless approaches to getting maximum profits without worrying about political pressure. "Survival of the fittest" capitalism is on the march.

What economists call "efficiency wages" (a company paying higher salaries than the minimum it needs to pay, so that it gets a skilled, cooperative, loyal work force) are disappearing to be replaced by a different form of motivation—the fear of losing one's job.

Falling real wages have put the traditional American family into play, as the one-earner middle-class family becomes extinct. With children needing ever-more-costly educations for ever-longer periods of time, the cost of supporting a family is rising sharply just as earnings plunge.

Thirty-two percent of all men between 25 and 34 years of age earn less than the amount necessary to keep a family of four above the poverty line. Mothers have to work longer hours if the family is to have its old standard of living.

Children exist but no one takes care of them. Parents are spending 40 percent less time with their children than they did 30 years ago. More than two million children under the age of 13 have no adult supervision either before or after school. Paying for day care would use up all or most of a mother's wages.

In the agricultural era, children had real economic value at a very early age. Students who use college loans owe their parents less. Living thousands of miles apart, families lose track of one another. The family is no longer the social welfare system when one is disabled, old or sick, and it will not resume these duties even if the state were to withdraw.

The traditional family is being destroyed not by misguided social welfare programs coming from Washington (although there are some Government initiatives that have undermined family structure) but by a modern economic system that is not congruent with "family values."

Beside falling real wages, America's other economic problems pale into insignificance. The remedies lie in major public and private investments in research and development and in creating skilled workers to insure that tomorrow's high-wage, brain-power industries generate much of their employment in the United States.

Yet if one looks at the weak policy proposals of both Democrats and Republicans, "it is a tale, told by an idiot, full of sound and fury, signifying nothing."

CUTS IN MEDICARE

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentleman from New Jersey [Mr. PALLONE] is recognized for 60 minutes as the minority leader's designee.

Mr. PALLONE. Mr. Speaker, again, I would emphasize that I do not intend to use the majority of that time, but I would like to take the time that I plan to use to talk about medicare and what reaction I received during the last 4 weeks when we were having our August district work period.

I found through visiting my constituents and having forums and trying to

address them, in particular on the medicare issue, that many of them were not aware of the challenges that face medicare when we come back in September at this time. But when they were told about the level of cuts, the \$270 billion in cuts that have been proposed by the Republican leadership, and are included in the Republican budget that was adopted last spring, they were very concerned about the impact that that record level of cuts in the medicare program would have.

Mr. Speaker, I think they have every reason to be concerned because I feel very strongly that that level of cuts, the \$270 billion that has been proposed, cannot be implemented without major changes, negative changes, in the medicare program, and probably also without significant out-of-pocket, additional out-of-pocket expenses for senior citizens and those who take advantage of the medicare program.

I wanted to make a few points about these drastic cuts in medicare, if I could, tonight. The first point I would like to make is that the Republican sponsored medicare reductions really should come as no surprise, because 30 years ago, when medicare was first adopted, there was tremendous opposition to the medicare program by the majority of the Republicans in Congress, both in the Senate and the House of Representatives. In fact, the leading Republican presidential candidate now, Senator BOB DOLE, voted against the creation of the medicare program 30 years ago when he was a Member of this body, the House of Representatives.

If you look back at the record of key votes in the history of medicare, going back to 1960, when it was first being proposed, 97 percent of the Republicans in the Senate voted against the creation of the medicare program; and then, 2 years later, on July 17, 1962, 86 percent of the Republicans in the Senate voted against the creation of medicare. Later that year, on September 2, 1962, 85 percent of the Republicans in the Senate voted against the creation of medicare.

The same was essentially true in the House of Representatives, in this body. In 1965, when some of the key votes took place on April 8 of 1965, 93 percent of the Republicans in the House of Representatives voted for a Republican substitute which would have replaced the medicare program with a voluntary health insurance program for the elderly with no guaranteed financing and no guaranteed benefits. Then, on July 27, 1965, 49 percent of the Republicans in the House voted against the creation of medicare on the vote on the adoption of the conference report on the medicare bill.

Thus, many House Republicans who had voted for the Republican voluntary plan I mentioned before, turned around and also voted for the final Democrat sponsored medicare bill, perhaps out of fear of the wrath of their constituents once the medicare program finally got

started. Now that the Republicans are in power here again in both the House and the Senate, and we are talking 30 years later, they want to finance their tax cuts for those better off with Medicare cuts.

If you look at this budget that I talked about before, the one that was adopted back in April by the Republican majority here in the House and in the Senate, \$270 billion in Medicare cuts roughly translate into a tax cut to the tune of \$245 billion. So if you took a chart and you looked at the level of the Medicare cuts, it is pretty much the same as the level of the tax cuts that have been proposed.

I would maintain that although Medicare may need some minor reform, it is not as disaster prone as the Republicans are trying to portray it, and that, in effect, what they are doing with these Medicare reductions is basically budget driven and is not any effort to reform the Medicare Program.

Mr. Speaker, I have heard some of my colleagues in the House mention that the trustees' report on Medicare, that comes out every year, this year indicated that Medicare would be insolvent within 7 years. I would point out, however, that that is one of the longest periods of times projected for money to be available for the Medicare Program. If you look back at some of the trustee reports in prior years, they were for 2 years or 3 years before the program became insolvent.

The bottom line is that, historically, in Congress, we have tried to keep a short rein on the amount of money that is available in the future for Medicare so that it is not raided, so that the hospitals and other health care providers do not say, well, gee, there is this huge pot of money out there that will last us a long time, so why do we not raise our rates and why do we not, in effect, take some of that money to pay us as providers because of the need that we have.

So we cannot here in the House of Representatives or in Congress in general say that Medicare should have a huge pot of money that is available for the next 10 or 20 years, because the end result of that is that that money would probably be raided. We must keep it on a short rein.

□ 1915

Lester Thurow is not an isolationist. He believes in free markets, he believes in the global economy. Lester Thurow cannot be easily pinpointed or pigeonholed as a conservative or a liberal. What we do know is that he is an outstanding thinker, an outstanding economist. I think that some of the things that Lester Thurow had to say in this article last Sunday are absolute must reading for every American. Every adult American should begin to try to understand what is happening to them, what is the matter with our economy, what is affecting our culture, what is destroying our families. Here is an economist who started out from the

point of view of an economist and makes a very strong statement about American families.

Let me just share with you some of the paragraphs and some portions of Lester Thurow's article. Mr. Speaker, I ask unanimous consent that the entire article by Lester Thurow which appeared in the Sunday, September 3d New York Times be entered into the RECORD.

The first paragraph is the most shocking statement. The first paragraph should be emblazoned on the walls of this hall to remind all of us as to where we are right now. Mr. Thurow opens with this statement. Listen carefully: "No country without a revolution or a military defeat and subsequent occupation has ever experienced such a sharp shift in the distribution of earnings as America has in the last generation. At no other time have median wages of American men fallen for more than two decades. Never before have a majority of American workers suffered real wage reductions while the per capita domestic product was advancing." Mr. Speaker, that is the end of first paragraph of Mr. Thurow's article.

Mr. Speaker, it is so outstanding, and it does such a great job of summing up exactly where we are in this ongoing, radical change. It is under way already; it has been under way for two decades now, Mr. Thurow says. Let me just repeat: "No country, without a revolution or a military defeat and subsequent occupation, has ever experienced such sharp shift in the distribution of earnings as America has in the last generation. At no other time have median wages of American men fallen for more than two decades. Never before have a majority of American workers suffered real wage reductions while the per capita domestic product was advancing." Mr. Speaker, that is the end of the quote from Mr. Thurow's first paragraph.

Mr. Speaker, I suppose it is very significant that Mr. Thurow's article appears on Sunday, September 3, the day before Labor Day where we do pay some homage to the working people of America. On Labor Day we stop and consider the plight of the workers or the conditions of workers, and it is quite appropriate that this article should appear on that day.

Mr. Speaker, I serve on the Committee on Economic and Educational Opportunities that used to be called the Education and Labor Committee. There was a time when the official Government of America paid more recognition and homage to organized labor. Just a year ago we had a committee with labor in the name of it.

But now the Education and Labor Committee is no more, it is called the Committee on Economic and Educational Opportunities, and none of the subcommittees have the name labor in them. The change in name is reflective of the change in attitude, because a

massive war has been declared on organized labor and on workers in America. Let me just get that straight. Because workers in America all need a wage increase. A raise in the minimum wage is not just for people who are unionized, a raise in the minimum wage benefits all workers, and most of the workers who are working at minimum wage now and who would benefit from an increase in the minimum wage are not unionized. Most unionized workers are making more than the minimum wage.

It has been proposed by President Clinton and by Democrats in Congress that we raise the minimum wage two steps, a mere 90 cents, and that has met all-out war. The leadership of the majority Republicans have declared, never. Never will we permit minimum wages to move forward at all. So minimum wages benefit all workers. There is no consideration in the program of the majority for relieving workers of the wages that have led to the condition that Mr. Thurow is describing here in the first paragraph.

Mr. Speaker, in addition to not tolerating any discussion of forward movement on minimum wage, the majority Republicans here have declared war on workers on a massive basis. Speaker GINGRICH uses the phrase that politics is war without blood. Well, they have declared war on workers and war on organized labor.

We have a whole series of bills that have been introduced which seek to undercut the gains of the last 50 years for working Americans. We have bills that have been introduced which will radically change OSHA. OSHA is the safety agency, the Agency which is responsible for workplace safety. We have a bill which is designed to curb the activities of the National Labor Relations Board. We have a bill which is designed to cut the budget drastically and curb the activities of MSHA, the mine safety agency. We have a bill which is designed to undercut the organization of workers called the Team Act, which is allowing employers to select the people who are going to be the collective bargaining agents.

We have a number of bills of that kind which are stymied in the sense that they have to move through a two-stage process. They have to go through the House where there are definitely enough votes. The Republican majority has enough votes to make certain that they pass. They also have to go through the Senate. That is a slow process.

So what has the Republican majority of the House decided to do? They have taken the appropriations bills and they have used the appropriations bills to legislate these changes. They do not have authorizing legislation to deal with the gutting of OSHA and the destruction of safety measures for American workers, so they have cut OSHA by more than 30 percent, about 33 percent in the appropriations process.

In the appropriations process they have put in language which says, no

funds may be used for certain activities. They cannot even study ergonomics. Ergonomics, which is a serious problem where workers who are involved in repetitive motion have well-identified ailments and problems and we cannot even study that anymore. So there is an onslaught on working people and an onslaught on organized labor which is very significant in light of the fact that Mr. Thurow says, these people that you are waging war against have already suffered greatly in the last two decades.

Mr. Speaker, let me just continue reading from Mr. Thurow's article. Another paragraph reads as follows: "The tide rose, the real per capita gross domestic product went up 29 percent between 1973 and 1993, but 80 percent of the boats sank. Among men, the top 20 percent of the labor force has been winning all of the country's wage increases for more than two decades."

Twenty years. For more than 20 years, the men at the very top already are the only ones who have been winning the wage increases. Listen closely again. "The tide rose, but 80 percent of the boats sank." Remember Ronald Reagan invented the slogan, all tides will rise if you cut taxes and you take care of corporations and you deal with providing maximum benefits for the rich, they will invest and all tides will rise, everybody will benefit.

Well, here is an economist who says that, it worked in terms of the tide rising from 1973 to 1993, a 20-year period. But 80 percent of the boats sank; 80 percent of the American population does not benefit from this great prosperity that we have experienced in the last 20 years and are still experiencing.

Mr. Speaker, let me just pause for a moment, because I think it is very important that we consider that Mr. Thurow later on offers no solutions, but consider the fact that for a small percentage, for 20 percent, we have great prosperity. Wall Street is booming, profits are higher than ever before. These are the benefits of technology, computerization, automation, all kinds of various technological changes, most of which are the result of Government research, most of which are driven by the fact that in our defense race, in our military arms race with the Soviet Union we did tremendous amounts of research.

Since World War II tremendous amounts of research have laid the basis for much of the booming economy that we have today. One of the biggest beneficiaries has been the telecommunications industry. Telecommunications benefits all the way from computerization and miniaturization of parts which were perfected first in Government research trying to get things together for our missiles and our space program, all the way to satellites that are up there in the atmosphere now, satellites that were perfected and developed by the Government.

The biggest industry in terms of the hardest industry in terms of dollars, in

terms of transaction is the communications industry, telecommunications and media. All of those have benefited. They have benefited from the public expenditure, the public participation. But now, only 5 percent of the population benefits from the profits. Part of the solution to the long-term problem lies in the recognition of the fact that there should be some sharing of those benefits, that the small percentage of Americans are reaping as a result of the effort made by the larger mass of society. Sharing that is part of where the answer to the problem lies.

Mr. Speaker, let me just continue to read from Mr. Thurow again:

New production and distribution technologies require a much better educated force, a much better educated force. If decisions are to be pushed down the corporate hierarchy, those at lower levels have to have skills and competency beyond what was required in the past. With our global economy where anything can be made anywhere and sold everywhere, the supply of cheap, often well-educated labor in the third world is having a big effect on first world wages. One month's wages for a Seattle software engineer gets the same company an equally good engineer in Bangalor, India for a whole year. One month's wages for an engineer, a software engineer gets the same company an equally good engineer in Bangalor, India for a whole year.

Consider the implications of that. You have heard a lot about unskilled jobs and manufacturing jobs leaving the country. Well, here are jobs for which a college degree is required. Here are jobs which require extensive training and experience, and you can go overseas and get the same quality of workers for one-twelfth the cost of the worker. I think engineers probably do not like to be called workers. They are professionals. That is a great myth in this country.

Professionals think they are different, they are safe. Large numbers of people who did not join unions are now talking about forming associations, in order to deal with a situation where the country is being hijacked. The multinational corporations are ignoring the plight of the workers.

Corporations are not in business to take care of workers. Corporations are not in business to make America great. Corporations are not in business to promote national security. There are a lot of things we have been led to believe, but which are just ridiculous. Corporations are in the business to make money and that is what they are supposed to do. Nobody should worry about that. They are there for profit and that is their business. All power to corporations to make profits.

Government and the people who run the Government, Congressmen, Members of the House of Representatives and Members of the Senate, the President, Government has the responsibility of taking care of the country, of seeing that our society is not destroyed, of seeing that families are not destroyed. Whatever is necessary to be

done now is up to us, not to corporations. Let them go. They will do whatever they can to increase their profits. That is their business.

□ 1945

The Republican plan to reduce Medicare funding by this \$270 billion I believe is going to force seniors to pay out of their pocket as much as \$1,000 per year over the next few years. The biggest problem, though, is that right now we really do not know what the Republican leadership is going to suggest as a means of implementing this major reduction in Medicare. If we look at some of the proposals that are out there, we can see that they are devastating, but so far, there is not a specific proposal that we can examine in detail.

I am concerned that what we are going to see is that sometime toward the end of this month, in September, we are going to see a plan put forward at the last minute, without an opportunity for a great deal of debate, and it is going to be brought to the House floor in some manner through a procedural vote so that there are only a few hours or a few days or perhaps a little longer than that for this great national debate on how to change the Medicare Program.

I would say that that is essentially a stealth plan; to bring this up at the last minute, bring it up when there is not a lot of time for the public to review it, and then pass it. I think we have to guard against this stealth attack, and hopefully, certainly myself and others will bring it to the attention of the American public when this finally comes out, that there has not been enough time, and there should be enough time to review it in detail.

Mr. Speaker, this past month, in August, when we did have our district work period for about 4 weeks, I had the opportunity in my home State of New Jersey to join with the other Democratic Congressmen from my State to essentially try to put forward to the public through various means our concern about these Medicare reductions. We had a very successful bus trip around the State which started at the State House in Trenton and traveled from Trenton to Edison, in my district, and then to Elizabeth, and finally to North Bergen in Hudson County.

We expressed the concern, both myself, Mr. TORRICELLI, Mr. ANDREWS, Mr. MENENDEZ, and Mr. PAYNE, that the Republican plans of gutting Medicare would essentially end the Federal Government's 3-decade-old commitment to provide health coverage for older Americans.

We gave four top reasons, pursuant to our bus trip, we called it the Medicare Express, why the public should oppose the Republican Medicare cuts. I would like to highlight those four reasons now, if I could. One I already sort of hinted at, and that is that we are going to see dramatically increased health costs for seniors. We have to un-

derstand that this \$270 billion in cuts outlined in the Republican budget resolution is the largest cut in the history of Medicare. No matter how we figure it out, it is going to result in major out-of-pocket expenditures to our senior citizens, and increased costs essentially.

Second to that and just as important when we were out on the road and talking to seniors was the concern that we found on the part of senior citizens in New Jersey, and I am sure it is shared with the rest of the country, that the Republican plan will restrict choice and also reduce the quality of care; because essentially what I think we are going to see, and we have already heard some talk about that, is that on the House side, the Republicans have put forward this idea of a voucher plan, that somehow they will give senior citizens a check or a voucher, as it is called, and that the seniors then take that voucher or check to go out and buy their own health insurance in the private market.

I think a lot of people do not realize that Medicare now is a government-run program. If we simply give people a voucher and make them go out and buy their own health insurance, a lot of them are not going to be able to afford the existing what we call fee-for-service system, which allows them to choose their own doctor or their own hospital and then have the Government reimburse the doctor or the hospital for the care.

What will happen, I believe, is that if we do a voucher system, which again is budget-driven or cost-driven, a lot of seniors will find that they cannot buy a fee-for-service system that allows them to choose their own doctor or their own hospital with the amount of money they get in the voucher. Therefore, they will be forced into what we call HMO's or managed care systems, which basically prevent or limit seniors' choices with regard to doctors and with regard to hospitals.

That is why we, as Democrats, have been very suspicious of the Medicare cuts, not only because of the increased health costs for seniors, but also because if we move to a voucher system, where somehow we force senior citizens into a HMO, we are restricting their choice of hospitals and we are restricting their choice of physicians. In many cases many of the seniors have used the particular hospital or physician for 30, 40 years, and all of a sudden they will find they do not have a choice anymore.

However, the Medicare cuts not only harm seniors, they also harm all Americans, because if we look at what has happened in the past and what existed before the Medicare system was established 30 years ago, young families were often faced with the prospect of caring for a seriously ill elderly relative, and faced bankruptcy in order to care for that relative. Medicare has basically made it possible for young families to spend their hard-earned re-

sources on other things, other than seniors or their parents or grandparents' health care; for example, for their children's education. If we go back to a system where seniors do not have quality care or do not have sufficient care, then a lot of those costs are going to be borne by younger people and make it more difficult for them to do other things; for example, care for their children or their children's education.

Again, Mr. Speaker, I would stress that it really is not fair, because 30 years ago this Congress made a compact or a contract, if you will, with senior citizens that said that they would be provided with health care when they reached the age of 65. That contract is essentially broken if Medicare is gutted or if seniors do not have access to the doctors or hospital of their choice, or have quality care.

The Republicans on the Committee on the Budget have put forward a number of suggestions for implementing this \$270 billion cut in the Medicare program. They put together what they call a budget task force that came up with about over 30 recommendations about how to implement these cuts. I just wanted to highlight a few of them. I mentioned the voucher plan, which I think is the worst of all. However, some of the other ideas that were mentioned were increased premiums for new beneficiaries who use Medicare fee-for-service. In other words, if instead of going to a voucher system, you say to seniors,

Look, if you want to stay in a fee-for-service system where you choose your own doctor, as opposed to an HMO, we will simply make you pay more for that, for that type of a system, the one you have now.

The other option, of course, is to just increase deductibles or to increase copayments. Many seniors, most seniors know now, that there are deductibles and there are copayments for various services, so you could simply increase those and there would be more out-of-pocket expenditures.

However, the one thing that has not been highlighted very much, and I wanted to spend just a little bit of time on it today, because when I was back in my district in New Jersey and I went around, a lot of the people who showed up at either the forums or who called me were from hospitals who were concerned about the quality of care, and what it would mean to the hospitals if this program of Medicare cuts were to take place.

I was amazed when I got information from the State Hospital Association and from some of the hospitals in my 6th Congressional District about how these cuts, what these cuts would mean in terms of dollars, because so many of the hospitals in my part of the country, and I am sure in others, are so dependent upon Medicare, as well as Medicaid funding. Medicaid is the program, the health care program, for poor people. Medicare is, or course, the health care program for senior citizens.

If I could take as an example Monmouth Medical Center, which is in my hometown of Long Branch, which we did visit, and where I talked with the president of the hospital and some of the hospital executives about the problems that they would face with these levels of Medicare cuts, they estimated that at Monmouth Medical Center, which is the largest area hospital in my district, that the Monmouth Medical Center would lose an estimated \$77 million in Medicare payments over the next 7 years under this Republican proposal.

Interestingly enough, Monmouth Medical Center receives 55.17 percent, or a majority of its revenues, from Medicare and Medicaid. That figure is pretty much repeated for a lot of the other hospitals in my district. Jersey Shore Medical Center, which some people know recently had to lay off a lot of personnel, 56.29 percent of its revenues are from those two programs; Riverview in Red Bank, 51 percent; John F. Kennedy Medical Center in Edison, 59 percent; South Amboy Medical Center, also in my district, 57 percent.

Although the Republican congressional leadership has been vague about the specifics of their Medical proposal, it is inevitable that reductions in hospital spending will have to be a big part of this Medicare reduction package. The effects of these cuts will be felt throughout the community and force many hospitals to make some really tough choices. I think that we are going to see increasingly hospitals laying off staff, that is already happening to a lot of them, and many of the community benefits that hospitals now offer, such as multiple health screening centers, transportation services, and some of the clinics that are so important to a lot of people in my district and around the country would probably end up closing.

The reductions in Medicare spending that are being proposed by the Republican majority did not cover the additional costs of program enrollment growth plus inflation, so in other words, what we are doing here is we are not anticipating that a lot more seniors will be entering into the Medicare program and taking advantage of it when we estimate what these costs are going to mean.

I have a lot of other information, and I do not want to repeat it all. The bottom line is that increased Medicare admissions are a substantial part of the revenue that a lot of New Jersey hospitals receive, and we estimate through the hospital association, again, the New Jersey Hospital Association, that there are about 76 hospitals that would be on the critical list, in other words, either face closures or face significant downsizing if this Republican Medicare reduction takes effect.

Mr. Speaker, I would like to just mention a couple more things in a larger sense before I conclude today. Then I am going to yield some time to my friend, the gentleman from American

Samoa [Mr. FALEOMAVAEGA] who I think would like to use some of the time that I have remaining.

I cannot help, in discussing Medicare and the proposals that the Republican majority have put forward, not only with Medicare but also with Medicaid, the health care program for the poor, but think about what the situation was like in this House a year ago when the President had put forward a proposal for universal health coverage, and whether or not we liked President Clinton's proposals, and I frankly did, but whether or not you did or you did not, the focus of the debate in this House was on universal coverage, or at least trying to achieve an increase in the number of Americans that were covered by health insurance, rather than a reduction.

We talked then, a year ago, about the fact that there were something like 30 million to 40 million Americans that had no health insurance coverage. The bottom line is if we look at the statistics, that figure has only gotten worse since that time a year ago. A year ago we had fewer people that were uninsured, and we had the hope that we were going to try through some mechanism to cover if not all of them, then a significant portion of them.

Now one year later we face a situation where significantly more Americans, we estimate something like 43 to 44 million Americans, have no health insurance, yet, the focus in this House is on cutting back on the Medicare program for the elderly and the Medicaid program for the poor, which I would suggest ultimately is going to result in even more people entering the rolls of the uninsured.

Mr. Speaker, I would like to, if I could, just quote some excerpts from a recent editorial that was in the *Star Ledger* on September 3, which is the major, the largest daily circulation newspaper in the State of New Jersey. It says: "Last year at this time it was not just the major policy issue," talking about health care reform under discussion, "but almost the only one. This year, for all practical purposes, it", the health care reform agenda:

Does not exist. Despite the intensity of today's political debate, it plays no part in the dialogue.

One would think the problem of bringing health care coverage to the uninsured had disappeared, or miraculously been solved, except it has not. Things are worse. Last summer when President Clinton unsuccessfully pressed Congress to enact a system to provide universal health care coverage, estimates of the number of people without insurance ranged from 37 million to 39 million. This summer, with the fight for health care reform only a memory, the number of uninsured has increased. Estimates now range as high as 43.4 million. This means that one of six Americans is without coverage, and that does not take into account those who are underinsured and those who are paying scandalously high individual rates for their insurance. The number of uninsured will continue to grow rapidly.

The Clinton administration claims that Republican plans to cut projected spending

on Medicaid, the Federal-state program of health insurance for the poor, over 7 years could deprive nine million more people of coverage. The big mistake that both parties are making now is to ignore the larger need for a universal health care plan. The debate may have gone away but the problem is as acute as ever. Polls still show universal coverage to be a concept that has wide support.

I think it is very sad that we are going to spend the next month here talking about how to cut back on the Medicare and the Medicaid program at a time when the number of uninsured continues to grow. What I hoped, and I hope that some day we will see it, is that the debate on Medicare reform would focus on what we could do to expand Medicare in a way that made the quality of health care better, and emphasized preventative care, and also saved money.

Those of us who have been concerned about Medicare for a number of years in this House, many of us on both sides of the aisles have talked about, in the past have talked about expanding Medicare to include prevention measures such as prescription drugs or home health care. We know and studies have shown if you emphasize those prevention measures and you include prescription drugs or home health care and long-term care in the Medicare program, that prevents senior citizens from having to go to a hospital, being institutionalized in a nursing home, or whatever, and ultimately saves the Federal Government billions of dollars in costs for that institutionalized care.

But instead of moving in that direction, looking for a Medicare reform proposal that would actually expand Medicare, emphasize prevention, and ultimately save money without negatively impacting seniors' health care, we are just talking about this budget-driven proposal by the Republican leadership that would slash Medicare by \$270 billion and I believe ultimately gut the Medicare program and significantly decrease the quality of health care for America's seniors.

Mr. Speaker, at this time, I would like to yield the balance of my time to the gentleman from American Samoa.

PROTESTING FRENCH NUCLEAR TESTING IN THE PACIFIC

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentleman from American Samoa [Mr. FALEOMAVAEGA] is recognized for 30 minutes.

Mr. FALEOMAVAEGA. Mr. Speaker, I want to thank my colleague from New Jersey for yielding me this time and I really appreciate his consideration for allowing me to share with my colleagues and the American people what is happening in French Polynesia, the eve of the French nuclear testing catastrophe that I feel that what is happening now.

Mr. Speaker, yesterday France detonated a nuclear bomb in French Polynesia, defying worldwide opinion which