

complete, there will be an intensification of the fighting in Bosnia. It is unlikely the Bosnian Serbs would stand by waiting until the Bosnian government is armed by others. Under assault, the Bosnian government will look to the U.S. to provide arms, air support and if that fails, more active military support. At that stage, the U.S. will have broken with our NATO allies as a result of unilateral lift. The U.S. will be asked to fill the void—in military support, humanitarian aid and in response to refugee crises. Third, intensified fighting will risk a wider conflict in the Balkans with far-reaching implications for regional peace. Finally, UNPROFOR's withdrawal will set back prospects for a peaceful, negotiated solution for the foreseeable future.

In short, unilateral lift means unilateral responsibility. We are in this with our allies now. We would be in it by ourselves if we unilaterally lifted the embargo. The NATO Alliance has stood strong for almost five decades. We should not damage it in a futile effort to find an easy fix to the Balkan conflict.

I am prepared to veto any resolution or bill that may require the United States to lift unilaterally the arms embargo. It will make a bad situation worse. I ask that you not support the pending legislation, S. 21.

Sincerely,

BILL CLINTON.

MORNING BUSINESS

Mr. DASCHLE. Mr. President, I ask unanimous consent that there now be a period for the transaction of morning business, with Senators permitted to speak therein.

The PRESIDING OFFICER. Without objection, it is so ordered.

TRIBUTE TO JOHN MORAVEK

Mr. DOLE. Mr. President, with the recent passing of John Moravek, our nation's legal community lost an outstanding and respected member, and many Americans lost a good friend and trusted adviser.

John worked for Century 21 real estate for 20 years—the past 15 as general counsel at the corporate headquarters in Irvine, California.

John was recognized as one of America's preeminent experts in his field in the field of real estate and franchise law, and he was one of few attorneys who had the honor of appearing before the United States Supreme Court.

I was not privileged to know John as well as his countless friends and colleagues, which included my daughter, Robin. But I do remember John as a man of great integrity, intelligence, compassion and curiosity.

The title of the obituary that ran in his hometown newspaper, the Long Beach Press-Telegram, summed it up best—"John Moravek was a renaissance man." John's interests ranged from classical guitar, to sailing, to painting, to politics. And while John and I didn't share beliefs on every political issue, we shared a sense of determination and a sense of humor.

Without exception, those who knew John well speak of a remarkable man with a passion for life—a man who

loved the ocean, who loved his job, who loved his friends, and who, above all, loved his wife, Lisa.

Mr. President, I join in extending my sympathies to Lisa Moravek, and to all who were proud to call John Moravek their friend.

IS CONGRESS IRRESPONSIBLE? CONSIDER THE ARITHMETIC!

Mr. HELMS. Mr. President, the impression will not go away: The \$4.9 trillion Federal debt stands today as a sort of grotesque parallel to television's energizer bunny that appears and appears and appears in precisely the same way that the Federal debt keeps going up and up and up.

Politicians like to talk a good game—and "talk" is the operative word—about reducing the Federal deficit and bringing the Federal debt under control. But watch how they vote.

As of yesterday, Monday, July 24, at the close of business, the total Federal debt stood at exactly \$4,938,384,897,270.48 or \$18,746.19 per man, woman, child on a per capita basis. *Res ipsa loquitur*.

Some control.

MEDICARE'S 30TH ANNIVERSARY

Mr. SARBANES. Mr. President, I rise today to join my colleagues in celebrating the 30th anniversary of the Medicare program. In light of recent Republican attacks on the program, it is particularly important that we take the time to recognize the value of the Medicare program to so many of our Nation's senior citizens and their families.

For decades, Democratic leaders have supported and reinforced the generally accepted proposition that health care is a fundamental human need and that, in a just society, there ought to be a way to provide for it. Since it was signed into law by President Johnson in July 1965 the Medicare program has succeeded where many had thought it would fail. The world's largest health care program, Medicare currently provides quality health services for more than 37 million American senior and disabled citizens at an administrative cost of just two percent.

In my State of Maryland alone, more than 604,000 seniors receive vital medical services through the Medicare program. Just yesterday, I visited a number of these individuals at the Parkville Senior Center in Baltimore County. Like a vast majority of seniors across the country, they too are concerned about the future of Medicare and how decisions now being made in Congress will effect the quality and availability of health care services for their generation. Quite frankly, Mr. President, I share their concerns.

For these senior citizens and the more than 37 million elderly Americans nationwide, the Republican budget cuts will be devastating. The Republican Budget Resolution cuts Medicare

by \$270 billion over the next 7 years. I know it is asserted that the actual dollar amounts for Medicare will not drop, but rather will increase gradually over the next 7 years. However, if the proposed dollar increases are not proportional to increases in Medicare enrollments and increases in the costs of medical care, the end result is massive cost-shifting and cuts in services for beneficiaries.

Mr. President, in my view, it is essential that we recognize that Medicare is not a system unto itself. The Medicare program is instead a large component of our Nation's health care system and it is illogical to assume that isolated cuts in Medicare will not adversely effect all Americans.

The Health Care Finance Administration [HCFA] estimates that Medicare payments account for 45 percent of health care spending by our Nation's elderly. Under the Republican budget plan, out-of-pocket costs to seniors are expected to increase by an average of \$900 per person year by the year 2002. Over a 7-year period, the typical beneficiary would pay an estimated \$3,200 in additional out-of-pocket costs. While this might not sound like much to some, these numbers become more significant when you factor in statistics that indicate that 60 percent of program spending was incurred on behalf of those with incomes less than twice the poverty level, and 83 percent of program spending was on behalf of those with annual incomes of less than \$25,000.

Clearly, when we talk about Medicare recipients, we are not talking about our Nation's wealthiest citizens. Many seniors live on fixed incomes. In fact, a large number of Medicare recipients depend on Social Security benefits for much of their income. According to HCFA, about 60 percent of the elderly rely on Social Security benefits for 50 percent or more of their income and 32 percent of the elderly rely on Social Security for 80 percent or more of their income. It is also estimated that as many as 2 million seniors can expect to see the value of their Social Security COLA's decline as increased Medicare costs consume 40 to 50 percent of Social Security COLA's by 2002. Requiring these individuals to pay more for their health care will directly undercut their standard of living. In my view, it is simply unacceptable to create a situation in which more and more seniors will see their resources stretched to the extent that they will have to choose between food and health care.

Mr. President, what I find most troubling is that Congressional Republicans are seeking to enact draconian spending cuts, the burden of which will fall primarily on the shoulders of the most vulnerable of our society, in order to provide a significant tax cut for the very wealthy. The future health security of our Nation's seniors should not be jeopardized in order to create a pool of funds for a tax break which almost

solely benefits upper income individuals.

As we commemorate the signing of this important measure into law, I think it is appropriate that we all take time to reflect upon the history of the Medicare program and the principles upon which it was founded. Before the Medicare program, many of our elderly could not afford health care or were forced to watch their life savings dissolve under the weight of ever-increasing health care costs.

Mr. President, those involved in crafting the Medicare program recognized that providing health care to some of our Nation's most vulnerable individuals lays the foundation upon which to build a decent society. As Democrats we must continue to embrace this principle today, as we have for the past 30 years.

THE 30TH ANNIVERSARY OF MEDICARE

A TURNING POINT FOR MEDICARE

Mrs. FEINSTEIN. Mr. President, in 1965—30 years ago this week—in Independence, MO, Medicare was signed by President Lyndon Johnson, with Harry Truman looking on.

Over the last 30 years, Medicare has become one of the largest public health insurance systems in the world, having grown from 19 million seniors at a cost of \$3 billion to 37 billion seniors costing over \$159 billion last year.

In 1995—30 years later—Medicare is at a turning point.

In fact, some would say the Medicare is under attack, because Medicare is slated for \$270 million in cuts over the next 7 years under plans which are scheduled to be enacted later this year.

This proposed 14 percent cut in Medicare spending is the largest Medicare ever proposed and makes up over 20 percent of the \$1.2 billion in cuts in the Republican resolution.

THE BENEFITS OF MEDICARE

While there are many disagreements about which direction Medicare should go in the future, there is no doubt about the benefits and achievements of the current program.

Before Medicare was enacted in 1965, health care for seniors was expensive and often unavailable, due to the lack of insurers willing to cover seniors and the fact that, even with Social Security, seniors have been one of the highest-poverty age groups in America.

Only 50 percent of seniors had health insurance, and so an illness could quickly force a senior into a charity ward or consume a lifetime of family savings.

In comparison, the benefits of the current Medicare program are clear to millions of individuals and the families of those who are enrolled; health coverage is provided for 37 million seniors—including 3.6 million Californians.

Ninety-nine percent of the elderly population is covered through Medi-

care, giving seniors the highest rate of health coverage for any age group in the United States;

The average lifespan for older Americans has increased 3 years since Medicare began, and quality of life has been improved by procedures and treatments such as hip replacements developed through Medicare.

PROBLEMS FACING MEDICARE

Nonetheless, there are some clear problems with Medicare that must be addressed, including; the anticipated bankruptcy of the Medicare Part A Hospital Trust Fund, which is projected to occur in the year 2002 at current spending rates; high annual increases in spending of 10 percent, which have helped cause the program to go from \$3 billion in 1965 to \$160 billion in 1994; fraud and abuse that eat up \$44 billion in total health care costs annually, according to a GAO report, and result in \$140 million in excess charges paid by consumers each year; the lack of potentially cost-saving managed Medicare, which enrolls only 10 percent of Medicare participants even though additional dental and prescription drug benefits are sometimes available (the rate is 25 percent in California).

In short, the current Medicare Program pays out much more in benefits than it is taking in from premiums and payroll contributions. Without reform, Medicare will continue to grow out of control. Costs for new technologies and procedures continue to increase rapidly, and about 1 million additional Medicare participants each year will add to costs.

REASONABLE MEDICARE REFORMS

To address these problems and lower Federal spending, I support a number of tough-minded Medicare reforms, including tightening controls and preventing fraud in Medicare; using successful State and Federal models such as the California Public Employee Retirement System [CalPERS] and the Federal Employee Health Benefits Plan as a basis for cooperative, market-based systems. I support asking the wealthiest Medicare recipients to pay more into the system than they do now; making managed care plans more beneficial to the Federal Government and more easily available to seniors, only 10 percent of whom are currently enrolled in HMO's.

To help solve these problems, I voted in favor of \$54 billion in Medicare cuts and reforms contained in the 1993 budget reconciliation bill, and I supported national health care reform such as the mainstream coalition proposal.

REPUBLICAN BUDGET PROPOSALS CUT MEDICARE TOO FAR, TOO FAST

However, I strongly oppose destructive Medicare reform proposals that go too far, too fast, without any certainty as to the results, including those that would force all Medicare enrollees to change doctors, give up their choice of doctors, or join HMO's involuntarily; steeply raise Medicare costs to participants, who already spend a national av-

erage of 21 percent of their incomes on health costs; rely almost entirely on appealing but untested changes to the current Medicare system, such as private vouchers and medical savings accounts; target the 3.6 million Californians who participate in Medicare for an unfair share of the deficit-reduction burden.

As a result, I voted against the Republican budget resolution, which cuts \$270 billion from the current baseline for Medicare over the next 7 years.

UNKNOWN EFFECTS OF MEDICARE CUTS

What exactly do health care cuts of this size really mean? Well, no one really knows, but health care experts tell us that the options for cuts of this size are few, and estimates by the Health Care Finance Agency, which runs these programs, have projected dramatic effects.

Under the Republican budget proposal—and the initiatives that are being considered for enactment later this fall—more will be taken out of seniors' Social Security checks, because that is where the Medicare part B premium is deducted. Medicare premiums and Social Security checks are linked together because under the integrated Social Security check-issuing system, Medicare premiums are automatically taken out of Social Security checks.

Cuts to Californians on Medicare would total over \$36 billion over the next 7 years—13 percent of the \$270 billion total cut despite the fact that California only has 9.5 percent of the total population—Health Care Finance Administration.

Costs to seniors will have to be steeply increased, even though over 80 percent of Medicare goes to seniors with less than \$25,000 in income, who already pay over 20 percent of their income for health costs.

Managed care could be implemented on a large scale without any real assurance that there will be more benefits to seniors and increased savings to the Federal Government. The current demonstration of managed Medicare has not yielded savings to the Federal Government, according to recent studies.

Popular but untested ideas such as private voucher systems and medical savings accounts, which have not been tried at anywhere near this scale, could once again allow insurance companies to discriminate against older, sicker seniors, or force families to spend their savings in order to provide care.

Relatively small-scale purchasing pools, such as the Federal Employees Health Benefits Plan, which covers only 9 million people nationwide, will be expanded enormously without any clear knowledge of the potential effects on care for the elderly.

CONCLUSION

There is no argument that Medicare needs to be strengthened and improved, and I have supported reasonable Medicare reform in the past. But cutting \$270 billion out of the program and implementing reforms that have yet to be