

ROHRABACHER] is recognized for 5 minutes.

Mr. ROHRABACHER. Mr. Speaker, in the next 2 weeks a vital issue will be coming to the floor of the House of Representatives for a vote. We will be deciding whether or not America will continue to have a strong patent system or whether our country will obliterate what has been the strongest patent system in the world.

Because the patent legislation is by its very nature a complicated concept, powerful forces have been able to undermine America's patent system with very little public attention. Who is opposed to a strong patent system, someone might ask. Well, how about foreign powers that do not like the United States being the dominant economic and military power in the world? Yes, foreign powers do not like a strong American patent system because they do not want us to have what is America's greatest economic and competitive edge, the genius of our own people being brought to play in the marketplace. Especially countries in Asia which tend to, instead of create new ideas, copy; they instead copy American ideas. These powers in Asia would prefer that America's patent system be weakened.

Those are the people who might have an interest in weakening America's patent system, also multinational corporations who have little or no loyalty to the American people. These huge corporate interests who also would like to use the ideas of ordinary Americans and not have to pay royalties to the inventors. These people have an interest in weakening America's patent protection as part of what they view as a global evolution in terms of the marketplace. They want to have a global marketplace, and they see the weakening of America's patent system as part of that.

You see, consistent with this idea, the head of America's patent office 3 years ago, his name is Bruce Lehman, went to Japan and agreed to harmonize America's patent law with Japanese law. What they did is agree to make America's patent law, which had been the strongest in the world in the protection of individual rights, they had agreed to totally change our system and make it exactly like the Japanese system. It was a sellout of the interests of the American people.

The first step in Lehman's harmonization scheme has already been implemented through this body. As part of the GATT implementation legislation, a provision was included in the GATT implementation legislation that was not required by the GATT treaty itself. They knew when they put this provision in changing our basic patent law that then those of us opposed to weakening our patent system would have to vote against the entire world trading system in order not to vote to change America's patent law. They had their way and they won.

However, during my battle against that provision, the House leadership

agreed that I would have a chance on the floor of the House to change this provision back because it was not required by GATT. And that is what will be happening in a few weeks from now. H.R. 359, my bill, which is designed to restore the patent, the length of the patent term, the guaranteed patent term that we have had, to Americans that we had for 130 years until this agreement with Japan, will be on the floor as a substitute to another bill.

That bill, H.R. 3460, is a bill which is coming to the floor under the guise of patent reform. That bill, my colleagues, is what I call the steal American technologies act. It must be defeated if America is to remain the No. 1 technological power in the world. This bill, I will give you, would complete the process of harmonizing our patent system to be like Japan's. To show how transparent it is, let us take a look at just two provisions of H.R. 3460, the steal American technologies act.

First, it would require all Americans who apply for a patent, whether or not they have been issued the patent, after 18 months their entire application, every last detail of their invention, of their idea would be published for the entire world to see and the entire world to steal. Who could defend an idea like that? But that is being presented to us as patent reform, and the people that are behind this are hoping the Members of Congress will not ask about the details.

The second provision in H.R. 3460 is a measure to basically destroy the Patent Office, turning it into a private post office-like corporation, stripping our patent examiners of all of their Civil Service protection so they can be influenced by the other side.

It is imperative we defeat H.R. 3460. I would ask my colleagues to join me in voting to substitute H.R. 359 for H.R. 3460. Stop the steal American technologies act.

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 designee of the minority leader.

Mr. PALLONE. Mr. Speaker, this afternoon I want to talk again about the issue of Medicare and my concern over what the Republican leadership is trying to do to the Medicare Program and in the context of the budget or the budget resolution which is likely to be voted on between the two Houses sometime in the next week or two.

I wanted to point out again the reason that I feel so strongly about Medicare and the changes, the negative changes that I see the Republican leadership proposing, is because I believe that Medicare is really one of the best programs that we have in the Federal Government. When it was established in the early 1960's by then President

Johnson and the Democratic Congress that was in the majority at the time, it was established because of the realization that so many senior citizens did not have health insurance and that it was very difficult for them to either obtain health insurance, either because they could not afford it or because of their condition.

And now, today, and certainly for the last 30 years, we have had Medicare on the books and those who are over 65 or even others in some cases are able to know that they will be guaranteed a health insurance, that if they go to a hospital or if they go to a doctor, that most of the services that they need for health care purposes will be provided in a relatively high quality way.

That is a significant fact and when those on the other side of the aisle, when Republican leaders get on the floor and propose changes that I consider very radical in the Medicare Program, the reason that I and a lot of the other Democrats are opposed to those is because we think that Medicare works, and we do not want to see it downgraded to a second class program or perhaps not even exist for many senior citizens.

I point that out today by way of introduction, because I think it is important to note that many of the Republican leaders have actually expressed themselves on the floor of this House or in the Senate or on other occasions over the years as actually being opposed to the very idea of Medicare.

One of the things that we often quote is the statement by the Republican Presidential candidate on Medicare, which he made in October 1995. He said, I was there fighting the fight, voting against Medicare, 1 out of 12, because we knew it would not work in 1965. So he is making reference to the time back when he was in this House of Representatives, when Medicare first came up and he voted against it. Again, a very strong indication of the fact that in this case the Republican Presidential candidate and many of the Republican leaders are very much opposed to the very idea of Medicare.

We also had another quote, which we frequently cite, from Speaker NEWT GINGRICH on Medicare. This one is from October 24, 1995, last year, where he says, and I quote,

Now we don't get rid of it in round one because we don't think that that is politically smart and we don't think that is the right way to go through a transition period. But we believe it is going to wither on the vine, because we think people are voluntarily going to leave it.

Once again, a strong indication, in this case the Speaker of the House of Representatives, that Medicare as a program is not something that they support. That is why many of us on the Democratic side of the aisle feel very strongly that we must continue to speak out on the issue of Medicare, because this is a program that has worked, that protects America's seniors so that they know that they have

health care insurance, they have health care coverage. If we let the Republican leadership basically do what they will with the Medicare Program, we are very concerned, a lot of us, that it may simply wither on the vine or not exist for many senior citizens.

□ 1615

Now, yesterday the Medicare trustees came out with their annual report where they talk about the financial state of Medicare, and once again the Republican leadership and many Republicans on the floor have taken advantage of that report which came out and indicated that Medicare would be insolvent by the year 2001.

Well, I said before that many times when the trustee's reports come out, they talk, in the past they have talked, about insolvency for even a shorter period than that, in some cases maybe 2 or 3 years.

So this is not a new phenomena, and Democrats in the Congress have traditionally dealt with that by making some changes in the Medicare Program so that it remains solvent in future years. And, in fact, we have already, both last year as well as this year, voted on Democratic proposals, most recently the President's proposed budget, that actually would continue the solvency of the Medicare Program well into the next decade; I believe at least until 2005.

So we, as Democrats, know how to deal with the Medicare trust fund; we have had to tinker with it in the past. But the Republicans, instead of saying, OK, we will support President Clinton's proposals and we will make some changes that are necessary in the Medicare Program to keep it solvent, instead they have been proposing very radical changes in the very substance of the program and also deep cuts, deeper cuts than are necessary for Medicare to remain solvent.

In fact, the level of cuts right now in the Republican proposal are \$168 billion in cuts in Medicare, whereas President Clinton, talks in the proposal, in his budget, about \$116 billion. The difference basically goes to pay for tax cuts for the wealthy; that is what the Republicans have in mind.

But, in addition to that, they have been talking about major changes in the Medicare Program that would push seniors into managed care, that would make it so that they cannot choose their own doctor and even, in some cases, their own hospital, and also those who refuse to go into managed care, those who stay in the traditional fee-for-service program, the current Medicare program, would be basically faced with tremendous over charges.

Right now the most that your doctor can charge you beyond the Medicare reimbursement rate is 15 percent of the bill. But this under the Republican proposal would be unlimited, and basically the doctor could charge you essentially whatever he or she wanted beyond what Medicare pays. Those types of

overcharges would essentially force people into HMO's or managed care because they would say, well, how can I continue to stay in a traditional program where I can choose my own doctor if I face those kinds of unlimited charges?

Another thing that the Republicans have proposed is to basically break down the Medicare Program and the insurance pool, if you will, so that the wealthy and the healthier senior citizens could opt for what we call medical savings accounts, which basically allows them to take a catastrophic health care coverage and then to pay out of pocket, if you will, for health care needs that are not of a catastrophic nature. Well, the problem with that is that people who do not have a lot of money and cannot pay a lot of money out of pocket will not opt for the catastrophic health insurance, and as a result the insurance pool which depends on the healthier and wealthier people being part of it in order to be solvent essentially would be broken up and the people that would be left in the pool who did not get the catastrophic coverage would tend to be the poorer people and the less healthy people, and the result would be that Medicare would end up costing more because the insurance pool would have a much poorer and sicker group of people in it.

Some of these things get a little complicated, and I do not mean to complicate things, but the point I am trying to make is the Republican proposals not only cut Medicare a lot more than is necessary under the President's proposal, but also make major changes in the Medicare Program that ultimately are going to cost seniors a lot more money out of pocket and are going to make it so they cannot choose their own doctor or again, in many cases, their own hospital.

I would like at this point, if I could, to yield to the gentlewoman from Connecticut [Ms. DELAURO] who has been on the floor of the House over the last 18 months repeatedly pointing out how the Republicans are trying to basically destroy Medicare, and I know that she has been a leader on trying to bring this issue to the attention of the American people.

Ms. DELAURO. I want to thank my colleague from New Jersey for all of his efforts on the issue of Medicare-Medicaid and more generally for the whole issue of working families in this country and what they are going to be faced with if some of the cuts are made; and particularly in the Medicare Program you said something at the outset of your remarks, I think I just want to expand on it a second.

Today, 99 percent of seniors have health care, health insurance. That was not the case before Medicare. Now what happened before Medicare was that families had to take care of their loved ones, as families will do, because there was no opportunity to have health care coverage, so you went in with your children.

What is one of the big issues that we are very, very concerned about today if we are going to see these incredible cuts in Medicare and in Medicaid, which as my colleague knows, that takes care of about two-thirds of the costs of Medicaid, has to do with seniors who are in nursing homes.

In my State of Connecticut almost 70 percent of the seniors who are in nursing homes, getting nursing home care, that care is paid for in part or in whole by the Medicaid system. So that if today, if these programs are unraveled, if we do not—we need to fix them, but if we destroy them the way it is being suggested by our Republican colleagues, then this is not only an issue for older Americans, it is an issue for their families.

I have a mother who is 82 years old, and, you know, thank God and knock on wood, she is in good health. I am not going to let my mom go without health care if somehow Medicare is unraveled and less people are being covered or it is more expensive for her to be able to get health care coverage. That is going to be my responsibility. I am an only child. I am going to make sure my mom has the best health care that is possible.

So this is a system that has not been created for seniors, people who are over 65. This is meant to be first-rate health care so in fact there can be that dignified, secure and decent retirement for seniors without—and that maintenance of their independence—without having to have them be dependent on their families. And I think younger people are very concerned about what happens here as well.

Another point that my colleague made that I just want to talk about is no one has ever suggested, and the trustee's report did come out, as it did last year, and they confirmed what truly has been known for more than 6 or 8 months, that the fund will be exhausted by the year 2001. The fact of the matter is that no one has ever suggested that we do not fix the Medicare Program. We could have a bipartisan commission, the same way that we did with Social Security, to allow so that we insure the solvency of the Social Security system; we could do the same kind of thing today. However, yesterday the gentleman from Texas [Mr. ARMEY], the majority leader of the House of Representatives, on a television show said "no to a bipartisan commission to look at the long-term solvency of the Medicare system."

It was just last year in February, in 1995, that the ranking member of the Committee on Ways and Means introduced the bill that would have appropriated \$90 billion, which was the amount of money that the trustees that our Republican colleagues are holding up their report, but it was the trustees last year who said \$90 billion could deal with the solvency of the Medicare Program.

Well, there was a bill on this floor. We got a chance to vote. That is the

beauty of this place: We vote. And 233 Republicans said thumbs down, no, to insuring the solvency of the Medicare system through the year 2006.

So, they are a little bit disingenuous when they are holding up the report here, because we have known what the issue is going to be.

Now, if we are going to fix the program, if we are going to fix this program, I just submit to my colleague, and you brought up two of the quotes that were not made, I mean that are just unbelievable in terms of where people want to see the Medicare Program going. But if you want to fix the program, and we agree that it needs to get fixed, into whose hands do you want to entrust this program to be fixed? Do you want to go to BOB DOLE, the current Presidential candidate for the Republican Party, who is proud of his vote against Medicare? He cheers and lauds the fact that he voted against it, it is a program that does not work. Now that, I mean it tells you something about into whose hands you want to trust it. Into Mr. GINGRICH's hands, who says that he wants to see it wither on the vine, to go one step further?

Now we are talking about leadership here; we are not talking about any comment made on the floor of the House. These are the people who have taken on the leadership of the Republican Party and who want the opportunity to lead the country. They do not believe in the Medicare program.

Let me give you one further; again, the gentleman from Texas [Mr. ARMEY]. This was July 11, 1995: "Medicare is a program I would have no part of in a free world." Again in July 1995: "Hundreds of thousands of seniors rely on Medicare; I am sorry they do, but they do."

Again I mention Mr. ARMEY, who does not want to see a bipartisan commission to do something about the long-term solvency of the system.

Let me have one more quote from the budget director, the gentleman from Ohio [Mr. KASICH], who said again in February 1995 that their budget, the Republican budget, quote, "would require Medicare cuts unlike any this town has ever seen before."

Now, the numbers are not so much the issue, as my colleague from New Jersey pointed out. The issue is Medicare or no Medicare and the policies that the Republican proposals, if they were enacted, what they do to the Medicare system. They do not control costs. They shift the costs to seniors by encouraging doctors, as my colleague pointed out, to charge seniors extra billions for the basic Medicare package. They herd seniors into managed care plans without adequate consumer protections. They destroy the Nation's safety net and academic research hospitals. They spend an extra \$4.6 billion on the medical savings account that my colleague pointed out are for the wealthy healthy, and they weaken, something that is not talked about too much, major antifraud loss.

The dollar difference is significant, but more significant is the policy difference, and, as you pointed out, the difference in the dollars is not to make the Medicare Program solvent, but in fact to deal with tax breaks for the wealthiest Americans.

Let me just make one more point because I think it is important. This is something that a number of my colleagues on the other side of the aisle talk about all the time. They talk about only in Washington is an increase a cut and that there is not a cut in the Medicare Program.

□ 1630

Mr. Speaker, let me just say this. I want to quote the Speaker of the House, again, the gentleman from Georgia [Mr. GINGRICH]. This has to do with the defense budget. This was in 1987. "The 4-year budget includes a 10-percent real cut in defense spending." This is NEWT GINGRICH describing a decline in the rate of growth of the defense budget in 1987.

They are going to stand here and tell us that this is slowing the rate of growth. It is just a boondoggle. There is no accounting for the increased numbers of the people who enter the Medicare system, there is no accounting for inflation, and there is no accounting for the increased costs in medical care.

So they tell us that we need \$150. We have \$100 today, we need \$150 in order to take care of the increase of people, the increase in inflation and the increase in technology, but they are going to give us \$125 and they will tell us that it is not, in fact, when we need \$150 to make it, except they are willing to say that when it comes to the defense budget, which they have talked about, the gentleman from Georgia [Mr. GINGRICH], in 1987.

The chairman of the defense authorization bill says that "The bill provides \$2.4 billion more than the current fiscal year, but when adjusted for inflation, it represents a real decline of 1.5 percent in spending, and not an increase." You cannot talk out of both sides of your mouth. These are real cuts in Medicare, real pain in the Medicaid system. What we cannot allow that to do is to happen. We have to make the same kind of fight, the same kind of arguments that we did in the last year of this Congress, so that in fact they cannot destroy a system which they truly do not believe in. I think my colleague for letting me join with him this afternoon in this special order.

Mr. PALLONE. Absolutely, Mr. Speaker. There is absolutely no question that what the gentlewoman is saying is correct. I think the bottom line is that the policy changes that the Republican leadership is proposing are all money driven in some way.

When we talk about this whole notion of the Speaker saying that this is not really a cut, we are actually increasing the program, but it is not a cut. The reason for that, there is this new book out, I do not think the

gentlewoman made mention of it. It is called, "Tell Newt to Shut Up," a new book by award winning Washington Post Journalist David Marins and Michael Westkopf, which says that avoiding the word "cut" became part of a coordinated Republican strategy after pollster Linda Duvall said that the public reacted negatively when told that the Republicans would cut Medicare.

Basically what these two people are saying, that the Republicans vowed from then on that they would not allow reductions in the rate of growth to be called cuts. But it is nothing but semantics. We all know that if you do not allow a certain amount of money to be available, and you have to go out and buy the same thing because of inflation or because more people are in the program, that not allowing a significant level of growth essentially is a cut. That is what the Speaker, what the gentleman from Georgia [Mr. GINGRICH], actually said in the context of the defense budget when he wanted to use it for his own advantage.

Mr. Speaker, the other thing that I think is really crucial also in that respect is where are these costs being shifted to? That is why I think the issue of the overcharges is so important, because basically last year, when they wanted to shift costs, they essentially raised the part B premium. I think we had some figures that last year's Republican proposal actually doubled the Medicare part B premium from \$46 in 1995 to about \$89 in 2002, so it would have increased the Medicare premium by \$440 per couple per year.

That did not work, because seniors became aware of the fact they were going to have to pay these incredibly high premiums, so they dropped that. Now, this year, they are coming back with the overcharges, and they are saying that if you stay with the traditional Medicare system and do not move into managed care or HMO's, then the doctors can charge you whatever they want.

Mr. Speaker, we had some statistics from the Physician Payment Review Commission, which is a nonpartisan panel of experts that advises Congress on Medicare policy, and they said and I quote, that:

This could lead beneficiaries to be exposed to substantial out-of-pocket liability in the range of 40 percent of the bill.

So if you essentially go into this for a certain operation or procedure, you could end up paying 40 percent right out of your pocket.

Ms. DELAURO. Mr. Speaker, if the gentleman will continue to yield, on that point what is really important to know, and truly people know, today doctors do, doctors and hospitals, there are restrictions on this overcharging, what is very central and very simple here is those restrictions are eliminated. They are eliminated, so therefore they cannot do the overcharging.

Just a final number which I think is important on this inflation issue, when

they keep talking about how these are not cuts, what they are doing with Medicare is they are holding it at about 16 percent below the rate of inflation. That represents a real decline. That is no increase. We cannot let them get away with talking about these as not being cuts, because the numbers are real. I thank the gentleman.

Mr. PALLONE. Mr. Speaker, I yield to the gentlewoman from Hawaii.

Mrs. MINK of Hawaii. Mr. Speaker, I thank the gentleman for yielding to me.

Mr. Speaker, I appreciate the contributions that both the gentlewoman from Connecticut [Ms. DELAURO] and yourself have made in this constant battle to explain what it is that the Republican majority is attempting to do, and the obfuscation of the truth that constantly you can read in their press conferences and in the statements that they make across the aisles. So I appreciate what the gentleman is doing, and I hope that the seniors across the country are getting the real message.

Mr. Speaker, there is absolutely no doubt in my mind that what the Republicans are trying to do is to completely dismantle the Medicare Program. We deal with this issue in terms of big numbers, like a \$290 billion cut versus a \$168 billion cut now. And they have moderated their position. But the reality is the issue is not a monetary issue.

We cannot get into a box of deciding, well, who is cutting less in terms of the dollar amount, because what they are really trying to do, in my estimation, is to completely dismantle the Medicare Program as it was enacted in 1965. That is the message I think we have to tell the seniors: What are they being left with if we restructure Medicare? They are going to be shoved into a private insurance kind of program which does not have the protections that Medicare now offers.

One of the things that the gentleman just discussed is about this balanced billing. The current law does not allow it, so therefore there is this protection for the seniors who are in the program now under Medicare, that they will not have to suffer these overcharges. If the Republican plan were enacted as it has been proposed, we are going to have to see these seniors being billed way beyond what it is that Medicare has approved in terms of the costs of these expensive surgeries. I think that is what the seniors have to be told.

The restructuring of it is going to be severely expensive and demoralizing. In other words, we are going to go back to the old system before 1965, where the children of the families are going to have to make these hard decisions as to whether their parents are going to have the important, necessary medical attention, surgery, or whatever.

Mr. Speaker, I had an orthopedic surgeon in my office, that is why I could not come to the floor promptly, and

they are apparently having a conference here in Washington. The first thing he said to me is, "We as physicians are concerned about free access to medical care. We feel that the proposals that are now being discussed are going to severely damage access, freedom of choice of the seniors as to what kind of services, what doctors they can obtain."

One of the things that he pointed out to me is that under the HMO and these new ideas that are coming across by the Republican majority, there might be limitations on the specialty services, for instance, that their particular profession of orthopedics could offer. They feel that that is extremely dangerous.

Second, he pointed out that many of the insurance companies and other kinds of group practices that they are in are already gagging them and saying that they cannot even talk about options, optional kinds of care that they might obtain. So these people in the medical profession are really concerned about freedom of choice, access to the necessary kinds of medical services that are required, and this terrible kind of pressure, that when they sign onto these group practices, that they are being restricted by the insurance companies that are servicing them from even discussing with their patients open and available information as to what their choices ought to be in terms of their medical services.

Mr. Speaker, I think all of this suggests that if we go the private insurance route, which obviously is part of this dismantling, and force everybody into the private market to let the market control or HMO's or whatever, that the seniors are going to be very, very severely impacted.

Compounding on that is this medical savings thing, which in my estimation favors the wealthy and the healthy, and the people in the middle are then going to have to bear the burden and costs of the Medicare system. So, Mr. Speaker, I think in going back to my seniors in my district, I am going to have to try to move away from this discussion of dollars, their focus on this idea whether the program is going to become bankrupt, or we are going to have to find the money, and they are all money-oriented right now. But I think that the Congress is going to have the responsibility to find ways to make sure that the system is fiscally sound.

But in doing so, we must not allow the program itself to be restructured and broken and completely torn apart so that the idea of universal protection for seniors will be completely disrupted. That is what I came to the floor to contribute today, and to hope that that point can be explained to the seniors as we debate this issue.

Mr. PALLONE. Mr. Speaker, I think the gentlewoman makes her point very well, particularly with regard to what happens if seniors become shifted to managed care HMO's. If I could just

make one point, and then I will yield further, following up on what the gentlewoman said, a lot of times the Members of the other side, the Republican Members, get up and say, "Under our plan, there is still going to be choice. You do not have to go to an HMO, you can stay in the traditional system of Medicare where you can stay in the traditional system of Medicare where you choose your own doctor, choose your own hospital."

But the key there are the overcharges, because if you say to someone, "You can stay in your traditional Medicare system but now the doctor or hospital can charge you whatever they want as a copayment," then most people cannot afford to do that. Then they are forced essentially to move to the managed care, the HMO, whatever the alternative is.

Then the other thing is that by cutting and constantly reducing the reimbursement rate for the HMO or the managed care system, the Republicans essentially forced those systems to do the types of things that the gentlewoman mentioned; in other words, they do not allow people to get specialty doctors or specialty care unless they go through some bureaucratic rigamarole because they do not want to pay the cost of that specialty care.

At both ends of the spectrum, essentially, people are being squeezed. They either stay in the traditional system and then they have these tremendous out-of-pocket expenses, or they go into the managed care HMO where the dollars are constantly squeezed, and therefore the level of care and the type of care that you can get is more limited.

Mrs. MINK of Hawaii. If the gentleman will continue to yield, Mr. Speaker, I think the thing on point is what is happening to women who deliver their babies in a hospital. They are just being pushed out the door within time limits of 24 hours or whatever, so now we have to engage in that debate to protect women, to make sure that these kinds of harsh procedures to save a few dollars are not going to prejudice the health care of these women. It is exactly the same situation with respect to our seniors, who are going to have to face those kinds of brutal decisions.

Mr. PALLONE. Mr. Speaker, that is a perfect example.

Mrs. MINK of Hawaii. I think we have to constantly remind our seniors that this is not just a dollar, they should not mount this debate on whose money plan sounds better, because it is the policies behind those money decisions that are going to end up bringing sorrow to them and grief, grief to their children, who are going to have to pay the bills. I thank the gentleman.

Mr. PALLONE. Mr. Speaker, I thank the gentlewoman for joining us. I yield to the gentleman from Texas [Mr. DOGGETT].

Mr. DOGGETT. Mr. Speaker, I appreciate the observations of our colleague,

the gentlewoman from Hawaii, and the gentleman's response, because I think as you described how Medicare would be eventually destroyed, what the gentleman is really getting to is, to use the Speaker's own words, Speaker GINGRICH, saying that he was going to let it wither on the vine. That is, I suppose, an indication.

We have the Republican majority leader quoted down in Houston the other day, and my colleague, the gentleman from Texas [Mr. ARMEY], saying that he views Medicare as an imposition on his freedom. But they recognize that the Medicare Program, which it is now almost 31 years of existence since President Johnson signed it into law, we now have, instead of more than half of America's seniors having no health insurance, we have 99 percent covered.

So they realize that they cannot have a direct assault to just abolish and vote against the program. That is what they want to do. Simply, as the majority leader so candidly admitted, their philosophy is "Medicare is an imposition on our freedom." Most Americans, I think, believe that Medicare is one of the best things that this Congress has ever set up, just like Social Security, which our Republican colleagues have also questioned, but in lieu of a direct, frontal assault to just abolish Medicare, to do as BOB DOLE in fact said here just a few months ago, that he was so proud that he was one of those who stood and voted against, on the floor of this House before he ever got over to the Senate, who voted against creating Medicare in the first place, they would let it wither on the vine.

□ 1645

Mr. Speaker, we got a lot of things down in Texas that are withering right now. We have a little bit of a drought down there. But barring those unusual circumstances, I think most of the people that I know that are commonsense folks around central Texas, if they have something that is withering on the vine that they have entrusted to a gardener, they know the best thing to do is to get another gardener, and I think that is what we are going to have to do here if we do not want Medicare to wither on the vine.

I came across a book this week concerning this so-called Gingrich revolution and I wanted to know if my colleague from New Jersey has seen the part of this book that is written by two Washington Post reporters who have been studying this revolution and apparently getting behind the closed doors, which are really the signature of this revolution, all the secret meetings that go on, the secret task forces. This particular one is on page 72 of this new book, and I just want to quote from it.

It says, at a leadership meeting over dinner in GINGRICH's office, that is the Speaker of the House, NEWT GINGRICH, the fellow who wants Medicare to wither on the vine, on February the 15, that

is February 15, 1995, KASICH, that is the chairman of the Republican Committee on the Budget, JOHN KASICH, our colleague from Columbus, OH, and his aids, expressed concern that a 7-year balanced budget would require Medicare cuts "unlike any this town has ever seen before." KASICH was hoping to have more flexibility. "Who said we have to do 7 years," he asked? GINGRICH remained adamant.

That is from this new study about Medicare cuts, the fact that they would, in the words of the House Republican Committee on the Budget chair, have to be unlike any this town has ever seen before.

Are you familiar with this new study?

Mr. PALLONE. Mr. Speaker, I am familiar with it, and I was making mention of some other aspects of it before. But I really appreciate the gentleman bringing that particular section up, because I think it points out one of the things that I and I know you have been saying from the beginning, which is this whole idea of dealing with Medicare in the context of the budget. That in itself is wrong. In other words, if we are going to restructure or make changes in the Medicare Program, why is it that we are dealing with it in the context of the budget?

In my opinion, the reason for that is very simple: Because they want to use the cuts in Medicare for tax breaks for wealthy Americans. They want to be able to use the money for that to achieve whatever their other goals are. It is not because they are trying to save Medicare or restructure Medicare in a way that is actually going to help the program. They are funneling that money into tax breaks. So every time we deal with the budget, we get the Medicare cuts once again.

Mr. DOGGETT. Instead of a trust fund, a slush fund. Instead of furthering and strengthening the trust fund, they would raid that fund in order to provide these special tax breaks.

Mr. Speaker, I know you have focused already on this trustees' report, and the key word there is trust. Who do the American people trust to ensure the long-term solvency of Medicare so it will be there not only when we retire, but when our children and our grandchildren retire, so provide them the kind of health care security they need.

I would just want to add one other thing. I see our colleague and one of the few physicians in this body, the gentleman from Washington, Dr. MCDERMOTT, is here who has worked so hard on this. But I think as we consider the millions of people that are going to be adversely affected if the Speaker is successful in letting Medicare wither on the vine and shrivel up and go away for middle-class Americans, I just wanted to bring a picture of a couple of Texans, hard-working Texans that are going to be impacted, because I think we have to bring this down to human scale.

Lewis Kerclusky is a fellow I met at a senior activity center in Austin. He is 94 years old, and he told me that he was there because he worked with old people. I was mighty impressed with the fact that he is still involved in working with old people in trying to help them get services and have the benefit of his assistance. Unfortunately, since all he has to rely on is his Social Security check and his prescriptions total almost \$200 a month, he had to move in with his son, Ed. Ed is still working, but he is only about 3 years away from having to rely on Medicare himself.

These are the kind of hard-working people that built this into the greatest Nation in the world. And if he let Medicare and Social Security simply wither on the vine, if he says, as you were just discussing with our colleague from Hawaii, that they are suddenly now going to have to pay all that a health care provider would want to charge them above the Medicare payment, if we continue a system where he cannot even get coverage for his prescriptions, there is no protection under existing Medicare for those, and instead of strengthening Medicare and fulfilling our trust to America's seniors, we are going to weaken that system and let it be used as a slush fund, then people like Lewis and Ed are going to still be impacted in a very, very significant way.

I think it is important, even for people that are not as old as Ed or Lewis, or as old as you or I, or even the young man from Washington State who is joining us here, young people that are out there trying to start a family, trying to get kids through the public school, who is it that a senior who cannot make it, who cannot even pay his prescription, is going to turn to if they have a medical emergency and Medicare is not there to stand by them?

It is going to be those middle-class families that are having a hard enough time just making ends meet for themselves and their kids. They are going to be called on, instead of providing a college education, to take care of an unexpected surgery, instead of being able to do things for their family and get ahead and provide their kids the same future that they want for themselves, they are going to be called on to provide for long-term health care.

I appreciate your focusing attention on what is really happening here, this trust issue, the trust of America's seniors and those who will be seniors in our Medicare system and our responsibility to stand there and see that that system does not wither on the vine, as much as Speaker GINGRICH might be determined to let it wither.

Mr. PALLONE. I appreciate the gentleman's comments. Mr. Speaker, before we move to the gentleman from Washington, I just wanted to say it is particularly important, and I thought that you mentioned, I guess it was Ed, one of your constituents who you said had a very large prescription drug bill.

Mr. Speaker, I naively thought when we started to deal with Medicare in this Congress and the possibilities for some changes that we would actually look towards positive changes such as preventive measures, like covering prescription drugs, because I have always felt that if we add certain services to Medicare, like prescription drugs, like home health care, that we actually would save money in the long run, because they are preventive measures that prevent people from having to go to a hospital or be otherwise institutionalized.

But we do not get any of this from the Republican proposals. Everything that they propose basically would cut the program, reduce services, force seniors to pay more out of pocket.

So when I hear statements from them about how they want to save Medicare or change Medicare, it is never in a positive way; it is always in a way that is actually going to make it more difficult, in my opinion, to get health care and to get quality health care.

I appreciate the gentleman's comments.

Mr. DOGGETT. Actually, it is Lewis, who has almost \$200 a month in prescriptions not covered now. And I know the gentleman and Dr. McDERMOTT will remember that when Republicans put out their big strategy, their PR plan on Medicare. They told their own Members, do not use the word "improve," because that is going to raise expectations that we might really do something to help seniors. They were supposed to use other words to create the impression that there was some immediate crisis, which there is not, that there was some immediate danger of bankruptcy, which there is not.

There is the need for long-term, bipartisan planning. But the only bankruptcy we face today is the kind of political bankruptcy they have when they insist on letting Medicare wither on the vine. I thank the gentleman.

Mr. PALLONE. I thank the gentleman and I would now yield to the gentleman from Washington, Dr. McDERMOTT.

Mr. McDERMOTT. Mr. Speaker, I want to thank the gentleman from New Jersey for coming out here day after day and bringing this issue to the attention of the American people, because I think there is lots of confusion. I was just sitting in the Committee on Ways and Means today, and we had before us the Secretary of the Treasury, Mr. Rubin, and the Secretary of Health and Human Services, Dr. Shalala, to talk about the trustees' report. And everybody is waving the trustees' report around now and talking about that this is the end of health care for senior citizens and everybody should be worried.

A little history needs to be brought out, people need to understand. Since the program was started in 1965, there have been 27 trustees' reports. Every year, a trustees' report, that is the job of a trustee, is to say how much money

do we have and how long will it last? So each year, they look at the money, they look at what they are spending, and say this is how long it is going to last. At one point we had only 2 years to go, and it would be all gone. At another time, it was 17 years. So there have been all kinds of reports. They never were a crisis until last year when the Republicans took over the House of Representatives and said, we need some money for a tax break. So they grabbed this trustees' report and instead of doing what we had done since 1965, which was to say there is a problem, we are going to have to make some adjustments. And we made them. Every year, no fanfare, nobody ever heard about the trustees' report, nobody ever heard that the sky was falling. On a bipartisan basis, we made changes in the Medicare structure that would have carried it on as we intended to do.

In fact, the Democratic members of the Committee on Ways and Means came up with a proposal last year that for \$90 billion in adjustments in a variety of different places, without hurting the basic program, we could protect Medicare until the 2005, for 10 years out into the future.

Now, the Republicans insisted that it be only their way of adjusting the program or there is going to be nothing. It is sort of their way or the highway. And in insisting on that, we have not done anything. So now we come to the trustees' report that was released yesterday, discussed in the Committee on Ways and Means today; everybody is going around acting as though the Earth is ending, because it is now 1 year less. Instead of 7 years last year, we only have 6 years worth of money in the pot to pay bills to 2001.

Now, if they have made the changes last year that we recommended for \$90 billion, we could have been out to 2010. But their delay has actually made it worse. It is sort of like if you have a problem in your car, you hear a clanking noise and say, well, it is still running, I am not going to bother checking the oil and you just keep going until finally the motor freezes up, and then you say, oh, my goodness, if we had put the oil in last year, we would have prevented that. They have not done the preventive things that last year they could have done for \$90 billion.

Now, to make this problem worse, or to make it even more laughable in some ways, last year they wanted \$270 billion out of Medicare so that they could have a \$245 billion tax break. They needed the money. Some of it was for Medicare, but most of it was to be spent on a big tax break. This year they say, you should be grateful. We are only going to take \$176 billion out of Medicare. It is obviously way more than is necessary to do the job. The President has made a proposal of \$124 billion in changes. So if you want to talk money, they are still asking for money that they are going to use in the tax break.

But the really insidious thing is the kind of changes that you have been talking about in the Medicare Program. If you take a senior citizen, the average senior citizen on Medicare is living on \$11,000 a year. Now, there is not a whole lot of slush in \$11,000 a year in this society. There are 11 million widows living on less than \$8,000 a year. Their husbands have died, they are living on a Social Security check. The minimum is about \$8,000.

□ 1700

What the Republicans are saying is we are going to give you \$4,800 this year to go out and buy a health program. That is about what it costs. This year they could buy exactly what they have had.

Next year the inflation by the insurance industry, they expect it to go up by 7 percent. But the Republican proposal says, "We're only going to give you a 3-percent increase." That 4 percent that they do not give them has to come from somewhere. It either has to come out of that widow's \$8,000, or she has to turn to her children and say, "I can't afford to buy the same health care package."

This argument about whether it is an increase or a cut, yes; they are increasing it 3 percent. But they are not giving you enough to buy it. It would be as though I said to you, "A quart of milk is 99 cents, here is 99 cents, go buy a quart of milk." Next year a quart of milk is \$1.10. I say, "Well, Frank, I'm going to give you \$1.05. Go buy a quart of milk." You obviously cannot buy a quart of milk if you do not have the amount of money that is necessary to pay for it.

The cut is that they are not giving them enough to keep up with inflation. By the end of 5 years, it is going to cost \$1,000 more out of pocket. That means grandma has to open her purse and find another \$1,000 to put with her Medicare money to buy the same program.

That is by the insurance companies' estimates. That is not some wild group out there that is trying to prove the Republicans are wrong. The insurance companies are very tightfisted actuaries who look at that and they say that is what it is, and they are not providing enough money to buy the same package.

So now that you have that picture in mind, the Republicans offer them an alternative. They say, "Why don't you go into an HMO. An HMO will take whatever we give you and then you won't have to pay any more money out of your pocket."

So they have financially jerked those people around. They have either got to take \$1,000 out of their pocket or join an HMO or get it from their kids. Those are their three choices. If you go into an HMO, I do not think everybody has agreed that you are going to be able to choose your own doctor. There is every indication in HMO's that if your doctor is not on the list, you are going to have to quit seeing that doctor.

For somebody who is 25 years old, that does not seem like a big deal, because when you were 25, who had a doctor? I did not have one when I was 25. At 45, maybe you see a doctor once in a while. At 55, you see him a little more often. I see him a little more often. When you are 80 or 90 like my father, and he has had a doctor following his heart medication for 20 years, to suddenly say to him, "Well, Mr. McDermott, you cannot have your doctor, you're in this HMO and your doctor isn't a participating doctor, so choose a new doctor."

If you are 90 years old, that means you have got to sit down with somebody and tell your whole history and explain it, and what medications have you been on and how did it affect you. All of your past in a doctor's head is lost. That is why being able to choose your own doctor is important. What you want is somebody who knows your history. You do not want to go to somebody who never saw you before when you are 90 years old and have to explain your whole history and what has happened to you.

So that financial incentive that says, "You can stay in the regular Medicare Program, it's going to cost you \$1,000 out of your pocket, or go to this HMO and you might not get your own doctor," those are the choices that the Republicans are offering senior citizens.

My view is that is not necessary. I looked very carefully at the Medicare Program when I put a bill in cutting \$90 billion. I am a physician. I would not put together a program that I thought would hurt the quality of health care that people get. But you do not need more than \$90 billion in cuts. All the rest of that money is being cut so that they can use it to give away in a tax break.

The issue that you were talking about as I came in here is one that I think is even more difficult to understand, and that is this whole question of pharmaceuticals. When you get to be old, you go to old people's houses, you will find on the dining room table a plastic box that has a bunch of little boxes in it. One is for in the morning, one is at lunchtime, one is in the evening and one is at bedtime, and they have their pills in them.

If they are like my father and mother, they spend \$220 each month at the pharmacy. They have no way except to pay that out of their pocket. They are already paying enormous amounts out of their pocket. That is why this \$1,000 coming in out of their pocket to get this same benefit package to pay the doctor, to pay the hospital, to pay the x ray, to pay the blood work in the laboratory and so forth is such an impact. It is not as though they are not paying something now.

If your father is paying \$200 a month for pharmaceuticals, and then to pay \$1,000 more a year, now \$1,000 a year, divide that by 12, that is like \$80 a month more that they have to reach in their pocket. What does \$80 mean? Well, if you make \$100,000, \$80 is not all that much. You could probably absorb

\$80. But if you are living on \$8,000 a year, like 11,000 widows are in this country, \$80 is about 3 bags of groceries. It is a question. Do you want to go to the grocery store and get nutritious food, or are you going to have to send it off to buy your health care plan?

Those are the kinds of choices. And the baby boomers in this society, the people in the generation under me, I am 59. So, if you are about 55 or so, below, you are going to have your mother coming to you asking, or maybe not telling you and then you will find it out some other way that she is not going to the doctor, not buying the medication, or she will ask you and you are going to be between the vise of helping your mother and helping your own kid in the community college.

I mean, people in their forties, their thirties, forties, fifties are caught between their parents and their children. You care about them both. Which one are you going to help if you can only help one? "Well, mother, I'm sorry, you're old, you will have to deal with it yourself because I have got to help my kid." No; you cannot say that. Then you say to your kid, "I can't help you through college, you're going to have to make it on your own, good luck, because I have to help my mother."

That is the vise that this proposal puts middle-class, middle-aged, people in. People in my generation have never spent a dime, I have never had to give my parents one single dime for their health care. Medicare for 30 years has taken that issue right off the table. Along comes this proposal and says we are going to put it back on the table and each family can find it themselves.

Now some can find it. My mother and father have four kids, all of whom went to college, all of whom have good jobs. We can find a little extra to help our mother, but what about people that do not have that? Think about that. Think about the guy who is just laid off at 50 and his mother is 80. He cannot help her.

So it is this kind of thing, and I think that you are doing a real public service by coming out here and raising these issues, because the trustees' report is simply an annual report and we are going to correct it. We are not going to walk away from this. The Republicans would not dare walk away from this without fixing this program. They have no chance with the American public if they do not step up and fix it. They ought to drop the whole business of cutting taxes and deal with Medicare.

Mr. PALLONE. I appreciate the gentleman's comments because you really managed to put a lot of this in common sense terms and explain it for the average person, which is what we really need to do. I thank the gentleman for joining us tonight.

Again, as I said in the beginning, the reason why we are here is because we do believe that the Medicare Program is so important and we believe that the promise of Medicare, which is to provide quality health care coverage for

senior citizens, the promise that a Democratic Congress and President Johnson made over 30 years ago must be continued, and that it really is not fair for today's seniors or future seniors to suggest to them that they cannot have the same kind of quality health care that we have now for senior citizens.

That is what we are afraid as Democrats will happen with this Republican leadership plan to change Medicare, that it will be so drastically changed that eventually it will simply disappear as a valuable program to provide health care coverage for all of America's seniors.

TRIBUTE TO A GREAT IRISH-AMERICAN, AND THE TERRIBLE TRAGEDY OF AIDS

The SPEAKER pro tempore (Mr. STEARNS). Under the Speaker's announced policy of May 12, 1995, the gentleman from California [Mr. DORNAN] is recognized for 60 minutes as the designee of the majority leader.

Mr. DORNAN. Mr. Speaker, I am actually going to discuss two things:

one, a short tribute to a good friend of mine, a political acquaintance who has developed into a good friend because of his good heart and what he and his whole large family has tried to do about the agony in Northern Ireland. His name is Thomas Tracy.

I put this little tribute to him in the Extensions of Remarks a month ago, but for some reason I felt that it was important enough for me to rise today and say it to the whole Nation through the wonders of C-SPAN, that million-plus audience of ours, and through you, Mr. Speaker, to the world.

And then I want to discuss the terrible tragedy of AIDS and how it is growing exponentially and almost unnoticed in our society. First to Mr. Thomas Tracy.

TRIBUTE TO THOMAS TRACY: DISTINGUISHED IRISH-AMERICAN LEADER

I just want to recognize, Mr. Speaker, Tom's honorable achievements for the Irish-American community. He gives to umpteen charities as most good businessmen do. But Tom recently was recognized for his service. He received the 1996 Distinguished Leadership Award by the American Ireland Fund in the beautiful city of St. Francis by the Bay and I was just heartbroken that our unrelenting pace around here, this all-important budget fight that we are engaged in, kept me from flying up with my Sally and some of our older children up there to San Francisco to add our congratulations to Tom's tribute.

Here is what this award acknowledges, Mr. Speaker. That an American of Irish heritage, to quote partly from the award, whose lifetime accomplishments personify the spirit of the Irish immigrants who contributed to making our Nation the greatest in the history of mankind.