

make exchanges of such sales, it can do so.

I think it would be especially ironic if the legislation to repeal the rescissions bill were to pass in the immediate aftermath of this most recent set of layoffs. It shows a tremendous indifference to the faith of hard-working people who have paid their taxes and built their communities over the better part of this century.

There are those who claim to be offended by this law, so offended that they call for its repeal. I am offended; I am offended by their complete and total lack of compassion that this proposal shows to these hard-working people and to the American economy and to the countless others before them who have lost their timber-related jobs as a result of similar policies.

I am offended by the total indifference to the cost of the repudiation of legal contracts entered into by the Government, shrugging them off on the proposition that someone else can pay for them sometime in the future and that we will simply add another bill to the taxpayers of the United States.

Mr. President, we will be debating this issue during the course of the next several days. I will have some charts demonstrating graphically the statistics I have outlined, that we are talking about an extremely modest proposal. We are speaking of far less harvest than the President's own promises as recently as 2 years ago to the people of the Pacific Northwest. We are simply enabling the President to keep the promises that he made, that he now, in an election year, desires to ignore.

#### MEASURE PLACED ON CALENDAR—H.R. 497

Mr. GORTON. Mr. President, I understand there is a bill due for its second reading.

The PRESIDING OFFICER (Mr. SHELBY). The clerk will read the bill by title.

The assistant legislative clerk read as follows:

A bill (H.R. 497) to create the National Gambling Impact and Policy Commission.

Mr. GORTON. Mr. President, I will object to the further consideration of this bill at this time.

The PRESIDING OFFICER. The bill will be placed on the calendar.

Mr. BAUCUS addressed the Chair.

The PRESIDING OFFICER. The Senator from Montana.

#### A BALANCE IN SALVAGE SALES IN TIMBER

Mr. BAUCUS. Mr. President, I first want to make a general observation with respect to the previous Senator's statement on the salvage sales. I think we all agree that we are striving for balance here; namely, we want to assure that dead, diseased, dying timber, that is, salvaged timber, is harvested appropriately. That means there is a

role to speed up salvage sales, but we also want to make sure we do not abuse our environmental statutes, abuse environmental protections.

I know the Senator, as all Senators are, is hoping to try to find the correct balance between those two extremes. One extreme is to go in and cut timber, dead, diseased, dying timber, and also green timber, as we do not want to abuse the salvage sale provision, but at the same time we want to make sure that our environmental statutes are adequately protected, because all Americans want balance and they want to make sure our forests are protected and want to make sure that they are also properly managed.

#### THE FUTURE OF MEDICARE

Mr. BAUCUS. Mr. President, it is all too easy for people in Washington to lose sight of what really matters. What really matters is how decisions made here in Washington actually affect average American families. The Medicare Program is a good example.

As the future of Medicare is debated, we are going to hear a lot of fancy words, a lot of concepts thrown around by both sides. But let us not forget that premiums, deductibles, copayments, and managed care mean nothing in and of themselves. Let us not lose sight of the bottom line. The bottom line is how the Medicare Program helps people, average, hard-working, descent people in my home State of Montana and across the Nation.

Are the proposed changes in Medicare going to actually help seniors live in dignity and security? Will they actually help average working families begin to plan for a secure retirement? Will they actually give these same families the peace of mind of knowing that they will not be forced to shoulder the costs of their parents' medical expenses?

Not long ago I was going through my mail from home and I came across a letter that helped drive these points home. It came from Mrs. Ethel Ostheller in Libby, MT. Libby, you might know, is a small town in the northwest corner of our State.

Mrs. Ostheller is 85 years old. She is widowed and lives off Social Security. She has had some serious health problems. She had a heart attack. She still owes a little over \$700 to the hospital, and she now pays about \$150 each month for prescription drugs, none of which is covered by Medicare.

She writes to me about these problems. Let me just read to you the closure of her letter which reflects her concern, but yet the optimism which is so typical of people across our country.

So with all of this, I'm worried [she writes]. I wonder what more can happen. But I'm not as bad off as lots of others. I'm trusting in God, living one day at a time, and I keep busy.

I think that typifies and represents the decency and the goodness and the basic common goodness of Americans.

How will any changes in Medicare affect people like Ethel Ostheller? That is what this debate is about. For her and thousands of other Montanans, Medicare is a health issue but also a pocketbook issue. It helps them plan for a secure retirement and to make ends meet. That is why we must work to assure that Medicare remains solvent and that the Medicare trust fund is not raided, not raided in order to pay for other programs or to pay for tax breaks for the very wealthy, as was the case in Speaker GINGRICH's budget last year. That is also why we must work to assure that the Medicare Program is run as efficiently as possible. Unfortunately, that is not the case for either Medicare or Medicaid today.

The General Accounting Office estimates that about 10 percent of Medicare's total costs result from waste, from fraud, from abuse. That is about \$18 billion this year; 10 percent wasted or lost through fraud or abuse.

We all know that \$18 billion is a lot of money, but let me put this in perspective: \$18 billion is enough money to run the government of the entire State of Montana for 6 years.

More to the point, \$18 billion is enough money to reduce the health care costs of every Medicare recipient by \$500 each year. That is \$500 each year Medicare patients now pay because of Government waste, fraud, and abuse in the Medicare Program. That drives up—that fraud and abuse—Medicare costs. It is robbing our seniors, robbing people like Ethel Ostheller, of hundreds of dollars each year.

How does this happen? Typically, it involves fraudulent billing practices by a Medicare or Medicaid provider; that is, a doctor or a hospital, one of the various providers. It occurs in every State in the Nation and in every segment of our health care industry. There have been abuses in ambulance services, clinical laboratories, medical equipment suppliers, home health care, nursing homes, physician and psychiatric services, and rehabilitation.

Let me cite some examples. These were uncovered by the General Accounting Office and also by the Senate Special Committee on Aging.

A medical equipment company in California billed Medicaid half a million dollars for merchandise they said they delivered to needy patients. What happened? It was a ruse. The patients did not need the equipment; the company never made delivery of the equipment, but they sent the taxpayers the bill anyway.

Another example: Medicare paid \$7.4 million to a company for surgical bandages that were never used.

And still another case in Great Falls, MT—unfortunately, my home State: An ophthalmologist overbilled Medicare by \$200,000. He was prosecuted and convicted by our U.S. attorney in Billings.

While these incidents may be extreme, they are not isolated. Frankly, I am disappointed with the Federal

agencies that are supposed to have jurisdiction over all this. They have let this go unchecked for too long and have only recently begun to take action. I must say they are not alone.

A tough approach to fraud and abuse is almost completely lacking in the Gingrich plan that Congress is considering. The \$270 billion in cuts, which was so harsh on beneficiaries and hospitals, contained a pathetically low amount for fighting fraud and abuse.

We must have zero tolerance for those who willfully cheat the Medicare system—zero. Ultimately, they are stealing money from ordinary Americans, average American families. They are stealing money away from seniors, people like Ethel Ostheller, who depend upon Medicare to help make ends meet. They are also stealing money from millions of Americans who are working today and deserve to know that Medicare will be there when it is time for all of them to retire.

In the weeks ahead, I intend to come forward with proposals to get tough on Medicare fraud. I look forward to working with a number of my colleagues, both Democrats and Republicans, to find commonsense solutions to this very serious problem.

Thank you, Mr. President.

#### ACTION TAKEN ON H.R. 497 VITIATED

Mr. BAUCUS. Mr. President, I ask unanimous consent that the action just taken on the second reading of H.R. 497 be vitiated.

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

Mr. BAUCUS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DORGAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

The Senator from North Dakota is recognized.

Mr. DORGAN. I thank the Chair.

(The remarks of Mr. DORGAN pertaining to the introduction of S. 1597 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

#### SEARCHING FOR PROSPERITY

Mr. GRAMS. Mr. President, when Minnesotans gather to talk about the issues that matter to them most, as they did on Tuesday at their precinct caucuses, there is a common theme that weaves between nearly all of them, especially when they are speaking directly from their hearts.

They are looking for a better life.

They want a good job that pays a decent wage. They want to put enough food on the table. They want a strong roof over their heads, for many, a place they can call their own.

And after the bills have been paid, they would like a little extra at the end of the month to squirrel away in a savings account.

The most striking truth about seeking that better life is that most folks aren't doing it just for themselves. They are pursuing it for their children, too, in the hopes of offering them the best opportunities for success.

In other words, they are searching for prosperity.

It is interesting that prosperity and the struggle to achieve it has spread across the Nation to become a major theme of the 1996 presidential campaigns. The media have just begun to focus on the troubles facing working people, and the stagnating wages and high taxes that have pushed prosperity out of reach for many middle-class families.

But where have the media been? Working families have been feeling the pinch for a long time.

"Our economy is the healthiest it has been in three decades," announced President Clinton in his State of the Union Address.

Is it really? There is plenty of evidence to the contrary—and four areas are especially troublesome:

First, the economy itself has dropped to a sluggish pace. The Federal Government released new numbers just last week confirming that economic growth has slowed to a trickle, up by only nine-tenths of a percent during the last 3 months of 1995.

Second, job growth has slowed as well, to about half the rate we'd expect to see in a normal recovery.

The U.S. Labor Department says that pay and benefit increases last year saw their lowest climb in about 14 years, since the Government first began tracking these statistics.

They could, in fact, be the leanest increases since before World War II, an unfortunate trend analysts say could easily continue.

Third, wages continue to slip as Americans take home fewer and fewer dollars.

Real weekly earnings for an average worker dropped three-tenths of a percent in 1995. That means families are taking home almost \$800 a year less than they did before President Clinton was elected in 1992.

That is \$800 they no longer have to spend on necessities such as groceries, medical expenses, or insurance.

Fourth, while the economy is slowing down, taxes have accelerated.

Americans have never paid a higher percentage of their income in taxes than they are paying today.

In 1950, an average worker paid about 2 percent of his earnings to support our Federal Government. Today, an average family sends 25 percent or more of its earnings to Washington, and that does not include the additional tax burden once State and local taxes are heaped on top of that.

Now if the economy itself was not blocking the road toward prosperity,

the record high taxes alone would have done it. Together, they have proven to be a lethal combination for American families and American workers.

None of this will come as any surprise to middle-class, working Americans.

After all, they are the ones paying the taxes at the same time they watch their paychecks shrink.

But they can find some comfort in the fact that it is their anxieties—that is, the anxieties of parents hoping to eke out a better life for themselves and their children in the face of tremendous obstacles—that will perhaps become the defining issues of the 1996 elections.

It all comes down to economic growth, income, and jobs.

We know what is blocking the way, but how did the roadblock get there in the first place?

Do you remember the prank we used to pull when we were kids, when we would attach a dollar bill to the end of a fishing line and plant it in the middle of a sidewalk?

As soon as someone spied the bill and reached down to grab it, we would yank on the string, moving that dollar out of reach and leaving the poor victim embarrassed and empty-handed.

That is what the Clinton administration is doing to the middle class. They tempt working Americans with a dollar bill and the prosperity it represents, but they yank it away just as soon as somebody begins to get close to it.

Rather than offering opportunities for success, the Government has allowed working people to become trapped between falling incomes and rising taxes. Whatever you call it—the "middle-class squeeze" or the "Clinton crunch"—it is cheating the middle class out of their hard-earned dollars.

Just look at your paycheck, look at your tax forms, look at what you are paying for government, who is spending your money, and how they are spending it. In most cases, the bureaucrats have your credit card and are spending it, I believe, without any real accountability.

It should make Americans angry that much of the money they work so hard for is being wasted on programs that do not work, or plainly just cost too much.

Unfortunately, past discussions about issues like wage stagnation and economic growth have too often centered around the minimum wage or corporate profits, and that is not what working men and women care about, though.

They are interested in their net income—what is left after you take out Federal taxes, State taxes, payroll taxes. And under the Clinton administration, there has been less and less left over in your pay envelope, thanks in part to the President's tax increases and the Federal mandates that are sapping the precious resources of our job providers, businesses have been forced to keep wages lower.