

Two years ago, a Bureau of Land Management building in Reno, NV, was blown apart, the roof blown off, among other things. Gate and fee collection boxes have been booby-trapped with explosives in the West. Agency employees were told by a man that they could have his guns, he just wanted to pull the trigger one more time—at them.

In my county, a group of armed citizens stood by as a Forest Service employee helplessly tried to stop the illegal opening of a road with a bulldozer. A county official later said publicly that if the Forest Service officer had reached for his gun, 50 people would have shot him.

In Garfield County, MT, a group called The Free Men set up their own county government, declared the existing one illegal, and offered a cash bounty for the arrest of legitimate law enforcement officials.

In New Mexico, a Fish and Wildlife employee was told that he would have his head blown off. The manager of the Malheur National Wildlife Refuge in Oregon was threatened with death, and his family was harassed.

In the West, antigovernment activity has spread like a prairie fire. Property rights activists in Nevada, New Mexico, Montana, and Idaho regularly drown out Federal officials who speak at public meetings. Yet these same activists illegally graze cattle on Federal lands.

Worried Government agents such as Tom Dwyer, a U.S. Forest Service official, whose encounter with a property rights leader ignited a court battle, said, "There are times when I was driving back from being out of town when I wondered if my house would still be there."

Yes, Mr. President, Guy Pence wonders also.

Mr. President, this is not the America that we believe in. It is as if some sickness has swept our country, as if we are living in a different age, as if we have been transported in a time warp back to the barbarism and violence of previous civilizations like "Back to the Future," I guess.

I am here today to denounce violence and extremism in any form, whether it is clinic violence at an abortion office, or whether it is domestic violence in a home. It does not matter who committed an act against Guy Pence, it is violence, and we have to speak out against it.

Acts like this, and others which have been cited, have been legitimized by anti-Government rhetoric of those in positions of responsibility who should know better.

In my own State, elected officials have rejected the authority of Federal land managers to do their job on public lands—not land owned by the counties or the States, but land owned by all the people, including the urban residents of Reno and Las Vegas.

Mr. President, we must speak out. We must recognize that some Members of this body and in the other Chamber have all but advocated violence against

established law and order and sympathize and apologize for gun-threatening supremacists. There is legislation pending in both Houses of Congress that enshrines and advocates some of these principles.

One of the problems in our society today is that people are unwilling to speak out, are unwilling to speak out against violence, are unwilling to speak out against sexual depravity conveyed to our children through the mass media, and are unwilling to speak out against lawlessness, generally.

I am speaking out. I call upon my colleagues in this Chamber, the elected officials of the country and the Western United States, and the peaceful advocates of the county supremacist movement to decry violence. I would challenge the leaders of this movement to write their members, to speak out publicly, to let everyone know that while they may disagree with the policies of the Federal Government that they do not advocate violence.

We must get the message out that, while they may not like certain Federal policies, they do not advocate violence against innocent people whose job it is to enforce it.

Teddy Roosevelt said, "No man is above the law, and no man is below it." He also said, "Nor do we ask any man's permission when we require him to obey the law." We must obey the law.

Mr. President, I also would like to express publicly my appreciation to my friend from Minnesota for allowing me to go out of order.

Mr. WELLSTONE. Mr. President, let me just say to my colleague from Nevada before he leaves that, after having heard his statement, it was really kind of my pleasure to defer to the Senator from Nevada. That was a very, very courageous, and powerful statement.

I would like to join him in condemning this extremism and violence. Murder is never legitimate. Attempted murder is never legitimate. There is no place for this in this country.

I think the Senator's statement is national in significance. I think what he said today on the floor of the Senate is needed to be said. There comes a point in time when silence is betrayal. And the Senator from Nevada clearly is not silent. I thank him for his courage. Mr. President, my understanding is I have 10 minutes.

The PRESIDING OFFICER. The Senator has 9 minutes and 46 seconds.

MEDICARE

Mr. WELLSTONE. Mr. President, first of all let me ask unanimous consent that the editorial today in the Washington Post entitled "Cutting Medicare" be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

CUTTING MEDICARE

A new report suggests the congressional goal of cutting Medicare costs by a quarter

of a trillion dollars over the next seven years could be even harder to achieve than previously believed. The theory had been that large savings could be had if only the government would begin to manage Medicare the way the private sector has been managing its health care costs in recent years. The commonly cited evidence was that Medicare costs were rising much more rapidly than the health care costs of private employers, which were showing signs of being brought under control. The principal explanation was that Medicare remained essentially an old-style fee-for-service system while the private sector was turning more and more toward some form of managed care.

But the new study by Urban Institute researchers says that, properly accounted for, Medicare and private sector costs have been rising at pretty much the same speed in recent years. The suggestion is that there aren't large, painless savings available simply by shifting the system by which care is delivered. It's true, the study found, that in the past few years aggregate Medicare costs have been rising faster than the aggregate cost of private insurance. But a major reason has been that Medicare enrollment has been steadily rising—there are more older people in the society—while the number of privately insured has been declining.

If you look, however, at per capita costs for the same kinds of basic health care services, there's been little to choose between Medicare and private-sector growth rates, the study says. In the private sector there have been some one-time-only gains by virtue of shifts to managed care; the private sector is becoming a shrewder buyer of health care. But it isn't clear those gains can be sustained—and Medicare is already a better buyer of health care than the government's reputation might suggest. The government has used its buying power to force down what it pays providers, so that Medicare already pays hospitals less than the cost of treating many Medicare patients. In some respects, the private sector is catching up with cost-cutting steps that Medicare already has taken.

Just about everyone agrees that (a) there's a need to reduce the rate at which Medicare costs are rising, and (b) there's room for significant reform in the program. And, yes, a shift toward managed care can help. But there isn't a magic wand that can be waved to achieve large and lasting cost cuts painlessly. In the long run, if the government is going to pay appreciably less, the program is likely to provide less or the recipients will have to pay more.

Mr. WELLSTONE. Mr. President, what the Urban Institute has come out with really should not surprise anyone who is a student of health care. And what the urban institute has said is that the kind of conventional wisdom in Medicare costs have been rising at a faster rate than private health insurance costs is simply not true once you look at the capital expenditure.

That is, a matter of fact, what is happening with Medicare which is, of course, part of the success of Medicare—that more and more people, thank God, live to be 65, and more and more people, thank God, live to be 80. That is really what you have to look at.

So it is not this sort of promise of shifting everything from fee for service to managed care and, therefore, reducing the costs, which needs to be questioned.

The conclusion of this editorial is that in the long run, if the Government is going to pay appreciably less, the program is likely to provide less, or the recipients will have to pay more.

Mr. President, let me just be clear about this in response to so much of what I heard this morning on the floor of the Senate about Medicare.

The Medicare Program, which passed in 1965, and the Medicaid Program, which passed in 1965, made the United States of America a better country. And this legislation, this public policy, was a response to the real pain of elderly people in our country. Half of the elderly population prior to Medicare had no health insurance. It is that simple. People are no longer working. They do not have their jobs. So they do not have their coverage. In addition, when people are not working their employment earnings drop precipitously.

Today 36 million elderly and disabled Americans, including more than 630,000 Minnesotans, are protected by Medicare.

Mr. President, I only have about 8 minutes. But I just want to kind of respond to some of what I heard said this morning in one, two, three, four fashion.

First, the concern of my colleagues about the Medicare trust fund and the need to finance Medicare would be more credible to me if we were not juxtaposing with the \$270 billion in cuts in Medicare the \$245 billion of tax cuts for wealthy people. It is a little bit suspicious, especially since the vast majority of the tax cuts—some 80 percent—go to families with incomes of over \$100,000 a year.

Mr. President, there is an important change being proposed here. As opposed to Medicare being a universal health insurance program—that is what it has been about for elderly people, senior citizens—now the proposal is to have a fixed amount of cash for each Medicare beneficiary that they can use to purchase coverage in the marketplace. And the difference between the value of that voucher and what happens with medical inflation, that needs to be made up by the recipient.

Mr. President, there is something profoundly wrong with the direction we are going in. First of all, understand that what has made this program so successful—and it has been a huge success—is that it is universal for all citizens 65 years of age and over.

Understand, second of all, that we are not talking about a high income profile. Elderly people pay four times as much out of pocket as those 65 years of age and less. Some 75 percent of the Medicare expenditures go to families or households with incomes of \$25,000 a year or less. And I am not even talking about the, roughly speaking, \$40,000 a year that have to be paid for nursing home expenditures which is the catastrophic expenses that so many elderly people have to phase in at the end of their lives which wiped out savings.

Mr. President, the other point that my colleagues did not want to make is

that while, on the one hand, we have the Medicare per person expenditure inflated to rise under 5 percent per year, the private health insurance expenditures are slated to go up over 7 percent a year. Who makes up the difference? Mr. President, there are some problems with this proposal that are really quite profound. And they ought to be laid out, and I have yet to hear anybody on the other side of the aisle respond adequately.

No. 1, if you are going to cut \$270 billion a year, then quite clearly beneficiaries are going to have to pay more, and many cannot afford to pay more. In addition, you are going to have, roughly speaking, 50 percent of those cuts go in the form of less reimbursement for the care givers or for the providers. But, Mr. President, No. 1, many elderly people cannot afford to pay more. And, No. 2, in greater Minnesota or greater Idaho where 70 or 80 percent of the patient mix are elderly people, those hospitals and clinics which have a tough time making a go of it right now will go under. That is the case in Minnesota. That is the case in rural America.

This policy will not work. This is slash and burn.

Third of all, Mr. President, what will happen is it is the same shell game. We have talked about this over and over again. I can assure you that when the providers can transfer the costs—and they can do that in some of the metropolitan areas—they will do so.

So if the doctors or clinics or hospitals get less in reimbursements than the cost of providing care, shifting it to private health insurance, premiums go up for employers, who then in turn drop employees, and we have more employees dropped from coverage—hardly a positive change, hardly a reform for health care.

Mr. President, we do not know how we are going to finance medical education since that right now, much of it, is out of Medicare. What happens to our hospitals, our teaching hospitals?

Mr. President, as a Senator from Minnesota, what happens to my State, which is a State which has already reduced much of the fat in the system, which has weeded out many of the inefficiencies? We are at rock bottom. This slash-and-burn approach will not work for rural Minnesota and it will not work for metropolitan Minnesota.

Mr. President, the fact is we are not talking about reform. If we want to talk about reform, I say to my colleagues, do not have the tax cuts, \$245 billion.

Second, why are we spending \$7 billion more on the Pentagon budget, but we are going to cut health care for the elderly people?

Third, why are we leaving all the subsidies for the oil companies, the pharmaceutical companies, the tobacco companies, but we are going to cut benefits for Medicare recipients?

And finally, if you want to have cost containment, do it systemwide. Why

not get back to health care reform. Why not move forward. This is not an effort to take us into the 21st century. This is an effort to move us back into the 19th century.

Systemwide cost containment? Yes. Universal health care coverage? Yes. Focus on home-based health care so elderly people and people with disabilities can live at home in as near normal circumstance as possible with dignity? Yes. Health care reform but with financing for medical education? Yes.

We can have health care reform, colleagues, but this is slash and burn. And no set of speeches will be able to ignore that reality.

And so, Mr. President, this morning was the beginning of the debate. I look forward to much more of that debate, but I wish to be crystal clear what is at stake here. This is a program which made a huge difference in our country. As a Senator from Minnesota, I am going to fight very hard to maintain the integrity of this program.

I yield the floor.

TRIBUTE TO LEWIS A. ENGMAN

Mr. HATCH. Mr. President, on July 12, I lost a friend.

And the country lost a man who had served with energy and integrity, in both the public and private sectors.

Lewis A. Engman, "Lew" to the many friends he leaves from 25 years in Washington, was taken suddenly by stroke.

He left life well before his time. Had he lived longer, I know Lew would have used it fighting for the strong principles that guided all his professional life.

Lew believed in competition and free markets.

An antitrust lawyer and economist by training, Lew saw competition and free markets as the consumer's most efficient and effective protection.

As Chairman of the Federal Trade Commission in the early 1970's, Lew was one of the first Government officials to observe that some Federal regulatory agencies had become servants of the industries they regulated, that they were more adept at propping up prices than protecting the consumer.

As much as anyone, Lew Engman was responsible for setting in motion the current movement against overregulation.

While a prophet of deregulation, Lew never took a doctrinaire, anti-Government stance. He liked to distinguish between regulations that improve competitive markets rather than those which substitute for the market—supporting the former, opposing the latter.

Another principle that guided Lew was his commitment to full disclosure, accuracy, and truthfulness. Information, in Lew's view, made markets function. Without full, dependable price and product information, consumers were defenseless, Lew often said. Lew never wavered—not at the Federal Trade Commission, nor later as