

Many conservative "monetarists" share the belief of liberals that gold is "a barbarous relic," in the words of the late, great British economist, John Maynard Keynes.

They prefer allowing the dollar to "float" in value, letting its price be determined in world markets by supply and demand. And the Federal Reserve System, under Chairman Alan Greenspan, appears to be doing a credible job of wringing inflation out of the economy and keeping the dollar stable against other currencies.

But it's no secret that one reason for Mr. Greenspan's success is that he keeps a close informal eye on gold prices. Before he became Fed chairman, he openly expressed support for a gold standard on grounds that gold is an excellent barometer of the supply and demand for paper money.

But Mr. Greenspan may not be around forever. And interest rates remain stubbornly high by historical standards, imposing a huge cost not only on the federal budget but on the average American. These higher interest rates reflect the premium charged by lenders who must worry about the future course of the dollar. When gold was the standard, long-term rates seldom rose above 4-5 percent, compared with at least 6-8 percent today.

Few ordinary citizens can comprehend the Federal Reserve's money-market manipulations. They must guess at what's going on behind the doors at the Fed. The result is they demand a premium as a hedge against future inflation.

But even ordinary citizens can understand a gold standard. When the price of gold rises, they know that inflation may be in the offing. When it falls, they know it's time for the Fed to print more dollars in order to fend off deflation. A gold standard gives voters a practical reality check on the performance of the elites in Washington.

In short, the gold standard is no wacko idea. It's been tested over centuries. It may not be perfect, but it has provided a better hedge against the ravages of inflation and deflation than most other systems. And it is a fundamentally democratic mechanism that enhances the ability of the ordinary citizen to control his or her destiny. What's wacko is the notion the folks in Washington have done such a swell job maintaining the value of the dollar.

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#### THE MEDICARE AND MEDICAID RECOVERY ACT OF 1996

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 26, 1996

Mr. STARK. Mr. Speaker, today I am introducing the Medicare and Medicaid Recovery Act of 1996.

Providers and suppliers are using the Bankruptcy Code as a vehicle to defeat the Secretary's effort to recoup overpayments from the Medicare trust funds. Specifically, providers and suppliers, who owe financial obligations to Medicare, are seeking relief from bankruptcy courts to have their outstanding overpayments, which are unsecured, discharge or greatly reduced. The Medicare Program has been unsuccessful in efforts to halt such action.

Federal bankruptcy legislation is designed to provide equality to all creditors in the distribution of a debtor's assets. However, there are three main exceptions to the equal distribution principle that allow some creditors to receive

more than others. The three main devices for some creditors getting more are, first, liens, second, exceptions to discharge, and third, priorities.

With the third main exception—priority—creditors have a demand to first payment from any assets the debtors have available for payment to unsecured creditors. Creditors with priorities get paid before other unsecured creditors.

The Federal Government has long had a priority for taxes, duties, and related penalties. However, it does not have a priority for nontax claims, such as Medicare and Medicaid overpayments to providers. The Government's priority for nontax claims was abolished in 1979.

A 1992 report issued by the Office of Inspector General, entitled "Federal Recovery of Overpayments from Bankrupt Providers," found that as of March 1991, the Medicare trust funds lost \$109 million due to the ability of providers and suppliers to discharge their outstanding overpayments. While the report recommends giving Medicare claims a priority status in bankruptcy, better cost savings would be achieved by excepting these claims from discharge. This bill would correct this situation by prohibiting providers and suppliers from using a bankruptcy forum to avoid these outstanding obligations.

This bill addresses a second problem—individuals who owe financial obligations to the United States, or who have had a program exclusion imposed against them for other reasons, are seeking relief from the bankruptcy courts to have their exclusion subject to the automatic stay. Currently, the Secretary of HHS is required to exclude from participation in the Medicare and State health care programs health care professionals who have defaulted on their student loan or scholarship obligations owed to the United States. There are also a number of other bases for exclusion, such as criminal convictions related to the delivery of a health care item or service, or patient abuse. The purpose of the Secretary's exclusion authority is to protect the public, as well as the beneficiaries of the Medicare and State health care programs, from individuals and entities who have demonstrated by their past conduct that they are untrustworthy. This bill makes clear that the Bankruptcy Code should not be used to defeat this congressional purpose.

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#### TRIBUTE TO THE THREE VILLAGE POST NO. 336 OF THE JEWISH WAR VETERANS

HON. MICHAEL P. FORBES

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 26, 1996

Mr. FORBES. Mr. Speaker, I rise today to pay tribute to the Jewish War Veterans of the United States of America, a venerable veterans' organization that is celebrating its 100th anniversary this year.

In particular, Mr. Speaker, I ask my colleagues in the U.S. House of Representatives to join me in saluting the Three Village Post No. 336 of the Jewish War Veterans, located in Port Jefferson Station, Long Island, NY. As members of America's armed services, Three Village Post members served their country with exemplary patriotic duty. As part of the

Jewish War Veterans they epitomize those patriotic ideals, striving to maintain recognition of their comrades' sacrifices, while working to protect the rights and well-being of all veterans.

The oldest, continuously active veterans organization in the United States, the Hebrew Union Veterans Association was established on March 15, 1896 by Civil War veterans of the Union Army. Part of the group's original function was to help dispel the persistent falsehood that Jews did not serve in the Civil War. After World War I, when the group's rolls ballooned, they changed their name to the Jewish War Veterans—USA.

To celebrate the J.W.V. centennial anniversary, on Sunday, October 27, the Three Village Post will hold a special ceremony at the North Shore Jewish Center, in Setauket. At the centennial celebration, post members, their family, friends, and supporters will pay homage to those Jewish War Veterans who have fought and sacrificed in defense of democracy, so that America may remain strong and its people free. As Post Commander Robert Sandberg wrote to me, in a brief history of J.W.V. and Post No. 366: "The J.W.V. can be doubly proud. First, that we can live peacefully and freely in this wonderful country, and second, that American Jews themselves and their forebears fought and helped win that peace and freedom."

Since establishing its charter on January 27, 1975, the Three Village Post has sustained the benevolent and patriotic traditions of the J.W.V. Its members have spent thousands of volunteer hours working with the residents of the Northport Veterans Hospital and the State Veterans Home at Stony Brook. Each year, two local high school seniors receive a Jewish War Veterans' scholarship. To maintain the community's awareness of the sacrifices our veterans have made, post members participate in the local Memorial Day and Independence Day parades, along with the grave site memorial services at nearby Calverton National Cemetery.

In this, the Jewish War Veterans' centennial anniversary year, its members continue to work for the ideals on which the organization was founded. Remembering the sacrifices of all veterans is central to those ideals and the J.W.V. is working tirelessly to convince the U.S. Postal Service to issue a commemorative stamp to honor the Jewish War Veterans' 100th anniversary. Mr. Speaker, it was the selfless sacrifices of all veterans that have made America a great republic. None have sacrificed more, nor have others worked harder to protect America's democratic ideals than our Jewish war veterans. I respectfully request that the entire U.S. Congress join me in saluting the 100th anniversary of the Jewish War Veterans of the United States of America. Congratulations.

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#### TRIBUTE TO TOM BEVILL

HON. SIDNEY R. YATES

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 26, 1996

Mr. YATES. Mr. Speaker, I rise today in honor of my dear friend, TOM BEVILL. TOM is retiring after this session and I am saddened to see such a thoughtful legislator leave this