

paycheck smaller faster than you can say, "Why doesn't someone do something about this?"

Mr. Speaker, the *Star Ledger* says that, "Somebody is trying." They point out that, "the Kennedy-Kassebaum bill, sponsored by one Democrat and one Republican, would restrict the insurance companies' ability to impose waiting periods or deny coverage for existing health problems. The bill would give people who are caught between jobs a better change of holding on to health coverage that means something. It is a conservative and useful beginning to health care reform."

However, "the bill is bogged down because some of the same people who have been telling us we do not need to tinker with the health care system could not resist tinkering with this bill and they've added all sorts of amendments, including one that would allow medical savings accounts."

"Medical savings accounts are offered as a way for everyone to self-insure by putting money in tax-sheltered accounts as an alternative to buying coverage."

"Of course, since most people cannot afford health insurance premiums, it's not likely most can sock away as much cash as it would take to cover the family's medical needs. That is why medical savings accounts are nothing but a tax break that would cost the Government and benefit only the wealthy as well as a heavy Republican contributor pushing this approach."

What the *Star Ledger* is saying in this editorial, Mr. Speaker, is that it is time for us in the House of Representatives, as well as in the Senate, to push forward with health insurance reform that will help those who change jobs, the issue of portability, or help those who lose their job, or help those who have preexisting conditions.

Too many Americans, anywhere from 40 to 60 million Americans, could benefit from this legislation, and it is simply being held up because the Republican leadership insists on including these medical savings accounts simply because of special interests. They received something like \$1.2 million in the last few years from the Golden Rule Insurance Co., which is pushing these accounts. It is time for real health insurance reform.

#### WHY CONSUMERS SHOULD SUPPORT MSA'S

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentleman from Florida [Mr. STEARNS] is recognized during morning business for 5 minutes.

Mr. STEARNS. Mr. Speaker, I hope the gentleman from New Jersey [Mr. PALLONE] will stay around for just a moment to listen to this.

In 1994, the then House majority leader, the gentleman from Missouri, DICK GEPHARDT, thought MSA's, medical savings accounts, were such a good

idea that he included them in the Democrat leadership bill.

In 1994, all but one Democrat on the House Committee on Ways and Means voted in favor of medical savings accounts in the Clinton health care reform plan. So I think the gentleman from New Jersey, Mr. PALLONE, and others on the Democrat side who complain about medical savings accounts should realize that their leadership, not only in the House but in the Senate, when the Medical Cost Containment Act of 1992 was—which included medical savings accounts—presented to the Senate, even TOM DASCHLE, was there sponsoring it. So, Mr. Speaker, I think it is appropriate that I talk about medical savings accounts this morning.

We have heard a great deal from that side of the aisle, talk about how they are tax breaks for the rich, which is absolutely false, and I think we have all these Democrat leaders who have supported it, so I think the bottom line is, it is good for America. They were based upon the premise that the consumer, in this case the purchaser of health care, should have control over their health care dollars. This is important, because those of us who believe that by empowering people to have more control over their health care spending, they will become more cost conscious and in all likelihood would seek information to shop around, look at the marketplace.

Mr. Speaker, let us ask the basic question: What are medical savings accounts? During debate on the Clinton health care bill, we learned that Americans want health care reform that will provide consumers with the ability to choose the type of health care plans that best suit their needs. Medical savings accounts would provide consumers with just such an opportunity.

Under current tax law, third-party insurance is subsidized and self-insurance is penalized. Every dollar an employer pays for third-party insurance is excluded from employee income. When employees try to save that money, it is taxed. Medical savings accounts should be given the same tax incentive as currently given to third-party health insurance premiums.

Mr. Speaker, if we are to provide true health care reform, we must provide individuals with the options of being allowed to create medical savings accounts. On that side of the aisle, they have talked about giving retirement accounts for women who are at home and for working people. We had that in our American dream account. Medical savings accounts are under the same concept. They would enable consumers to use tax-free savings accounts to self-insure for routine, out-of-pocket medical expenses. The inclusion of a medical savings account would provide people with the opportunity to choose higher deductibles in the place of premium savings in individual medical savings accounts.

Mr. Speaker, our health care bill, which the gentleman from New Jersey

[Mr. PALLONE] was talking about, provides that taxpayers would be permitted to have one account to make an annual deposit of no more than \$2,000 if single, \$4,000 if married. Under this bill, in order to make these contributions be tax deductible, an individual must be covered by a high deductible health care plan. By empowering consumers with choice and individual responsibility, healthy competition among insurance companies is created and it is better for all of us.

In 1994, in the issue of the *Journal of American Health Policy* article entitled, "Why Medical Savings Accounts Deserve a Closer Look," it said: "Research has shown that these accounts give lower health care expenditures markedly without any negative health effects on individuals with such coverage."

What are some of the advantages? They are portable, total freedom of choice, allows spending on long-term care premiums, will increase the number of insured Americans and, of course, Mr. Speaker, they create wealth through all of us increasing our savings rate.

Critics claim that health care has become too complicated and that consumers are no longer capable of making cost-conscious decisions. Several studies show that health care consumers do make cost-conscious decisions provided they are given the financial incentive to do so.

Critics also claim that consumers will not seek preventive care in order to save money for these accounts, but studies show that they do not deter preventive care. What we find is that savings result from a more discriminating use of optional services, and consumers select less expensive health care benefits.

Perhaps the criticism we hear the most is that these accounts would attract the healthy, leaving the sick with conventional insurance. In that case, the adverse selection or what is called cherry-picking, would cause an increase in the cost of traditional insurance. But this has not been shown to be true. Companies using this type of account have not experienced this problem. Several different groups and organizations have already established these accounts for their employees, and I believe the success they have met in so doing is a surprise for some of the critics.

What do the polls tell us about the public's reaction to medical savings accounts? Well, of the 1,000 workers responding to a survey conducted by the Marketing Research Institute, 87 percent said they would like to have medical savings accounts. Of course, when I mentioned earlier about the critics, we have the gentleman from Missouri [Mr. GEPHARDT], we have the gentleman from South Dakota [Mr. DASCHLE], we have all the Democrats on the Committee on Ways and Means voting for medical savings accounts, so it is clear it is bipartisan.

Mr. Speaker, let me close by also pointing out that 18 State legislatures have passed medical savings accounts legislation with overwhelming bipartisan support. Mr. Speaker, 68 million Americans already have access. We need to bring the rest of them in.

□ 1045

#### DO NOT KILL THE DEPARTMENT OF COMMERCE

The SPEAKER pro tempore (Mr. FOLEY). Under the Speaker's announced policy of May 12, 1995, the gentleman from West Virginia [Mr. WISE] is recognized during morning business for 5 minutes.

Mr. WISE. Mr. Speaker, I am not here to speak about medical savings accounts, but I do have to respond to the gentleman from Florida.

Saying that Democrats who voted 2 or 3 years ago for medical savings accounts, in effect, support the medical savings account proposal today is like saying NEWT GINGRICH supports the Democratic agenda because he voted for one small piece of it.

I supported the Democratic health care plan 3 years ago, in which medical savings accounts were a very small piece of a very big puzzle, in which also there was guaranteed health care for all citizens as opposed to the present proposal, which is incremental, deals only with small numbers of the population, and medical savings accounts are the one piece that will sink the package that people do agree on. So there is a total difference.

Let us talk about something else that I have great concern about what the Gingrich leadership is doing because, Mr. Speaker, I ask you this: We just saw the basketball finals, the NBA finals. If you are heading into the playoffs, you have a tough schedule ahead of you, you are 2 to 2 in the series, would you pull Michael Jordan at that point? Of course, you would not.

Then why is it if we have an agency, a department, that has generated 80 billion dollars' worth of export contracts for the United States and created jobs, why would we then try to bench the Department of Commerce? And yet that is exactly what the Republican leadership intends to do in reform week that is coming up in the next few weeks.

That is right, they want to take apart the U.S. Department of Commerce, which, under Secretary Ron Brown and now Secretary Mickey Kantor, for the first time is really performing a valuable mission. What is the mission? To create jobs. To create jobs in America.

That is why I am coming to the floor today, to urge my colleagues now to rise up and to say, no we do not want to kill the Department of Commerce; we do not think we ought to, in the interest of saying we broke up an agency or a department, that we should move all these different departments around

and shift boxes on the flow chart and thus take away the central element, the ability to coordinate our economic recovery efforts.

Because I think it is important to look at what the Department of Commerce does. First of all, the Department of Commerce works in partnership with local businesses and governments to provide much-needed infrastructure. I think everyone here has seen the benefits of an economic development administration enterprise, whether a grant for water and sewer or for a feasibility study.

I know in my own State of West Virginia, for instance, we have seen millions of dollars come in from EDA grants that has generated millions and millions of dollars worth of jobs in industrial parks and businesses. Because remember what EDA does, EDA only funds, in most cases, where it is a job-creating venture, where you create jobs as a result of it. We have seen \$15 billion of EDA investment over 30 years, not only create infrastructure but to create jobs.

There is more that the Department of Commerce does. The National Weather Service. I think everybody has seen that firsthand and the need for that. That is economic development, too, because the farmer knows to protect his or her crops, the businessperson knows to get their equipment up on pallets because there is going to be flooding. The more advanced notice they get, the better they can plan their deliveries, plan their shipments. That is the National Weather Service.

There is more that the Department of Commerce does. The National Telecommunications and Information Administration, which provides grants to educational, health care, public safety, and social service agencies. All crucial activities. How about the International Trade Administration that many of our small businesses use? That is the one way that they get into the export market. Exports create jobs. The ITA in West Virginia as well as across the country is creating those jobs.

I talked to one small businessperson in my home just this last week who said that 40 percent of their business now comes through ITA-generated export opportunities. What do they want to do? They want to break this up and move it around. It makes no sense.

The Foreign Commercial Service, those are our hustlers out in every embassy. We do not have enough of them, but they want to move them someplace else. Makes no sense. The Department of Commerce has generated since 1992 more than \$80 billion in foreign contracts for American businesses. That is Secretary Ron Brown going out with CEO's of major Fortune 500 companies and others as well nailing down those contracts and Secretary Mickey Kantor now doing the same thing.

We have the Advanced Technology Program, 220 public-private partnerships, joining more than \$1.5 billion of Federal and private funds.

Mr. Speaker, I am urging businesses across the country now to let their Members of Congress know this is not a good idea. You do not pull Michael Jordan in the middle of the game, and you do not pull the Department of Commerce in a time when we are facing increased, not decreased, increased international competition.

I hope the CEO's of those Fortune 500 companies will stand up and say, yes, we do happen to think the Department of Commerce is important, and I hope all those who understand the importance of the Department of Commerce realize the next few weeks are crucial to saving this agency.

#### THE FBI FILE SCANDAL

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1996, the gentleman from Illinois [Mr. EWING] is recognized during morning business for 5 minutes.

Mr. EWING. Mr. Speaker, I come here today to talk about a topic which is not new in the press, but I think I would like to talk about it in a little different way. I want to talk about how we are looking at the file scandal that affects our Government.

Many in the press and in this Congress have focused their attention on the actions of the White House staff with regard to the FBI files. They are correct to ask why the White House was rooting through most of this confidential and secretive information about hundreds of private citizens and whether the President's staff was digging for dirt on political opponents.

However, I believe that the media and the Congress are failing to adequately question the role for the Federal Bureau of Investigation in this matter. The FBI has been given tremendous responsibility by this Congress to investigate criminals and guarantee the security of our country. There is no excuse for the FBI to allow the White House staff to request highly confidential files without even asking the White House why they needed them. The FBI handling of this matter appears to me to be very irresponsible and negligent. This Congress needs to seriously question the FBI's role in this whole matter and how the agency would allow this breach of confidentiality.

Mr. Speaker, it really is not any wonder that so many Americans have lost faith with their Government when the most powerful investigative agency can be used to snoop around in the private lives of American people for no apparent reason. And I refer to a recent editorial in the Wall Street Journal which talks about an FBI agent who was, until 2 months ago, the top FBI agent working in the White House, and when he raised questions about the White House personnel security office and its director, Craig Livingstone, this FBI agent was transferred out by his superiors. I think that is a question that needs to be answered by this Congress.