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House of Representatives

The House was not in session today. Its next meeting will be held on Monday, June 17, 1996, at 2 p.m.

Senate

FRIDAY, JUNE 14, 1996

The Senate met at 9:30 a.m., and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

The Chaplain, Dr. Lloyd John Ogilvie, offered the following prayer:

Almighty God, Sovereign of this Nation, and Lord of our lives, we thank You for outward symbols of inner meaning that remind us of Your blessings. The sight of our flag stirs our patriotism and dedication. It reminds us of Your providential care through the years of our blessed history as a people, but it also reminds us of our role in the unfinished and unfolding drama of the American dream. But it also gives us a reminder of the privilege we share of living in this land.

Today, on Flag Day, we repledge our allegiance to the flag and recommit ourselves to the awesome responsibilities You have entrusted to us. May the flag that waves above this Capitol remind us that this is Your land and we are accountable to You.

Our flag also gives us the bracing affirmation of the unique role of this Senate in our democracy. We praise You for the men and women You have called to serve at this strategic time in history. May they experience fresh strength and vision. Renew the drumbeat of Your spirit calling them to march to the cadences of Your righteousness. We ask for Your blessing on President Clinton and Vice President GORE. God bless America. Amen.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. The able majority leader, Senator LOTT, is recognized.

SCHEDULE

Mr. LOTT. Thank you, Mr. President. Today, there will be a period for morning business until the hour of 12 noon, with Senators permitted to speak for up to 5 minutes each. Several Senators have requested additional time to speak, and they are as follows: Senator COVERDELL, or his designee, 90 minutes; Senator BINGAMAN for 15 minutes; Senator MURKOWSKI for 15 minutes; Senator KEMPTHORNE for 10 minutes; Senator DASCHLE, or his designee, for 20 minutes.

At 12 noon today, the Senate will resume executive session and debate the nomination of Alan Greenspan to be Chairman of the Federal Reserve System. Under the consent agreement reached yesterday, the vote on the Greenspan nomination will occur on Thursday, June 20, at 2 p.m. No rollcall votes will occur during today's session, so there can be full discussion of this nomination. However, the Senate may be asked to consider any legislative matters that can be cleared for action.

As a reminder for all Senators, at 10 a.m. on Tuesday, June 18, the Senate will begin consideration of S. 1745, the Department of Defense authorization bill.

I yield the floor, Mr. President.

MORNING BUSINESS

The PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of morning business, with Senators permitted to speak therein for up to 5 minutes each, with the exception of the following Senators: Senator COVERDELL, or his designee, for 90 minutes; Senator BINGAMAN for 15 minutes; Senator MURKOWSKI for 15 minutes; Senator KEMPTHORNE for 10 minutes; and Senator DASCHLE, or his designee, for 20 minutes.

Mr. COVERDELL addressed the Chair.

The PRESIDENT pro tempore. The distinguished Senator from Georgia is recognized.

Mr. COVERDELL. Mr. President, as I understand it, the time this morning between 9:35 and 11 o'clock is assigned to me or my designee?

The PRESIDENT pro tempore. The Senator is correct.

HEALTH CARE REFORM

Mr. COVERDELL. Mr. President, this past Monday while I was on the Senate floor, I suggested that there should be a relevance between what public policyholders say in the pursuit of seeking higher office and what they do if they are fortunate enough to achieve that.

In particular, I was alluding to the promise that this administration made to middle America that it would significantly lower the tax burden on the American middle class, the vast majority of our American citizens, but, in fact, by August of the first year in office, they had totally reversed that

• This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.



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promise and had, in fact, increased taxes at historical proportions, resulting in most American working families today having a higher tax burden, having less of their paychecks in their checking accounts than at any time in American history.

But the administration made another promise that it did try to keep, in all credit. They promised to revise the health care system in the United States. Indeed, when they came before the American people, their proposal was to totally federalize or take American medicine and have the American Government take it over.

So what that meant was that the Federal Government would increase to unprecedented proportions, that a new entitlement would be created that would be larger than any entitlement in American history, including Social Security, that 17 percent of the American economy would be taken over by the Government, and for the first time, Mr. President, the Government would control over half the American economy.

I can remember saying at the time, as a kid, I never believed that it would be possible for me to be in the U.S. Senate debating whether or not the Government should control over half the American economy. But, indeed, that is what we were doing just 2 years ago.

It was a very elaborate system that controlled every aspect of medicine. By the time the debate was over, Mr. President, the American people had defeated President Clinton's health care proposals. By the time the final cast was set, less than one-third of the American people supported the idea. Over two-thirds opposed it, because they saw it for what it was, a massive explosion in the growth of our Government, a massive incursion into the personal affairs of every American citizen and family and business and community, an enormous and explosive cost.

Mr. President, at the time we were debating this proposal, often those of us, such as myself, were asked, "Well, what would you do?" We talked about targeted reform. We talked about making benefits more portable so that they could move with the employee and we could put an end to this job lock where a person who developed a medical problem could not move from one job to another because they would not have been able to keep their insurance.

We talked about making the insurance marketplace more friendly. We talked about making it more possible for people to obtain insurance. We talked about making it a guaranteed issue, all of these targeted reforms that we thought would modestly change the marketplace and make it easier for uninsured people to gain insurance.

Mr. President, this Senate and the House have both fulfilled that promise. They have done exactly that. They have passed health reform that eliminates job lock. It allows an ambitious worker to leave a job and move to a

better one without losing health coverage. It allows the self-employed to deduct on their taxes 80 percent of their health insurance premium. This is an egregious—an egregious—error in the workplace. If you work for a large company, your health premiums are deductible, they are tax deductible. If you work for yourself, they are not. This corrects it. It allows the small business with 50 or fewer employees or the self-employed to have tax-free medical savings accounts.

We have been joined by Senator GRAMM, the senior Senator from Texas, who wants to speak on this subject. But let me just say that the designers of massive Government control of the health system are blocking this reform proposal through parliamentary means. They are refusing to allow the conferees to be selected. It is because they do not want the product of medical savings accounts, which allows the worker or the citizen to create a savings account to help them manage health costs, to lower health costs, to give them more freedom in the health care system. They do not like that. So they have systematically blocked these reforms that the Nation overwhelmingly supports.

I find it a bit unusual that the last vestige of those who want to make the Government consume over half our economy, who want to run every aspect of our personal lives by controlling medicine and every doctor and every hospital, every cure that you may or may not want to use, just cannot abide the idea of allowing citizens this product to make choices on their own. I will come back to this subject in a bit. We have been joined by the senior Senator from Texas. I yield up to 10 minutes to the Senator from Texas.

Mr. GRAMM addressed the Chair.

The PRESIDING OFFICER (Mr. BOND). The Senator from Texas.

Mr. GRAMM. Mr. President, let me thank our dear colleague from Georgia. I want to say a few words on another subject, but let me address the subject at hand first. Let me say to our dear colleague from Georgia, I do not think he ought to be surprised.

I believe that the final battle for the rights of man, the final determination of whether freedom, both economic and political freedom, will survive and prosper on this planet is not going to be determined on the frozen tundra of Russia, it is not going to be determined by debate in the Kremlin; it is going to be determined right here on the floor of the United States Senate.

I try to make a distinction because I think Americans get confused about what freedom is. Freedom is not just the right to get up and criticize the Government. Freedom is not just the right to exercise political choices. Freedom is the right to exercise economic choices. Freedom is the right to buy the products you choose. Freedom is the right to spend your own money which you have earned by the sweat of your own brow. That is what we are talking about here today.

I think probably most people are totally confused about what this debate is. Our Democratic colleagues are hoping they are. Because what this debate is all about is freedom. There are some Members of the U.S. Senate who are for it and there are some Members of the U.S. Senate who, in its economic manifestation of the right of people to choose what kind of health insurance they want, are against it.

Senator KENNEDY and the Democrats are saying, in holding up the conference on a health care bill that passed the Senate 100 to 0—100 to 0—he is saying that he is opposed to it because if we go to conference with the House to work out our differences, medical savings accounts could end up in the bill.

What are medical savings accounts? What we are talking about here is simply the right of people to choose between buying a low-deductible health insurance policy, which for a family of four costs about \$4,200 a year, where the insurance company starts paying almost immediately if somebody in your family gets sick. That is conventional health insurance. It has one big problem, and that is, once you are sick, you are spending somebody else's money. You have no incentive to be conscientious. Costs are exploding.

Just imagine if you went to the grocery store, and you had a grocery insurance policy. For everything you put in your basket, the grocery insurance policy paid 95 percent of it. You would eat differently, and so would your dog. But what would happen is, grocery insurance would explode in cost. That is exactly what has happened in health insurance.

What we are trying to do is to let people, especially young people who do not have much money, buy a new kind of health insurance policy that would have a higher deductible. You could buy a Blue Cross-Blue Shield policy, with a \$3,000 deductible, for about \$2,200 a year rather than the \$4,200 a year you are paying for by buying the comprehensive low-deductible policy.

Why \$2,000 less? Because a lot of that is, for all practical purposes, prepaid medicine. What we are proposing is that people be able to take that \$2,000 they save and put it into a tax-free savings account and use it to pay deductibles. But the magic, almost magical power of it, is that if they do not use the money for medical purposes, they get to keep it. So unless they get very sick, 92 percent of American families would never spend beyond their medical savings account in a year. So unless they get very sick, they have an incentive to be cost conscious because they are spending their own money.

Here is the point. We are not trying to make people buy medical savings accounts. There is nothing in our proposal that makes anybody buy it. What we are trying to do is to let them do it. This is about freedom.

Senator KENNEDY and the Democrats claim, "Oh, this program only helps

rich people." Have you ever noticed that everything Democrats are against supposedly helps rich people? They did not want to cut taxes on working families, a \$500 tax credit per child, because they say that helps rich people. If they want to raise taxes, of course, they claim they are taxing only rich people.

In any case, do rich people care about this? What difference does it make to rich people whether they buy a low-deductible or high deductible policy? By definition, if you are rich, you have a lot of money. It cannot make possibly any difference.

But let me tell you who it makes a difference to. I have a son who just turned 23 years old. He is off my insurance policy. For the first time in his life, he is trying to decide how he is going to get health insurance and how he is going to buy it. He is as healthy as most 23-year-old males and females are. Why not allow him to buy a high-deductible policy and take the savings, put them into a medical savings account and build up a nest egg to go to graduate school, or to try to start a business, or to buy a home when he gets married?

When we debated this subject before, I had quotes from two so-called rich people who use medical savings accounts. One of them was a united mine worker, because the United Mine Workers Union has medical savings accounts, but they do not get fair tax treatment on them. They have to pay taxes on them. The other was a part-time bus driver. They were arguing they ought to be treated fairly, and I agree with them and not with the Senator from Massachusetts, who is objecting to letting us appoint conferees and bring this bill up.

The second argument is, well, look, this helps young people and healthy people. Who does not have health insurance? Basically, young healthy people are not buying health insurance because, A, they do not think they need it right now and, B, they cannot afford it. Why not have a policy available that may not be used by everybody, but that will be used by young people so that they can buy basic coverage. The Democrats' solution is to guarantee that they can buy insurance in the future once they get sick rather than now when they are young and healthy, but at the cost of charging everybody else higher rates.

We need medical savings accounts, and this is about freedom. The Democrats want the Clinton-type health care bill. That is what they want. And they know medical savings accounts move us toward private family decisions. They want Government decisions. That is what this debate is about, and if you believe in freedom, you are with us.

INTERNATIONAL DEPARTURE TAX

Mr. GRAMM. Now, I want to turn to another subject. The President has put out a new list of savings measures, and

among the savings measures is an international departure tax increase—\$2.3 billion of savings. Now, you might ask, what does a tax increase have to do with savings? The answer is, nothing. We have, in this administration, a new language where everyday words are changed into new words and they have nothing to do with each other. But this is basically a proposal to raise taxes on international travel by imposing a \$10 per passenger tax on everybody buying a round-trip ticket in international travel, coming to the United States and going back, or leaving the United States and coming back. Now, if you have Americans traveling, some people assume they must be rich. So you want to tax them. So I am not going to get into that argument. I think it is absurd. We know that not everybody who travels internationally is rich.

Let me talk about the 42,983,000 foreigners who come to the United States. Well, you might say, why not tax them? They cannot vote here, so why not tax their money while we have them? What do they come here for? Well, they come here to invest, to create jobs, and to be tourists. In fact, as tourists, they spent \$76.485 billion last year. Why, I ask, should we be trying to raise barriers against people who want to come to Atlanta, or who want to come to Houston or who want to go to San Antonio to see the Alamo? Why should we want to raise barriers to people who want to come and see where great Americans come from, like South Carolina, and who came to the Alamo to defend freedom—especially when they are spending \$76.485 billion on the trip? To save my life, I do not understand that.

We did a little check in asking just one hotel manager that we happened to be having a conversation with, who works for Marriott Hotels in Houston, what percentage of the people staying in his hotels, on an average night, are foreign nationals. He estimated that 40 percent of the people staying in Marriott Hotels in Houston are foreign nationals. Now, why would we want to discourage all these people from coming to America to spend money? Well, it is interesting that by a fairly conservative estimate, in international tourism alone, this tax would cost us twice as much as the Government is claiming to collect. I know some people will make an argument that these people who would make this money from international tourism will squander it. They will spend it on their children, they might go to Disneyland, they might invest in some private business; and that the Government, collecting half as much money from this tax as these private citizens would earn, will spend it wisely—on the National Endowment for the Arts or the Legal Services Corporation—but not getting into those arguments, I am opposed to this departure tax increase.

I want people to come to America. I want people from all over the world to

come here and see the Alamo and see the Capitol and get to know our country and understand, personally, its greatness, get to know Texans and Americans, and bring that \$76 billion a year with them and spend it here.

This is a poorly designed tax that will cost us jobs. It is a bad idea. I just want to remind people that taking the whole travel industry in America, we have almost a million people employed—about 960,000 people—because of international travelers. In fact, hundreds of thousands of people are going to come, for example, to Atlanta to the Olympics. People are coming to many different places around our country. My view is, let them come, let them spend their money when they get here. But the idea of erecting barriers to them coming, to collect a tax, it seems to me, is foolhardy and should be rejected.

This is part of something bigger. The Securities and Exchange Commission now collects twice as much in their taxes on securities as it spends to run the SEC. None of this money the President calls savings through this new tax would go to support the Federal Aviation Administration—not one penny of it. It would go to fund Government programs in general. We have fees on the transportation of hazardous materials that began as a relatively low figure. It is now \$300. It was initially applied to trucks, railroads, and barges hauling things like crude petroleum. It is now being applied in Texas to 10,000 independent oil producers, who do not even transport the crude oil themselves. The administration has proposed to raise it to as much as \$5,000 a year and collect as much as \$50 million out of my State just from independent oil producers. Why? Because these increased fees could be used as taxes to fund Government in general. They would not be used for the purposes they were set out for. Just like this gasoline tax we have been trying to repeal, which is not going to build roads, it is going to general revenue.

My view is—and I will conclude on this—when you collect taxes on gasoline, motor fuel, it ought to go to roads. When you collect taxes on airline tickets, it ought to go to the FAA to build airports, to support the infrastructure. What is happening in this administration is all these fees are being raised because they want to spend the money and they want to hide the tax. This departure tax increase on airline tickets is wrong. I wanted to come down today to say I am opposed to it, and I do not intend to see it become the law of the land.

I thank my colleague from Georgia. When all those millions of tourists coming through Atlanta and spend all that money, remember, I did not want to erect the barrier.

(Mr. INHOFE assumed the chair.)

Mr. COVERDELL. Mr. President, I see the Senator from Missouri appears to be requesting up to 5 minutes. I yield up to 5 minutes to the Senator from Missouri.