

applying to all forms of work and investment, ensures that effort and capital are steered to the most productive activities in the economy instead of those activities that the Government deems most important through targeted tax credits or deductions.

It is also the fairest way to provide tax relief. Everyone would be treated the same; tax rates would be cut 15 percent across the board, boosting take-home pay and relieving a major source of anxiety among people with middle and low incomes.

Notably, a 15-percent rate cut would take revenues as a share of GDP back to where they were before Clinton took office—to 19.2 percent from the current 20.4 percent—effectively repealing the Clinton tax increase.

Therefore, I think it would be a very wise thing for Majority Leader BOB DOLE in his quest for the Presidency—and, frankly, for President Bill Clinton, as he seeks reelection—to embrace the concept that the American people could not only do well individually as a result of a reduction in income tax rates, but also that this would help to stimulate the economy and, ironically, or paradoxically, as I said, end up providing more revenues to the Treasury to help us with deficit reduction and the financing of all of the important things that we want to finance as a result of the Federal Government's efforts.

Mr. President, I hope that as this debate continues, we will be able to discuss the concept of tax rate reductions. I hope to cosponsor legislation to that effect, and I hope we can begin the debate with the American people so that a consensus can be developed and, as a result of this election, we will have a mandate to reduce marginal income tax rates across the board.

REPUBLICAN PROPOSAL ON MEDICAL SAVINGS ACCOUNTS AND THE HEALTH INSURANCE REFORM BILL

Mr. KENNEDY. Mr. President, yesterday, House and Senate Republicans announced a compromise on medical savings accounts. In reality, this compromise is a capitulation to House Republicans who are more interested in creating an issue and serving a special interest constituency than in passing a bill.

Medical savings accounts have become the Trojan horse that could destroy health insurance reform. This untried and dangerous proposal does not belong in the consensus insurance reform bill. It has already been rejected by the Senate. A bill containing it cannot be enacted into law and signed by the President.

Democrats and the White House have offered a fair compromise, which would provide for a controlled and limited test of the MSA concept to see if it should be expanded. But the House Republican leadership has said that it will be their way or no way. As Major-

ity Leader ARMEY said on Sunday, "I will not give up medical savings accounts," and he dared the President to veto the bill. The latest proposal clearly reflects this partisan strategy.

The Republican leadership pretends their proposal is a fair attempt to deal with concerns about medical savings accounts. But it is nothing of the kind. Under their proposal, medical savings accounts could be sold to all small businesses and the self-employed immediately. This opens MSA's to a massive market consisting of more than 40 million workers—one-third of the Nation's entire labor force. This is hardly a controlled, limited test.

Even more serious, experts agree that the small business sector of the health insurance market is the most vulnerable to the disruption that medical savings accounts would cause. The Joint Tax Committee concluded that sales of medical savings accounts would be concentrated in small- and medium-sized firms.

The proposal would clearly go beyond the bounds of what is acceptable, even if it stopped there. But it does not. After 3 years in which medical savings accounts are sold to this vast market, the accounts would be expanded to everyone. Only if both the House and Senate voted to stop the expansion would it be prevented. This is not a test. It is a travesty.

The great danger of medical savings accounts is that they are likely to raise health insurance premiums through the roof and make insurance unaffordable for large numbers of citizens. They will discourage preventive care and raise health care costs. They are a multibillion-dollar tax giveaway to the wealthy at the expense of working families and the sick. Their cost could balloon the deficit by tens of billions of dollars.

The most troubling aspect of medical savings accounts is the risk that they will destroy the health insurance pool, and price conventional insurance out of the reach of most American families. Medical savings accounts will raise premiums for the vast majority of Americans—especially those who are sick and need coverage the most—by siphoning the healthiest people out of the insurance pool. As premiums rise for everyone else, more and more working families will be forced to drop comprehensive coverage. In the words of the Congressional Budget Office, medical savings accounts "could threaten the existence of standard health insurance." Mary Nell Lenhardt, senior vice president of Blue Cross and Blue Shield concluded that MSA's destroy "the whole principle of insurance."

The leading proponents of medical savings accounts are insurance companies like the Golden Rule Co., which have been the worst abusers of the current system. The strongest opponents of medical savings accounts are organizations representing working families, senior citizens, consumers, and the disabled, who have the most to lose if the

current system of comprehensive insurance is destroyed. We know whose voice should be heard when Congress decides this issue—not the voices of greedy special interests, but the voices of those who depend on adequate insurance to get the care they need at a price they can afford.

The Kassebaum-Kennedy bill passed the Senate by a bipartisan vote of 100 to 0, without medical savings accounts. It passed unanimously, because it contained the noncontroversial, important insurance reforms that everyone agreed on. The American people deserve to see those reforms enacted, not jeopardized by the last-minute addition of a partisan poison pill.

House Republicans should not turn a bipartisan bill that could be passed by both Houses today and signed by the President tomorrow into just another election year issue. The American people deserve a fair compromise on this highly controversial issue, and I continue to be hopeful that we can find a satisfactory compromise to save this needed bill.

To those who genuinely believe that medical savings accounts offer an improvement in the health care system, I say let us work together to devise a fair test of the concept that will not put millions of American families at risk. The American people's hopes for insurance reform should not be held hostage to a partisan, special interest agenda.

Mr. President, I yield the floor.

Mr. GRAHAM addressed the Chair.

The ACTING PRESIDENT pro tempore. The Chair recognizes the Senator from Florida.

Mr. GRAHAM. Mr. President, I ask unanimous consent to speak for 10 minutes for purposes of introducing two bills.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. GRAHAM. Mr. President, thank you.

(The remarks of Mr. GRAHAM pertaining to the introduction of S. 1859 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. ROTH addressed the Chair.

The ACTING PRESIDENT pro tempore. The Chair recognizes the Senator from Delaware.

TRIBUTE TO SENATOR BOB DOLE

Mr. ROTH. Mr. President, it is difficult, if not impossible, to adequately address the congressional career of our departing majority leader in a 5-minute floor statement. His accomplishments in his 35 years as a Congressman and Senator—his successes achieved while serving 11 years as Republican leader—could fill volumes.

Indeed, hours could be spent rehearsing BOB DOLE's impressive record: His heroism in World War II; his early political career in the Kansas House of Representatives, followed by his successes here in Washington; his efforts