

Well, Mr. President, I believe I have used up my 30 minutes. I see others who are on the floor who want to speak. But I will have more to say about this as the week progresses if the nominations are put before the Senate for consideration. I have a number of other charts that I am going to use to illustrate how the Federal Reserve policies, I believe, are hurting the working families in America, how their policies are mistaken in bending this country toward higher interest rates when those higher interest rates are not needed, when they are not legitimate, and when those higher interest rates benefit the top 20 percent of the people of this country and hurt everyone else.

The Fed's policies, in short, are keeping growth restrained more than should be.

Second, the Fed's policies, I believe, are keeping wages from keeping up with productivity in this country.

Third, the Fed's policies are skewing who gets whatever the growth is in our economic pie. In other words, we know and all of the figures show—and I will release those later on this week—that in our country the richer are getting richer and the poor are getting poorer. We know that. All we have to do is look at this chart.

So the Fed's policies are destroying the broad middle class in America, that middle class that has always been the ladder of opportunity for those who ascend. I fear that if we do not stop the policies of the Fed, that rather than accelerating inflation, what we will have is an accelerating spread between the rich and the poor in our country, an acceleration of depressing wages, an acceleration of pushing people in the middle class down further on the economic scale, and that I submit will be harder to turn around and more dangerous for our country, more fraught with the possibilities of deflation and severe recession than any fear of a small increase in inflation that might come about if the Fed were to actually reduce interest rates.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. GRAMS. Mr. President, are we in morning business?

The PRESIDING OFFICER. We are in morning business.

Mr. GRAMS. I thank the Chair. I ask unanimous consent to speak for up to 10 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRAMS. I thank the Chair.

EFFECTS OF HEALTH CARE MANDATES

Mr. GRAMS. Mr. President, I wanted to be here today just to make some brief comments in support of the Medicare Freedom To Contract Act, S. 1194.

During my first term in the 103d Congress, I witnessed President Clinton attempt a Federal takeover of fully one-

seventh of our Nation's economy through a nationalized health care system. I was opposed to it then and I remain adamantly opposed to it today.

Over the past 2 years we have seen a step-by-step encroachment by the Federal Government into the health care system.

Despite overwhelming public opposition to his attempt to take over the health care system, President Clinton still seems to be intent on imposing his vision of socialized medicine on the American people.

In fact, on September 15 of this year, the President admitted that he has not abandoned his goal of forcing a nationalized health care system. He stated, "Now what I tried to do before won't work. Maybe we can do it in another way. That's what we've tried to do, a step at a time, until we finish this."

I am sorry to say that the Republican-led Congress has been a great service to the President by incrementally adopting and implementing more and more of his 1994 health care scheme. While I supported the heralded Kassebaum-Kennedy Health Insurance Reform Act, which did accomplish some needed reforms, I have concerns about how this law has since been implemented.

In addition to its original mandate, we have a host of so-called "body part" protections and coverage mandates which will create a precedent for total Federal control over health insurance packages and thereby ultimately a Federal health system. I have always believed that the American people should have the fundamental right to choose where, when and how they receive their health care services. If individuals choose to enroll in health maintenance organizations, let them. If they want to join a preferred provider organization, let them. If they would like to opt out of health insurance altogether or to pay for the services as they are received, then let them. Clearly, I am not in a position to determine what their needs are or what plan would best suit their family and their budget, nor is any bureaucrat in Washington able to determine the coverage best suited for each individual in the United States.

Now, that brings us to the recently enacted Children's Health Initiative. I opposed the Balanced Budget Act in large part because of this grossly overfunded, new Federal entitlement. Again, another "step at a time" that the President says we need to take until we have a total Government-run health care system.

Let me be very clear. I am very fully in support of ensuring access to health insurance for children. However, I have never believed that this was a Federal issue. As a Minnesotan, I witnessed the creation of a State program in 1992 which has provided access to health insurance to thousands of children in my State of Minnesota. It is called MinnesotaCare.

Now, this State program gives access to State subsidized private health in-

urance to families up to 285 percent of the Federal poverty level. The Federal Children's Health Initiative provided no consideration to the States which have made a commitment to providing access to health insurance to children or their families. In effect, the Federal Government has now spent \$24 billion on a program which clearly will not work in every State. In fact, it will penalize States like mine which have already made significant progress in covering children, and this illustrates my point very well. Washington cannot make the health care insurance decisions for everyone.

One of the most important corrections needed in the Balanced Budget Act is the Medicare Freedom to Contract Act. This was introduced by Senator KYL which I have cosponsored. This act tries to correct what is probably the most egregious example of what President Clinton's vision of Federal Government as provider and protector has in store for us.

While the Balanced Budget Act included a provision which allows a Medicare beneficiary to contract for health care services privately with a physician, it effectively prohibits this from happening by forcing that physician to opt out of treating any other Medicare patients for 2 years. What the President has done is to blackmail doctors and to deny senior citizens the basic right of spending their money as they see fit.

Even in the United Kingdom, which has had socialized national health service since 1948, it allows its citizens to pay for services outside the national system. Clearly, Americans can do better than that and at least Americans deserve the same option. This is unfair to seniors. It is unfair to physicians. And it must be corrected quickly.

Opponents of the Medicare Freedom to Contract Act claim that it will force seniors to pay 100 percent of a physician's charge for their services, and it would mean an immediate and dramatic increase in out-of-pocket costs for physician services.

This is simply untrue. No Medicare beneficiary is required, nor implicitly encouraged, to contract privately with a physician. This act merely makes it possible for seniors to do so if they choose to do so. But the opponents are ready to come to the floor to filibuster any opportunity to discuss this issue or to get a vote on it. And President Clinton has also threatened to veto the bill should it pass.

Now, he put the provision in the BBA in the middle of the night without debate, another step again toward the President's desire for a nationally run health care program. And he says he will veto any efforts to stop it. Is this what Americans want? The American people strongly rejected it in 1994, and they don't want it now.

Mr. President, I find it completely amazing that there are individuals who believe it is wrong to allow seniors more options and more choices in how

they receive their health care services. Indeed, as the Balanced Budget Act aimed to provide more choices to seniors through the Medicare Plus Choice Program, the Medicare Freedom to Contract Act is the logical extension of the Medicare Plus Choice Program. It creates yet another option for our seniors.

In fact, a case can be made that if seniors contract privately with their physician for services and do not bill Medicare, it will save money. It will extend the life of the Medicare Program beyond the 10 years the Balanced Budget Act supposedly will do.

Finally, Mr. President, we have many lessons to learn about the effects of health care mandates. However, denying seniors the option of using their own money to pay for their own health care is a lesson in Government that's gone mad, and that is a lesson we have all learned too well already. I urge my colleagues to support this needed correction.

I thank the Chair. I yield the floor.

The PRESIDING OFFICER. The majority leader.

UNANIMOUS-CONSENT REQUEST— FEDERAL RESERVE NOMINATIONS

Mr. LOTT. Mr. President, I ask unanimous consent that the Senate immediately proceed to executive session to consider the following Federal Reserve nominations on the Executive Calendar: Calendar No. 305 and Calendar No. 306.

The PRESIDING OFFICER. Is there objection?

Mr. HARKIN. Mr. President, reserving the right to object, I might inquire of the distinguished majority leader, what were the Executive Calendar numbers?

Mr. LOTT. I asked unanimous consent that we proceed to executive session to consider the Federal Reserve nominations on the Executive Calendar. I know the Senator from Iowa has been discussing these nominees already this afternoon, and I am advised that he is going to oppose a time agreement to get a vote on these nominations, so I was going to make note of the fact that my intention is to set the votes on these nominations for later today.

If it is not possible, if there is objection to that, then I would have to say it would appear to me that these nominees could not get confirmed this session. We have a number of nominations we are trying to get cleared on both sides of the aisle.

I had indicated to Senator DASCHLE we would try to move these nominees. We also have similar holds on the FCC nominees. But if we can't get those cleared in the next couple of days, it would be my intent to try to move those to a vote in the same manner tomorrow. So I am trying to emphasize that. I think these are important nominees. It would seem to me we need to have nominees to the Federal Reserve

Board confirmed. These are the President's choices and his recommendations. This is, obviously, a very critical board. While I might agree with the Senator about some of his reservations and disagree with some of the actions they take and a number of things that have occurred over the years, I do think that unless there is a major objection to one or both of these nominees on the qualifications basis or experience or something of that nature, I feel an obligation to try to move them forward.

Mr. HARKIN. If the majority leader will yield.

Mr. LOTT. Sure.

Mr. HARKIN. I respond by saying I appreciate the position the majority leader is in. Quite frankly, I think that the occasion of considering a couple of nominees to the Federal Reserve Board of Governors should be a time of some debate and some discussion on the Senate floor as to the Fed policy and to the direction the Fed has taken.

Again, I do not need to remind the majority leader of this. He knows full well there seems to be so many people who think the Federal Reserve is some great Federal agency that is not beholden to the Congress. I keep pointing out it is a creature of Congress. It is not a constitutional entity. It is a creature of Congress and by law we have the right and I think the constitutional obligation to oversee the Federal Reserve, obviously to pass judgment, to advise and consent on nominations but also to give guidance and direction as to what their policy ought to be. And I think that these nominees deserve to have some discussion and debate.

I would say in all honesty to my friend from Mississippi, there are on this side other Senators who I know want to engage in this discussion and debate who cannot be here today. I am here. And I am willing to talk—well, I have my notebook here, if the majority leader would like to see it. I have a few hours I could talk.

Mr. LOTT. It doesn't look very thick.

Mr. HARKIN. It is pretty thick. I have a lot that I can say about them.

Mr. LOTT. If the Senator will yield.

Mr. HARKIN. Yes.

Mr. LOTT. I know he could talk at great length on this and other subjects, and there may be other Senators who would like to talk on them who are not here today. Quite frankly, I am not impressed that they are not here. We are in the final 2 or 3 weeks of the session, and when Senators say they can't be here on Monday and they can't be here on Friday, it sure makes it awful hard to do the people's business. But the Senator is within his right; certainly these are important nominees, but I believe that on these nominees as well as the FCC nominees and hopefully maybe even others, if the holds are continued on them, I need to call them up.

If there is objection, as apparently the Senator from Iowa intends, I just want to make it clear why they are

being objected to and who is objecting to them and we will move on. But I do want to make it clear to one and all that in view of the lateness of the hour in the session, the odds of being able to spend a great deal of time or to get these nominees called up again is not very likely because we have a number of urgent matters that are pending that we are going to have to take up this week and next week.

And so I just wanted to put that on the RECORD so that the Senators here will know this is probably not a temporary delay; this is probably a delay until next year.

Mr. HARKIN. If the leader will yield further, if last week is any prelude to this week, I think we are going to have large gaps of time this week on the Senate floor. There will be time for people to come out and discuss extraneous and various things. As I said, I know there are some other Senators who have expressed to me a desire to engage in some discussion. I do not know how long but some discussion. And I think the leader would agree this is important enough that we ought to discuss it anyway. I know he is not impressed that they are not here today. I understand that. But I am hopefully operating within my right to engage in a discussion on these nominees. I would, of course, object to them being brought up en bloc. I do not desire to thwart these nominations. However, I do want them brought up separately and singly as individual nominees and to be able to use some time this week to talk about them.

I would be prepared to do that at great length today. I am here, and I am in pretty good physical shape so I am ready to discuss them at length today, if he would like to do that, as is his right, but I would also be willing to see what we could do during the remainder of the week to engage in some discussion, and I will do that. If there are gaps this week, I will come to the floor and talk about it.

The PRESIDING OFFICER. Is there objection?

Mr. LOTT. Mr. President, if the Senator will yield further on his reservation, if there are some gaps, we could have more talk about these nominees or other nominees later on this week. There may not be the large gaps that there might appear because we do have a number of appropriations conference reports that we think are going to be ready this week, plus the DC appropriations issue we believe we can resolve, although it will take a little time, 2 or 3 hours on that, plus Senator BYRD and Senator STEVENS have indicated they would like to have the line-item veto disapproval which could take 10 hours.

And that does not count regular bills. We have to do something about the Amtrak strike this week, one way or the other. So I think we are going to have a good bit of time that will be used. But I know the Senator will be glad to talk when the time comes, and I appreciate his comments.