

time the position demanded of Admiral Johnson in his off-duty hours. I do not raise any issue of wrongdoing in this matter. But there is the inherent appearance of conflict of interest in serving as an active duty Admiral while appearing to endorse a commercial insurance service catering to other naval officers, by virtue of the fact that he accepted a paid position on its Board of Directors. I note that the Secretary of Defense has now disallowed this practice of serving on such boards for remuneration, but I think it does not show the kind of judgement I would expect of someone whose personal example must guide the Navy after an era with too many instances of misconduct and poor judgment on the part of Navy leaders.

I support the Navy. It involves tough, demanding work, with long periods of family separation serving in dangerous environments across the world. The spirit of courageous service and the expertise the Navy daily demonstrates in warfighting and in making ready for warfighting needs to be matched with better judgement in areas involving apparent financial conflicts of interest. These issues of character need to be addressed in a way that will serve as a sorely needed example in a society where standards and values seem to be slipping away from where they should be. This is the message I wish to convey in stating my opposition to this nomination. Let the record show that, if a roll call vote were taken on this nomination, I would be recorded as voting "no."

Mr. KEMPTHORNE. Mr. President, I rise in strong support of the nomination of Adm. Jay Johnson to serve as Chief of Naval Operations.

As the chairman of the Personnel Subcommittee of the Armed Services Committee, I have taken a very close look at Admiral Johnson's record of service, his leadership qualities, his vision for the Navy and his character to insure he will lead the Navy with distinction and honor into the next century.

Based upon all of the information provided to the Armed Services Committee and a private meeting in my office, I have concluded Admiral Johnson is the best person to assume the challenges and opportunities that appear on the horizon for the next Chief of Naval Operations.

Admiral Johnson has an exceptional record of performance as a naval aviator. During his career, Admiral Johnson has also served with distinction in numerous command positions such as Commanding Officer VF-84, Commander Carrier Air Wing One, Commander Carrier Group Eight, Commander Theodore Roosevelt Battle Group, Commander Second Fleet, Commander Striking Fleet Atlantic, and Commander Joint Task Force 120. In March, 1996 Admiral Johnson reported for duty as the 28th Vice Chief of Naval Operations.

A review of Adm. Jay Johnson's record indicates leadership qualities

that will serve him well as our Nation's next Chief of Naval Operations. I strongly support Admiral Johnson's confirmation to serve as the next CNO. I have every confidence Admiral Johnson will serve our Nation well in this important position.

LEGISLATIVE SESSION

The PRESIDING OFFICER. Under the previous order, the Senate will now return to legislative session.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KERRY. Mr. President, I will only take a moment, if I may.

A TRIBUTE TO LEADERSHIP

Mr. KERRY. Mr. President, I would like to pay a special tribute to the leadership of two Senators on the issues that we have just passed. There are a lot of people who often question what happens around here and the meaning of the life of being a Senator, and some people have, obviously, chosen to engage in a different life and move on, some out of frustration from what you can get done around here.

I think the example of my senior colleague, Senator KENNEDY from Massachusetts, on the legislation that we have just passed, both the health care bill and the minimum wage, is precisely what being a U.S. Senator is all about and why it is so important for people to be able to make a difference in the lives of our fellow citizens.

Both of these bills have happened because of many people, and Senator KENNEDY graciously mentioned many of those involved in it.

But I think all of us know that on day after day after day he was down here on the floor blocking, pushing tenaciously, advocating on behalf of people who do not often have a loud voice on the floor of the U.S. Senate. Millions of Americans will now earn more and millions of Americans will preserve more of their income as well as the fabric of their lives as a consequence of his extraordinary commitment to these two issues. I think the entire Senate should salute the meaning that he has given to being a Senator and a legislator in the course of these efforts.

For Senator KASSEBAUM, who will be leaving the U.S. Senate, I think that this health care bill would not have been on the floor, notwithstanding Senator KENNEDY's great efforts, had she not stood up and made it clear that this bill was going to find its moment on the floor of the U.S. Senate. She stood up to the leadership on her side and made that clear.

So this bill is a legacy to two Senators who have cared and remain steadfast in their sense of priorities and of public rectitude. I wanted to pay tribute to both of them for those efforts. And there are many, many Americans

whose lives will be better because of what has been achieved here today.

I yield the floor.

Mr. DASCHLE addressed the Chair.

The PRESIDING OFFICER. The Democratic leader.

Mr. DASCHLE. Mr. President, the Senator from Massachusetts has said it so well. I wish to associate myself with his remarks.

This is a very important day for all of us. But I cannot think of anyone who deserves more credit and more commendation for the tremendous work that it has taken to get us to this point of passage of essential health reform than the senior Senator from Massachusetts, Senator KENNEDY.

It has been my great pleasure to work with him, not only on this legislation but on so many other matters. In the view of many of us, he is a professional's professional. His dedication, his intelligence, his integrity, his willingness to compromise and work with Senators from both sides of the aisle on both sides of the issues has been proven throughout this effort to pass this health bill.

His persistence and perseverance to ensure that at some point in this session we would enact the Kennedy-Kassebaum bill is a tribute to him and to the extraordinary effort that he has put forth. So I want to commend him, commend his extraordinary staff and all of those responsible for bringing us to this point this afternoon.

As the distinguished junior Senator from Massachusetts indicated, the Senator from Kansas also deserves our thanks and a great deal of credit for working so diligently with Senator KENNEDY and all of us to bring about this very important accomplishment.

This is a day that will affect many, many millions of Americans, Americans who care deeply about their health and the health of their families, Americans who deeply need help to find and afford adequate health insurance. We are going to be able to help families do that in large measure, thanks to the accomplishments and to the extraordinary leadership demonstrated today by Senators KENNEDY and KASSEBAUM.

I yield the floor.

Mrs. BOXER addressed the Chair.

The PRESIDING OFFICER. The Senator from California.

Mrs. BOXER. Thank you, Mr. President.

HEALTH CARE AND MINIMUM WAGE LEGISLATION

Mrs. BOXER. Mr. President, I rise to say how pleased I am on behalf of the people of California that we have made such progress on raising the minimum wage tonight and passing a long overdue health care bill. The things that we did tonight are going to ripple throughout this country. There has been much discussion of the trickle-down effect. People who work hard at the bottom end of the economic ladder deserve dignity and an income to support their

families. Today is a good day for them. It is a good day for all of us.

I also want to pay tribute to the senior Senator from Massachusetts, Senator KENNEDY. I had the privilege and honor of standing with him at numerous press conferences and briefings. We brought small business people out who said that they paid their people more than the minimum wage, and they were proud of it. They had loyal and hard-working employees.

At another, we had working women tell us that the difference to them between the hourly wage they are getting and the wage they will get after this 90-cent-an-hour increase meant that they could pay for some long overdue doctor bills. So we have done something very fine here today.

And health care—two of the provisions of the Clinton health care bill were taken out of that bill and passed in the form of a Kassebaum-Kennedy bill. People can take their health insurance with them from job to job. It is a lifting of a burden and a worry. People with pre-existing conditions, like high blood pressure, will not be denied coverage. We should be very, very proud as we leave here this evening.

Mr. President, in closing, I want to call attention to one issue that was not so good, not so kind, not so nice to the American people. When the minimum wage bill left the Senate, it had in it a provision that I was honored to author. It would have protected widows and widowers from poverty when the working spouse with a pension dies first. Currently, when the working spouse dies with a pension, the surviving spouse's pension is cut 50 percent under the only pension option required by federal law.

We can fix this problem without any cost. We can offer those couples when they do their pension planning an option that ensures the surviving spouse pension is not cut in half. We could have done that in this bill. We did it in the Senate's bill on an overwhelming 96-2 vote. But the House leadership took the provision out.

I look forward to coming back here after the break and working with my colleagues on the Family First agenda that Senator DASCHLE has laid out: Income security, pension security, health care security, security in our communities by putting more police on the beat.

These are the things Democrats are working for. I know we can reach across this aisle, as we did on the two bills that just passed, to carry out that agenda. Then we can really feel good about what we do here in the U.S. Senate.

Thank you very much, Mr. President. I yield the floor.

Mr. GRASSLEY addressed the Chair. The PRESIDING OFFICER. The Senator from Iowa.

HEALTH INSURANCE LEGISLATION

Mr. GRASSLEY. Mr. President, Congress has been struggling to address

the problems of our health care system for at least 4 years now. We have a bill before us which constructively addresses some of these problems. And the President has indicated that he will sign it.

The bill preserves the essence of the Kassebaum bill. It provides a medical savings account opportunity. It increases the health insurance deduction for the self-employed. It will facilitate and encourage the purchase of private long-term care insurance. And, it will provide major new weapons in the fight against health care fraud and abuse.

Senator KASSEBAUM's legislation addresses some of the most distressing health insurance problems of Americans. It should increase the availability of health insurance by requiring insurers to issue health coverage to businesses which want to purchase health insurance for their employees.

It should substantially increase the portability of health insurance by limiting the ability of group health plans to impose pre-existing condition exclusions on workers moving from one job to another. Workers insured in one job will now be able to move to another job without fear of losing their health insurance. It will also improve portability for individuals moving from the group to the individual health insurance market.

The bill still defers to health insurance reforms passed by the states. In my State, we enacted earlier this year a good health insurance reform law. The Kassebaum bill defers to State insurance reforms which substantially achieve the ends the Kassebaum bill seeks. So, my expectation is that Iowans will continue to receive health insurance under the terms of the Iowa reforms.

But many States have not enacted health system reforms. Should those States continue without their own reforms, the Kassebaum bill will provide their citizens with these protections.

The bill includes a medical savings account program. As the sponsor of one of the major medical savings account proposals in the Senate, I am very pleased to see that the conferees agreed to include a modified version of the original proposal introduced by Congressman ARCHER and myself.

The provisions contained in the bill retain the essential structure of the MSA concept. I would have preferred to see the maximum annual contribution to an MSA account be larger than 65 or 75 percent of the deductible for an individual or a family. I would have preferred that more than 750,000 be able to participate. I do not see as a major limitation the fact that participation will be limited to smaller businesses and the self-employed. That's where the problem of the uninsured is greatest; hence, MSA's make sense for those individuals.

If I have any concerns about the MSA provisions, Mr. President, it is that I have been given to understand that the those provisions are elaborate and

complicated. Given this, I can only hope that the MSA program laid out in this bill will not fail because of this complexity. If we must have a trial of this concept, we have the right to expect that it will have a fair chance to succeed, and not hamstringing by overly complicated rules and regulations.

The farm community and the small business community strongly support this MSA concept. In my State of Iowa, a great many people are familiar with high deductible health insurance policies. I believe that many Iowa farmers and small businesspeople will want to participate in this program.

Another feature of the bill that will be welcomed by the small business community in my State is an increase in the deductibility of health insurance premiums for the self-employed from 30 percent to 80 percent by the year 2006.

One of the great inequities in our health care system is that businesses that offer health insurance as an employee benefit can deduct the cost of that insurance from their Federal taxes. The employees of those companies get those benefits, which are a part of their earned compensation, tax free. The self-employed, however, get only the current law 30 percent deduction for what they must spend for health insurance.

The bill provides a medical expense deduction for payment of qualified long-term care insurance premiums and expenses. This should give a boost to the use of private long-term care insurance. Given our Federal budget deficit problem, and the difficulty we are going to have as a government and society paying for the benefits we have already promised, we simply must encourage increased use of private long-term care insurance. These provisions should help.

Second, Senator COHEN's waste, fraud and abuse legislation is included in the bill. These provisions constitute a substantial increase in the remedies available to law enforcement for combating health care fraud and abuse. The General Accounting Office has estimated that fraud represents as much as 10 percent of total health care spending.

Perhaps 10 percent does not sound like much. But 10 percent of more than \$900 billion per year is a huge amount of money. We must do our very best to insure that we are not defrauded of any of this money and that not a penny is wasted.

Mr. President, we have been promising these incremental reforms since at least 1992. Most of us have been saying, since at least 1992, that we could easily enact reforms such as those in this bill. We should pass it.

Mr. President, I feel that I should conclude by making clear to my own constituents what this bill is not designed to do. I think we will be making a serious mistake if we over-sell what it is designed to do and, therefore, what it will accomplish. If we do exaggerate what this bill is designed to do,