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Senate

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, help us to see things from Your perspective and envision what can happen through Your power. We need You to help us combat the growing tide of cynicism in our society. Secular humanism is catching. It leads to horizontal thinking. We evaluate things on the basis of what we can do on our own strength. Sometimes our capacity to hope is debilitated by life's frustrations, disappointments over people, and our inability to control life. Cynicism becomes addictive. It begins with negativism, grows in a critical attitude, and becomes a settled personality trait.

Father, help us to be realistic about people and situations, but always expectant of what You can do. Give us Your joy as the only lasting antidote to cynicism. We trust You with our problems, difficult relationships, and disturbing anxieties. We commit the present crisis in our Nation to You and ask for Your wise guidance. Now, with Your help, we want to share contagious joy and not spread the virus of cynicism. In the Name of our Lord and Savior. Amen.

RECOGNITION OF THE MAJORITY LEADER

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

Mr. LOTT. Thank you, Mr. President.

SCHEDULE

Mr. LOTT. Mr. President, this morning the Senate will immediately resume consideration of S. 1301, the Consumer Bankruptcy Protection Act, with Senator REED being recognized to offer an amendment under a 1-hour time agreement. Following that debate, Senator KENNEDY will be recognized to offer an amendment regarding minimum wage under a 2-hour time agreement.

At 12:30 p.m. the Senate will recess until 2:15 to allow the two party conferences to meet. When the Senate reconvenes at 2:15 there will be 5 minutes for closing remarks on the Kennedy amendment prior to a vote on or in relation to the amendment. Following that vote, there will be up to four additional votes occurring in stacked sequence with minimal debate time between each vote. Those votes, in their respective order, will include the two Feingold amendments regarding attorney's fees and filing fees, the Reed amendment regarding underwriting standards, and the cloture vote on the child custody bill previously scheduled at 4:30.

I am still hopeful that we can come to some agreement on amendments and time so that we can go to the child custody bill without further cloture votes. But failing that, we will go forward with that vote at 4:30.

Further votes could occur into the evening as the Senate attempts to complete action on the bankruptcy bill. If we do not get to final passage tonight, then we expect that to be probably the first vote on Wednesday.

As a reminder to Senators, second-degree amendments to the child custody bill must be filed by 3:30 p.m.

I thank my colleagues for their attention.

MEASURE PLACED ON CALENDAR—S.J. RES. 56

Mr. LOTT. Mr. President, I understand there is a joint resolution at the desk due for its second reading.

The PRESIDING OFFICER (Mr. HUTCHINSON). The clerk will report.

The assistant legislative clerk read as follows:

A joint resolution (S.J. Res. 56) expressing the sense of Congress in support of the existing Federal legal process for determining the safety and efficacy of drugs, including marijuana and other Schedule I drugs, for medicinal use.

Mr. LOTT. Mr. President, I object to further consideration of the resolution at this time.

The PRESIDING OFFICER. The resolution will be placed on the calendar.

Mr. LOTT. Thank you, Mr. President. I yield the floor.

CONSUMER BANKRUPTCY REFORM ACT OF 1998

The PRESIDING OFFICER. Under the previous order, the Senate will now resume consideration of S. 1301, which the clerk will report.

The assistant legislative clerk read as follows:

A bill (S. 1301) to amend title 11, United States Code, to provide for consumer bankruptcy protection, and for other purposes.

The Senate resumed consideration of the bill.

Pending:

Lott (for Grassley/Hatch) amendment No. 3559, in the nature of a substitute.

Feingold/Specter amendment No. 3602 (to amendment No. 3559), to ensure payment of trustees' costs under chapter 7 of title 11, United States Code, of abuse motions, without encouraging conflicts of interest between attorneys and clients.

Feingold/Specter amendment No. 3565 (to amendment No. 3559), to provide for a waiver of filing fees in certain bankruptcy cases.

The PRESIDING OFFICER. Under the previous order, the Senator from Rhode Island is recognized to offer an amendment regarding underwriting standards, on which there will be 1 hour of debate equally divided.

The Senator from Rhode Island.

Mr. REED. Thank you, Mr. President.

Mr. WARNER. Mr. President, will the Senator yield?

Mr. REED. Yes.

Mr. WARNER. Might I inquire as to how long the Senator might wish to speak?

Mr. REED. I assume I will speak anywhere from 10 to 15 minutes.

Mr. WARNER. I wonder if the managers of the bill would simply grant me the opportunity to introduce a bill, which will take less than 2 minutes.

The PRESIDING OFFICER. Is there objection?

Mr. REED. Mr. President, I assume that if the Senator introduces a bill we would still have the full time to debate my amendment.

The PRESIDING OFFICER. The Senator is correct.

Mr. REED. Thank you. I have no objection.

THE PRESIDING OFFICER. The Senator from Virginia is recognized.

Mr. WARNER. I thank the Chair. I thank my distinguished colleagues.

(The remarks of Mr. WARNER pertaining to the introduction of S. 2506 are located in today's RECORD under ''Statements on Introduced Bills and Joint Resolutions.'')

The PRESIDING OFFICER. The Senator from Rhode Island.

AMENDMENT NO. 3610 TO AMENDMENT NO. 3559

(Purpose: To make amendments with respect to court considerations with respect to dismissal or conversion)

Mr. REED. Mr. President, I have an amendment at the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Rhode Island (Mr. REED) numbered 3610 to amendment No. 3559.

Mr. REED. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 5, line 10, insert ''(i)'' after ''(A)''.

On page 5, line 15, strike ''or'' and insert ''and''.

On page 5, between lines 15 and 16, insert the following:

''(ii) when any party in interest moves for dismissal or conversion, whether the party in interest dealt in good faith with the debtor; or''.

Mr. REED. Mr. President, my amendment to S. 1301 is designed to encourage responsible lending by the credit card industry just as the underlying motivation of the bill is to require responsible borrowing by the general population of the United States.

Under the present legislation before us, a credit card company, or a creditor, may go into a bankruptcy court and request that the judge move a petition from chapter 7 to chapter 13 if the individual has the ability to pay at least 20 percent and is not acting in bad faith. My amendment will certainly look at the other side of the transaction and require that the creditor also act in good faith.

As I have indicated before, section 707 of this legislation will, for the first time, give the power to creditors to request that a court convert a chapter 7 petition into a chapter 13 case. This is discretionary with the judge. It is not mandatory. But implicit in that, I believe, is already the standard of good faith that the judge will require through his or her analysis of the request of the change from chapter 7 to chapter 13. But I believe it is appropriate—indeed, necessary—to have an explicit standard of good faith on behalf of the creditor, as well as on behalf of the debtor.

The bankruptcy judge, in considering this request, will first have to determine that the individual debtor has the ability to pay at least 20 percent of the claims against the debt, and, in addition, the judge will have to consider whether the debtor filed for chapter 7 in bad faith.

Once again, my amendment would propose a complementary analysis of the creditor, whether that creditor has been offering credit in good faith.

This is not only fair but is something that is necessary to maintain the balance and the appropriateness of this change to a longstanding rule in bankruptcy court which allowed the debtor to go in and file in chapter 7.

Now, we understand the differences between these two provisions of the bankruptcy code. Chapter 7 allows the debtor to discharge all of their debts. Chapter 13 requires them to repay a portion of the debts based upon their ability to repay.

The proponents of this legislation have suggested that by using this means test, by saying that if a debtor can pay at least 20 percent and requiring them, or at least giving the judge the option to put them into a provision of chapter 13 where they must repay a portion, this procedure will reduce the abuse of the bankruptcy system, the abuse that is cited in terms of people coming in with that but still declaring under chapter 7 they cannot pay and having all of their debts discharged.

We know that part of the impetus behind this legislation is the increase in bankruptcy filings throughout the United States. The proponents of this legislation have pointed out that in 1997 alone there were a record 1.3 million bankruptcy filings, and over the past 10 years the bankruptcy filings have increased year after year after year. Unfortunately, these assertions are correct.

In my State of Rhode Island, there has been a 500-percent increase in bankruptcy filings between 1984 and 1996. And so I think everyone is concerned and, indeed, everyone is interested in working out an arrangement which will prevent the abuse of the bankruptcy system, and that is a part of the underlying legislation.

Just focusing alone, however, on the increase in bankruptcy filings misses the full story because it is just one side of the story. On the other side, there has been an explosion in the extension of credit by the credit industry of the United States. Many times their standards for underwriting have diminished substantially. Many times they are issuing credit—in fact, fostering credit upon people at exorbitant interest rates. This, too, must be factored into our analysis of the bankruptcy problem in the United States today. Between 1986 and 1996, total bankruptcy filings did increase by 122 percent, but outstanding revolving consumer credit increased by almost twice as much—238 percent.

So when you look at both sides of the story, the analysis would lead me to believe, very strongly, that this is not solely the problem of individual debtors gaming the system and taking advantage of this system. This is also the problem of the credit card industry, and the credit industry in general, that is fostering and pushing credit on some people who they know are incapable of keeping up with their debts. And so when we look at these changes, we have to look at both sides of the question.

Now, this whole trend in the explosion of credit is reflected graphically in the analysis of household debt and income data. Back in 1974, total household debt was 24 percent of aggregate household income. Today, that same ratio is 104 percent. That is graphic evidence of not only the increased access to credit but the unusually robust and forceful presentation of credit and availability of credit throughout the United States.

We all know this in daily life. You just have to go to your mailbox every day and get a credit card solicitation. You just have to sit in your home from early morning to late at night 7 days a week and answer the telephone and hear a solicitation from a credit card company saying they want to give you credit. It is annoying, it is constant, and it reflects this incredible urge on the part of the industry to push credit as much as they can.

Last year, for example, the credit card companies sent out over 2 billion credit card solicitations. By my calculation, that is roughly 10 for every American man, woman and child. A recent Wall Street Journal article about a California family demonstrated just the ubiquitous and constant effort to get people to sign up for these credit cards. In 1997 alone, this one family was offered almost $5 million in credit through mail solicitations. The wife, who was not working and without independent income, was offered more than $2.5 million in credit. Her husband, who was president of a nonprofit organization, earning a good salary, on the other hand, was offered only $592,000 in credit, suggesting that the industry is not so much interested in how much you make but really how much you potentially might spend. In that regard, the daughter in the household was offered another $1.4 million in credit—in 1 year.

What does this say? This says that the industry is not looking carefully at

where it is sending its solicitations. It is not looking at those people who can pay, and, in fact, in many cases it is burdening people already in debt with further debt, and now what they would like to do, when these individuals come before the bankruptcy court, is they would like to say, well, listen, you people who can't discharge your debts fully, you have to pay up. I think, again, that the appropriate balance, if we are to pursue this ability to move from chapter 13 to chapter 7, is to at least look at the good faith of the credit card industry.

In view of these facts, Mr. President, it becomes clear that the increase in bankruptcy filings is not simply a result of more borrowers borrowing more money. It is also a factor of these credit card companies soliciting poorer and poorer credit risks, and doing it quite deliberately, quite knowingly.

Data from the National Bankruptcy Review Commission supports this assertion. Indeed, this data suggests that the proportional incidence of bankruptcy filings has actually decreased slightly in the last 20 years. We have seen the numbers go up, up, up. But if you look at the ratio, if you look at the proportional incidence, given the outstanding credit, there has been a slight decrease. In 1977, there were 0.74 bankruptcies for every million dollars of consumer credit. In 1997, there are 0.73 bankruptcies for every million dollars in consumer credit.

So when you, again, look at the situation, it is not simply a group of Americans who have suddenly decided that they no longer want to honor their obligations, that they want to abandon the tradition of responsible credit behavior that their fathers and mothers had; these statistics suggest that not much has changed except in the absolute numbers, and that has been driven by this constant extension of credit by the companies, in many cases to people who they know are very unlikely to be able to keep up with the debts at the time.

The approach in the underlying bill overlooks, I think, this other side of the equation. They focus solely on the borrower. They take the ''blame the debtor'' approach. I do not think that is entirely correct. My amendment seeks to address that approach by striking a balance, by allowing—in fact requiring—the judge to look at the good faith of the individual company that is extending this credit. Most, indeed, the vast majority, of reputable creditors day in and day out take pains to ensure that they are doing the proper underwriting, that they are targeting people who have the ability to pay and they are not abusing their ability to market their products. But there are those operators who are not so scrupulous. These unscrupulous operators should not easily have the ability to force an individual from one chapter in the bankruptcy code to another.

At the heart of what my amendment is suggesting is that we explicitly do what I believe is implicit within the existing legislation—that the judge makes a finding that the creditor, in fact, operated in good faith. Under the present language, he or she is required to make a judgment that the debtor has not acted in bad faith in their application for chapter 7. I think that the same approach, complimentary approach should be applied to creditors.

My amendment adds this good-faith standard, and it is not the only place you will find a good-faith standard or its related bad-faith standard within this legislation and within the bankruptcy code. For example, section 202 of the bill protects the debtor's ability to discharge certain debts if in the language of the bill ''the debtor makes a good-faith effort to negotiate a reasonable alternative repayment schedule.''

The point is clear that throughout this legislation we have imposed good-faith standards at various junctures to give the bankruptcy judge guidance in assessing various petitions for various claims, so that this amendment is consistent with that good-faith theme throughout the legislation.

My legislation does not prescribe specific factors to be considered on the good-faith standard. Instead, it gives the bankruptcy judge the discretion to make that judgment. Again, that is consistent with this legislation and also with the general practice in the bankruptcy code. Judges, bankruptcy judges particularly, are quite familiar with making these analyses of good-faith judgment, either on the part of the creditor or the part of the debtor. In fact, if you look through the bankruptcy code, there are about 79 annotations related to the court's interpretation of ''good faith.'' So it is a constant of the bankruptcy law and it is something that is not a novel injection into this particular legislation. I think, in fact I am convinced, that the judges can handle this analysis of ''good faith'' very clearly and very well.

But one might ask, what are we talking about in terms of good faith? For example, if a judge had found that there was intimidation in the extension of credit, that is certainly not good faith, and I do not think any creditor should be able to claim this privilege under the bankruptcy code if it can be shown they intimidated the creditor. If they are taking advantage of creditors, if their marketing pattern is to market to vulnerable people in our population—seniors or low-income Americans who may not have the ability to get good counseling on their debts—all these things together which suggest bad faith, or the lack of good faith, if they are consistent, demonstrable, then that judge should not allow the ability for that claimant to demand that debtor be moved from one section of the bankruptcy code to another.

All of these things together, I think, suggest very strongly that we have to look out for the exception, in terms of the creditor population, those unscrupulous creditors. There are examples already in the legislation where we have taken steps to guard against unscrupulous operations in the extension of credit. For example, the committee report comments that in section 202 they use ''substantially justified'' language to describe or to allow the award of attorney's fees in terms of allegations that a debt was obtained fraudulently. That is an attempt, as the committee report says, because they are ''concerned that some unscrupulous creditors have alleged false misrepresentations with no proof of doing so.'' Indeed, there are protections already in the bill. I think, in this particular section, 707(b), there should be further protection for the good faith standard that would protect that.

I have mentioned also that there is a concern to have some sense of what might be operating out there presently that would fall under this ambit of bad faith, or lack of good faith. There is a practice that is evolving in the industry of offering, particularly to low-income populations, these loan checks, where essentially they will send a check unsolicited to the home and all you have to do is sign it to get the money. But once you do that, you now have a debt with a substantial interest rate in many cases. That is the type of behavior I think a judge reasonably can look at and say, ''Is this good faith?''

For all these reasons and many, many more, the standard of good faith should be obvious to the bankruptcy judge. And I believe the way we have designed this overall legislation and this particular amendment is that we give that individual not only the incentive but also the mission to look closely at the company applying for this transfer of the debtor from one chapter to another.

I am pleased to say that this particular amendment has been endorsed by the Consumer Federation of America and that it represents an attempt to balance the standard within this particular legislation. I hope all my colleagues will support this amendment. It seems to me to do several things that are essential.

First of all, it recognizes that the problem we face is not solely, exclusively as a result of the behavior of debtors; that, in fact, it is the result of the behavior of lenders who are lending more and who are doing it without the kind of tight underwriting standards that are necessary. In that context, to give them the opportunity to move a debtor from a chapter 7 to a chapter 13 without looking at their behavior, I think, is inappropriate. It is particularly inappropriate when the judge must consider the behavior of the debtor in filing a chapter 7 petition.

This amendment, I believe, is a very important one. It will restore the balance in this particular section, section 707 of the underlying legislation, and it will, I think, provide not only a way to safeguard against abuse of the bankruptcy system by debtors, but also

strike a balance so creditors understand they have the responsibility to act responsibly also.

I urge support of this amendment.

I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. GRASSLEY. Mr. President, I yield myself such time as I might consume.

The PRESIDING OFFICER (Mr. ROBERTS). The Senator from Iowa is recognized.

Mr. GRASSLEY. Mr. President, this amendment by the Senator from Rhode Island is very much a modification of an amendment he proposed which would require bankruptcy judges to consider whether a creditor had used sound underwriting practices and standards when considering whether to dismiss or convert a chapter 7 to chapter 13. The modified amendment now requires judges to consider whether a creditor acted in good faith when considering whether to convert or to dismiss that case.

It is my understanding from discussions that have gone on between Senator REED's staff and my staff, and from what Senator REED has said, now, as he has introduced his amendment, that the good faith standard in the modified amendment also includes many of the underwriting considerations in the original amendment. So, accordingly, many of the objections to the original amendment still apply to this modified amendment presented by the Senator from Rhode Island.

At the outset, as with other amendments which relate to lending practices, I urge my colleagues to vote ''aye'' on a motion I will make to table this amendment because the Banking Committee should have a chance to consider this issue. But, since this amendment affects the means-testing provisions of S. 1301, I would like to describe how this amendment will be difficult to apply in practice, should it be adopted.

Under the bill as written now, judges are directed to consider repayment ability, and given the power to dismiss or convert chapter 7 cases if a debtor could repay some portion of his or her debt. This is the very foundation of this legislation. This is what makes this bill, this year, different than any bankruptcy legislation we have had in the 100-year history—and this is the 100th year that the first national bankruptcy code was passed, on an ongoing basis.

This amendment also requires judges to consider whether a creditor acted in good faith, including a creditor's lending practices. I don't think anyone knows how this amendment will work in the real world. There are questions raised by this amendment but not answered by the amendment:

How would a judge even find out what the creditor's underwriting practices are?

What is ''good faith'' in the context of section 707(b)?

Procedurally, who would have the burden of producing evidence about underwriting practices in good faith?

And if a creditor had properly extended credit to the debtor whose chapter 7 case is pending, but had recklessly offered credit to other people, is a judge supposed to factor that in as well?

What if there are two pending motions asking for dismissal or conversion—one motion by a creditor who has sloppy underwriting practices or who acted in bad faith, and another motion by a creditor with tight underwriting standards who acted in good faith? In this case, should a judge deny both motions?

Mr. President, what these questions show is that the amendment offered by the Senator from Rhode Island should be rejected because it is not good bankruptcy policy. There are too many unanswered questions and, of course, the underlying question regarding which underwriting practices are sloppy and which underwriting practices are not sloppy needs to be addressed not by the Judiciary Committee, not on the floor of the Senate, but in the laboratory of jurisdiction of that subject where legislation is perfected, and that happens to be the Senate Banking Committee.

There are already penalties for creditors who refuse to act in good faith. We made sure they were in this bill. They are a very important part of making this a well-balanced piece of legislation.

We talk so much about personal responsibility and making it tougher to get into bankruptcy that maybe people viewing this debate have sensed over the last week that all we are going after is the debtor, but that sometimes creditors don't act in good faith. This bill is balanced because it has penalties against creditors. For instance, if a creditor refuses to negotiate in good faith, then that creditor can't object to the discharge of his or her debt. This is already in the bill.

Again, I urge my colleagues to vote ''no'' on the Reed amendment and eventually get this bill to final passage, because this is a very needed bill. We have 2 weeks to work out some differences between the House and Senate. The other body's bankruptcy bill is considerably different from ours. And I don't say that in a denigrating way; it just is different. The process of negotiating for provisions somewhere between the House and Senate provisions—also we have to consider the White House, because we want a bill that the President can sign—takes 2 weeks to get done, and we need to get this bill passed.

I hope the Senator from Rhode Island is aware that the 20-percent figure was raised to 30 percent in the managers' amendment. I need to clarify that point because that 30-percent figure is also something that the White House was involved in working out as well, because the White House had raised some concerns about our 20-percent figure.

There also was some willingness on the part of the White House to consider some points of view we had about the 30-percent figure, and they even modified their original position, to some extent, to satisfy me.

I think it is odd that the Senator from Rhode Island is critical of lenders extending too much credit. When the credit union bill was on the floor, there was an amendment to strike the Community Reinvestment Act. The Community Reinvestment Act, of course, requires banks to extend credit to low-income people.

I don't think that any of us can argue with the social responsibility of a bank to be fair to all people and all sectors, with the understanding that they have a responsibility to the stockholders of that bank and other people who are saving, but, within the concept of good financial prudence, to lend accordingly to all sectors of a city, all types of people who have the ability to repay.

We had this community reinvestment amendment offered, and we had many Members talk about the need to make sure that credit is widely available to low-income people. What in the heck do you think credit cards are about? They are about giving people who maybe would not have that opportunity elsewhere an opportunity to borrow—again, within the concept of personal responsibility for debt.

Now, through this amendment, we hear that we should, in effect, deny a creditor the ability to collect on a debt if the creditor extended credit to low-income people. On the one hand, a month ago we had a bill before us that we were trying to modify to make it reasonable, and the other side, which was opposed to that, said we are hurting low-income people with that amendment. And now with this amendment they are saying that low-income people are people taken advantage of.

It seems to me that you can't have it both ways. I believe that borrowing and I believe that lending decisions are best made by individual Americans and not second-guessed by bankruptcy judges or political leaders in Washington, DC.

I yield the floor.

Mr. REED addressed the Chair.

The PRESIDING OFFICER. The Senator from Rhode Island is recognized.

Mr. REED. Thank you, Mr. President. I yield myself such time as I may consume.

Let me respond to the Senator from Iowa. First of all, he raised interesting arguments about the amendment I did not propose, which would be a more detailed review of the underwriting practices of credit card companies and those that extend credit. For the reasons he illustrated, I did not suggest

that amendment, because requiring a bankruptcy judge to look at the myriad of different underwriting standards of companies throughout the United States would not be appropriate.

What is appropriate, I believe, is to require that they look at the good faith of the person who extends the credit and is now requesting that the debtor be transferred from chapter 7 to chapter 13. It seems to me to be perfectly consistent with the notion that the judge would also look at the good faith of the debtor—whether that debtor, in fact, was trying to use chapter 7 as a dodge. That is already in the legislation.

He also raised some very interesting questions about how this will apply in practice, but I think the answer—a compelling answer, in my view—is that this is exactly what a bankruptcy judge is authorized and empowered to do on a daily basis—make judgments about the good faith of the debtor and, I suggest, also the good faith of the creditor. He or she can make these judgments. That is why they are there. They have the facts. This is a standard that is persistent throughout the bankruptcy code.

There are numerous places in which the judge is called upon to make good-faith determinations. It does not require the kind of searching, detailed analysis of all the credit policies of a particular credit card company or a bank that extends credit, but what it requires is a commonsense view of whether or not the individual who has extended the credit has abused their market power or has, in fact, somehow distorted the relationship which we think is appropriate between a borrower and a lender.

The Senator from Iowa also makes reference to the CRA Act in terms of suggesting that my demonstration of the explosion of credit is in some way inconsistent with suggesting that the Community Reinvestment Act play as positive a role.

I do not think we witnessed a 238-percent increase in consumer community lending over the last several years as we have witnessed an explosion of the extension of credit by credit card companies. I do not think that we have seen the kind of robust lending into distressed communities that many in this Chamber would think would be appropriate.

So to make that analogy by pointing out that credit card companies are increasingly lax about their extension of credit is somehow inconsistent with supporting very thorough and very limited lending under the CRA, I do not think carries weight.

What we have is a situation in which the credit card companies—and we know this. Again, you do not have to go ahead and commission a survey to find out and discover this fact; you just have to sit home some Saturday when at 9:30 in the morning the phone rings, and you think it is your cousin or your brother calling up, and it is a credit card company. You politely hang up the phone. At 10:30 you get another call, thinking again it is a family member, and it is another credit card company. You go out to your mailbox at 11 a.m. Guess what? There are two solicitations, a platinum card and a gold card; and at 2 o'clock, thinking it is a member of the staff, it is another credit card company. You know this because you go back to your States, as I do, and you learn this from your constituents.

This industry is really promoting credit. Is it beneficial? Sure it is. Access to credit is something that moves this economy forward. But when this credit extension is not done in a wise way, when in fact there is tangible evidence that there has been, in fact, bad faith—and that is a fairly strong standard to meet—then I think that the judge should be able to say or should be required to say you cannot move a debtor from chapter 7 to chapter 13.

I am also pleased to note that the increase in the standard is to 30 percent of the ability to pay. I think that is an improvement in the legislation, just like I think this would be an improvement in the legislation.

Let me conclude by saying I, frankly, believe that the way this legislation is already structured, with the judge in a position, not required to but having discretion—and the language is ''may'' move a debtor from chapter 7 to chapter 13—there is implicitly already a good-faith standard that I think any bankruptcy judge worth his or her salt in seeing a company that was abusive, that is filing constant petitions to move someone from chapter 7 to chapter 13, that have a known record for shoddy behavior in the community, I would think that individual would take that into consideration and should take that into consideration.

That is why I do not believe my amendment is a unique or extreme departure from what already should be the standard. I would hope that we could adopt this amendment. I think it will go a long way to ensure that there is a balanced test, that you look at the debtor, you determine whether that individual can pay a certain amount—30 percent—and you look to see if that debtor has been deploying bad faith to apply to chapter 7, but at the same time look over, not at any rigorous searching review of underwriting standards, but look at that very, very obvious standard of good faith, look at that creditor. That is what this amendment is supposed to do.

I yield the floor.

Mr. GRASSLEY addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa is recognized.

Mr. GRASSLEY. Mr. President, I have had a chance now for a second time to hear the explanation of the amendment from the Senator from Rhode Island. I think he is a person who always acts in good faith on his amendments and other legislative activity. He is a very active member of the Aging Committee, which I chair, and I have had a chance to observe him there as being a very serious Senator. So I do not raise any questions with the motives of the Senator because I think he even sees a need for bankruptcy legislation.

But I still have to point out that I think the amendment, even if the intent is good, is just unworkable. I do not know whether we could have an amendment written to accomplish his goals that could be perfected enough to be workable—I should not draw that conclusion; that is a possibility—but I do believe that the language we have before us would fall into that category, because the modified amendment still requires bankruptcy judges to review underwriting standards. That is what the Senator from Rhode Island said earlier on the floor.

So I do not think that we know how this amendment will work. I do not know how you can make even a commonsense determination of whether lending practices are in good faith unless the judge begins to second-guess many credit-granting decisions.

As I have said, if the Senator from Rhode Island believes that there are too many credit card solicitations, then I think I should refer him to a letter that I read into the RECORD last week, which I am going to insert in the RECORD at this point as well, a letter from the junior Senator from North Carolina, Mr. FAIRCLOTH, who chairs the subcommittee of banking where I made an argument, from a procedural standpoint, that this amendment should be considered there, and that he has offered to hold hearings on this subject matter, and maybe even the goal that the Senator from Rhode Island seeks can be accomplished, but, more importantly, accomplished in a studied approach.

So I ask unanimous consent that this letter be printed in the RECORD as justification on a procedure not to add this amendment to this bill but to have the Banking Committee consider this.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

COMMITTEE ON BANKING, HOUSING,
AND URBAN AFFAIRS,
Washington, DC, September 16, 1998.

Hon. CHARLES GRASSLEY,
Chairman, Subcommittee on Administrative Oversight and the Courts, Senate Committee on the Judiciary, Washington, DC.

DEAR CHUCK: It is my understanding that a number of amendments relating to credit cards will be offered to S. 1301. Most, if not all, of these amendments will relate to matters in the jurisdiction of the Banking Committee. I Chair the Financial Institutions Subcommittee of the Banking Committee.

I share the concerns that many have regarding multiple credit card solicitations and solicitations to minors. In fact earlier this year, my Subcommittee held a hearing on bankruptcy issues, with representatives of the credit card industry testifying. I have requested and received GAO reports on such practices as high loan to value loans and the sending of ''live'' loan checks.

As for many of the proposed amendments relating, however, none have been passed by

the Committee. In fact, none have been considered by the Committee. Further, none of the proponents of the amendments have requested hearings on any of their legislative proposals.

During consideration of the bankruptcy bill, please know that I would be more than willing to hold a hearing or hearings on any these proposals in my Subcommittee where they rightfully should be considered under regular order.

Sincerely,

LAUCH FAIRCLOTH,
Chairman, Subcommittee on Financial Institutions.

Mr. GRASSLEY. I yield the floor.

Mr. REED addressed the Chair.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. REED. I do not know if this is the final word, but the Senator is doing a remarkably good job moving this legislation forward. I agree with him, it is quite important because of this increase in the number of bankruptcy filings. There has been a huge growth in my home State of Rhode Island, a 500-percent increase in just a few years. If we are going to do it, let's do it in a fair and balanced way.

I also go back to the underlying legislation that we are trying to amend. It says essentially that a creditor may file a request to move the debtor from chapter 7 to chapter 13, and the judge will make a determination. It is not mandatory. As I read it, even if that judge determines that the debtor has 30 percent, the sufficient amount of money to repay, and that the debtor may have, in fact, been questionable in filing a chapter 7 petition, the judge is still not required to grant the request and move the petitioner from chapter 7 to chapter 13.

So as I said before, I think, implicitly, we already have this good-faith standard, because that is what the judge is going to apply. He or she is going to look at the behavior of both parties and determine if this is appropriate—if the individual should have all his debts discharged or whether there should be some partial repayment.

What I would like to do is make it clear that this good-faith standard does exist, and it does not require this searching analysis of the underwriting practices of any company. It just requires a judge looking at the facts before him or her and making a judgment, as they do every day, as to what is fair, who has acted with clean hands coming to the bar of justice.

I also say, in conclusion, that this amendment has the strong support of the Consumers Union and the Consumers Federation of America. This legislation is designed to ensure there is responsible borrowing, that the American public is responsible, and that they recognize their debts and their obligations.

I believe and I think there is underlying support of the Consumers Union and the Consumer Federation of America, that the credit industry should also be responsible and understand their obligations. This is just a small way of making explicit what I think is already within the law—to recognize that responsibility.

I yield the floor.

Mr. GRASSLEY. Mr. President, I yield 5 minutes to the Senator from Minnesota.

The PRESIDING OFFICER. The distinguished Senator from Minnesota is recognized.

Mr. GRAMS. I thank my colleague from Iowa for yielding the floor to me. First, I ask unanimous consent that I be made an original cosponsor of the consumer bankruptcy reform bill.

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

Mr. GRAMS. Mr. President, as a cosponsor, I rise today in strong support of the Consumer Bankruptcy Reform Bill. The bill contains sorely needed provisions to help curb the dramatic rise of personal bankruptcies in this country.

It is incredible that while most sectors of the economy are experiencing an economic boom—with the notable exception of some of the hardest-working farmers in the country—personal bankruptcy filings have reached record highs. My constituents tell me that declaring bankruptcy has become so routine as to be considered just another personal finance option. No longer is it an avenue of last resort. It has become a matter of convenience, sometimes to avoid the personal responsibilities of living within one's means and repaying one's debts. I believe this shift in attitude is due in large part to a system which readily lends itself to abuse and exploitation.

The passage of the Consumer Bankruptcy Reform bill is critical because it directly confronts the abuses within our bankruptcy system. One of the main features of the bill would allow bankruptcy judges to dismiss or reassign cases if the system is being ''abused.'' Under the bill, one of the factors which shows abuse in a chapter 7 filing is if the debtor has current income sufficient to pay at least 20% of unsecured claims against him. A motion alleging abuse of the system could be filed by the judge, the trustee, or any party in interest.

We must return to the real purpose of bankruptcy laws—to establish uniform rules in facilitating debt collection. Unfortunately today, the laws are increasingly recognized as a tool for escaping debt responsibility. They are becoming a substitute for personal responsibility.

In addition, I am disappointed that some of my colleagues seek to offer a nongermane amendment to to the underlying bankruptcy legislation that would increase the minimum wage.

As my colleagues may recall, it was only two years ago that Congress enacted legislation that increased the federal minimum wage in two phases, from $4.25 to $4.75 on October 1, 1996, and from $4.75 to $5.15 on September 1, 1997. Now, as part of the Small Business Regulatory Fairness Act of 1996, this provision represented a 20 percent increase in the federal minimum wage.

Now, I voted for this legislation because it included a number of long overdue tax measures designed to help small businesses grow and create more jobs in our economy. These changes, in my judgement, would be far more helpful to wage earners than would the minimum wage increases.

Two years after enactment of this legislation, I am not convinced that the economic effect of that federal minimum wage increase is fully understood. For this reason, I am particularly concerned that an additional increase in the federal minimum wage at this time could actually have an adverse impact upon our economy.

Mr. President, the proponents of an additional increase in the minimum wage argue that Congress should do more to help Americans increase their take-home pay. I agree. However, I believe this can be done far better through tax cuts and reduced government regulation. By doing so, we will save the private sector billions of dollars which could be used for investment that brings better jobs and higher wages.

Mr. President, basic economics tells us that raising real wages above what the market will bear will cause unemployment. The higher real wages rise above the market rate the greater the level of unemployment and overall downward pressure on all wages. The solution, therefore, is to allow wage rates to adjust to market conditions. Otherwise we will have persistent, widespread unemployment that hurts the low-income workers the hardest.

Raising the cost of doing business by raising the minimum wage is probably going to mean even fewer of those jobs. Some statistics say as many as 600,000 of those jobs will be lost, killing work opportunities for young people and those families who depend on a needed second income.

Besides artificially inflating salaries, hiking the minimum wage ignores the real concerns of many working Americans. Yes, they want better jobs that pay better salaries, but they have told me repeatedly that what matters most is not how much you earn but how much of your own paycheck you are allowed to keep after the greedy Federal Government has deducted its taxes.

Families today are taxed at the highest levels since World War II, with 38 percent of a typical family's budget going to pay taxes on the federal, state, and local level. In nominal dollars, a two-income family is paying more just in taxes today than their paychecks totaled in 1977. That's nearly 50 percent more than they are spending for food, shelter, and clothing combined.

Compared to the proposed minimum wage increase, tax relief and economic growth is a better solution for helping low-income families. It will increase incentives to work, save and invest. It

will allow families to maximize their income and improve their standard of living. Tax relief will allow families who today are forced to scrimp just to cover their monthly bills and their tax bills to have more money to spend on their children's education, health care expenses, food and clothing, or insurance.

In 1981, President Reagan initiated massive tax reduction which resulted in an economic miracle we are still benefiting from today. Over eight years, real economic growth averaged 3.2 percent and real median family income grew by $4,000, 20 million new jobs were created, unemployment sank to record lows, all classes of people did better.

According to the National Taxpayers Union, if Congress could roll federal domestic spending back to 1969 levels, a family of four would keep $9,000 a year more of its own money than it does today.

Recent estimates by the CBO show that the government will enjoy a nearly $1.6 trillion budget surplus over the next ten years. This potential surplus is generated by working Americans and should be returned to the taxpayers. Tax relief particularly, lower payroll income tax rates will immediately increase Americans' take-home pay and allow them to keep a little more of their own money.

In sum, Mr. President, the real answer to increasing the take-home pay of American families is not promoting political grandstanding efforts like this which would only destroy jobs, but to support more meaningful tax relief and sustainable economic growth. I urge my colleagues to support the bankruptcy legislation and resist any effort to distort the intent of this most important bill.

Mr. GRASSLEY. Mr. President, I yield 5 minutes to the Senator from Pennsylvania.

Mr. SPECTER. I thank the distinguished Senator from Iowa.

The PRESIDING OFFICER. The Senator from Pennsylvania is recognized.

NONPARTISAN IMPEACHMENT INQUIRY

Mr. SPECTER. Mr. President, I have sought recognition to express the view that Congress should make our inquiry into possible impeachment of President Clinton as bipartisan as possible, nonpartisan, fair, and judicious. There is an abundance of evidence that the American people deplore excessive partisanship in general and oppose any kind of partisanship where we are dealing with a matter which is judicial or quasi-judicial.

I recall an admonition from my father years ago. When in a partnership situation he said, ''Arlen, don't make it 50/50; give 60 percent. It will look like 50 percent to your partner. If you give 50 percent, it will look like 40 percent.'' That bit of advice which my father gave me as to a partnership arrangement, I think, is applicable to relationships or arrangements of many kinds.

I think it is very important that there be a real effort on the part of Republicans, because we Republicans are in control, to not press for every bit of advantage. I believe that the proceedings in the House were off to a good start when there was a vote of 363–33 to release the Starr report, with about two-thirds of the Democrats voting in favor of a release of the report. It seems to me where we have a proceeding like impeachment, which is really judicial, that it ought to be bipartisan or nonpartisan.

With respect to the playing of the tapes of President Clinton, it has been my preference that the approach be somewhat different from that which was undertaken by the House of Representatives. The playing of those tapes, I think, would have been subject to no criticism at all had the House moved ahead with an impeachment inquiry, either in a preliminary stage or after the signing in a more formalistic sense to have impeachment hearings. Then it would have been in the regular course of business in regular order to see the tape of the President so that the Members of the House could make an evaluation of the evidence as to what to do next.

Then where those hearings would be public, with the availability of the President's tape, his deposition before the grand jury would have come into the public domain in a matter of due course, and then as a regular proceeding with the hearings of the House of Representatives so that the House would have obviated the controversy and the concern of whether there was an inappropriate release of the President's tapes. Once the hearings start, even in a preliminary sense, the House Members have an obligation to see what the evidence is.

Similarly, with the release of other evidence, such as the testimony of Ms. Monica Lewinsky yesterday, that testimony is appropriate in regular course, but there is bound to be some concern raised when it is released en masse and not as a part of a regular proceeding by the House of Representatives.

From my days as district attorney of Philadelphia, which was a quasi-judicial position, a district attorney—a public prosecutor—is part advocate and part judge. The expression is made as to the district attorney being a quasi-judicial official. I found it very important in the cases which I tried personally and in the administration of the office to exercise great care to be fair with the defense, both in terms of proceedings generally and in the presentation of evidence at trial.

The juries in a criminal case, like public opinion generally, have a sense as to fairness, and it builds up, I found, the credibility of the prosecutor not to be looking for every slight advantage in the course of either investigation or trial. The impeachment proceedings, it seems to me, are really totally judicial in nature. The articles of impeachment have been analogized to a bill of indictment, but I think they are not really a bill of indictment in a criminal proceeding; or it may be argued that a bill of indictment before a grand jury is judicial in nature.

However, I hope that when we in the Congress vote in this body, when responsibilities come to the Senate, or in the other body, the House of Representatives, that there will be an approach which is bipartisan and nonpartisan. We are proceeding in a matter of the utmost, utmost gravity, the potential for impeachment of the President of the United States, and I think the American people will demand and are entitled to that kind of bipartisanship.

I yield the floor.

Mr. GRASSLEY. Mr. President, I yield the remainder of the time that I have on my side.

Mr. REED. Mr. President, I yield the remainder of my time.

The PRESIDING OFFICER. Under the previous order, the Senator from Massachusetts is recognized to offer a second-degree amendment relative to the minimum wage, on which there shall be 2 hours of debate equally divided.

AMENDMENT NO. 3540

(Purpose: To amend the Fair Labor Standards Act of 1938 to increase the Federal minimum wage)

Mr. KENNEDY. Mr. President, I call up amendment No. 3540.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Massachusetts (Mr. KENNEDY) proposes an amendment numbered 3540.

Mr. KENNEDY. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

At the appropriate place, insert the following:

SEC. . FAIR MINIMUM WAGE.

(a) SHORT TITLE.—This section may be cited as the ''Fair Minimum Wage Act of 1998''.

(b) MINIMUM WAGE INCREASE.—

(1) WAGE.—Paragraph (1) of section 6(a) of the Fair Labor Standards Act of 1938 (29 U.S.C. 206(a)(1)) is amended to read as follows:

''(1) except as otherwise provided in this section, not less than—

''(A) $5.65 an hour during the year beginning on January 1, 1999; and

''(B) $6.15 an hour during the year beginning on January 1, 2000.''.

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) takes effect on January 1, 1999.

Mr. KENNEDY. Mr. President, I understand that there is a time allocation, 1 hour for those who support this amendment, and 1 hour in opposition. Am I correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. KENNEDY. I thank the Chair.

Mr. President, I yield myself 12 minutes.

Mr. President, I will briefly review the bidding about where we are with regard to the minimum wage.

Since the end of World War II, the minimum wage has increased seven different times. President Eisenhower signed a bill for an increase of the minimum wage. President Kennedy did as well, as did President Johnson. President Nixon supported an increase in the minimum wage. President Carter supported an increase in the minimum wage. President Bush supported an increase, and President Clinton has supported it as well.

In the postwar period, if we look at where the economy went in the immediate 20 years after World War II, the economy grew across the board. The percent of increase for those at the lower income level rose just as well as those at the upper level. There was very, very little disparity. If you look at the difference quintiles, from the period of the postwar—1945 really up to about 1970—there was virtual growth together.

During this period of time, we found that Republicans and Democrats alike supported the increase in the minimum wage on a very basic and fundamental principle; that is, if Americans are going to work, they ought to be able to have a livable wage—they should not be in poverty. Men and women who want to work 40 hours a week 52 weeks a year and play by the rules ought to have a livable wage. That concept has been supported by Republicans and Democrats alike.

All we are asking today is whether we are going to continue that basic, fundamental vote of fairness and justice in our country. That is the issue. It is as plain and simple as that.

There are reasonable questions that we have to ask ourselves. The first is, What is going to be the impact on the state of our economy?

We have the greatest economic growth and price stability in the history of the Nation. We have seen untold fortunes made during the period of the last 6 years, but not for those at the lower end of the economic ladder, not for those who are the minimum-wage workers. Their actual purchasing power has been reduced. It is surprising, most Americans think, that everyone has not moved up together. Many have moved up the economic ladder, but not those at the lower part of the economic ladder.

All we are trying to do is to say to those hard-working Americans at a time when we have record unemployment, the lowest inflation that we have had at any time (except one of the seven times where we raised the minimum wage in the postwar period)—the lowest rate of inflation—that, given our economic situation, we can make sure and we can afford for those working Americans a livable wage for themselves and for the members of their family. That is the very simple issue.

It is fair to look at what has happened with the last increases in the minimum wage to see what the impact has been of those increases on the rate of unemployment and the rate of inflation.

We find, as I have demonstrated and put in the RECORD repeatedly, and will not take the time unless challenged on those issues here today, that effectively we have seen virtually no adverse impact in terms of our economy since the last two increases—absolutely none. The economy is stronger, and stronger than ever. We saw in 1997 more than 1,200,000 jobs created in the small business industry.

We have heard from the restaurant association that since the last increase in the minimum wage their employment has grown by 240,000 jobs. They have not been disadvantaged. If you are looking at a growth industry, according to the Labor Department, it is in the restaurant industry.

Mr. President, you can see what I have just stated reflected on this chart. This chart reflects clearly the fact that in constant dollars the minimum wage now is at one of its lower levels. Over the period from the mid 1950s, all the way through the mid-1980s, a 30-year period where we have Republican and Democratic Presidents alike, we have minimum wage and purchasing power that would be even above what this proposal is that is offered today: 50 cents next year, 50 cents the following year. Even if we have those two increases, we will still be below the 30-year average under Republicans and Democrats.

That is all. We are not trying to say we are going to the highest level that we have ever had, even though we have the best economy. All we are saying is let us put them in the realm of the 30-year period for these working families in America.

A great deal is said around here about the importance of work. These are working families trying to provide for their children.

Who are these workers?

These workers are child care workers and attendants. Beatrice Stanford of Wilmington, DE, is a low-wage grandmother who has worked at the YMCA Child Care Center for 4 years, earns $5.75 an hour, and is the sole supporter for her teenage son and daughter and two grandchildren. Beatrice's children have worked from time to time, but she now calls that her biggest mistake. Her daughter fell behind in school because of all the hours she was putting in at work. She needed summer school, but she couldn't afford the $300 for the course. Instead, she had to do a correspondence course that cost $164. She made up the course but lost a year. Beatrice finds it a struggle just to pay the rent. She can't afford a car, so she takes a bus to work and catches a ride to the supermarket.

These are child care workers—the faces of those who are working for the minimum wage. Beatrice Stanford, a grandmother trying to provide for her children and not being able to make ends meet.

Mr. President, there are other workers like Renda DeJohnette who provides home health care in Los Angeles. Child care workers, home health care workers, teachers' aides—these are all the people who make up the minimum wage.

Renda DeJohnette provides home health care. Renda works in a county program to help senior citizens and the disabled to remain in their homes and avoid institutionalization. Renda is a single mother with two teenage children. She earns $5.75 an hour washing clothes, preparing meals, cleaning houses and finds it hard to make ends meet. A low minimum wage increase would allow her to put food on the table and pay all of her bills.

The list goes on.

There is Marcus Reynolds of Lynn, MA. To understand the minimum wage from both sides of the paycheck, for 20 years he earned the minimum wage cleaning offices, making beds in hotels, stocking shelves, and lifting heavy packages in stores.

Often he worked two jobs, sometimes three. He says, ''No matter how many jobs I worked, how little time I slept, the minimum wage was not enough to make ends meet. Even when I was basically just working and sleeping, providing for food and rent and transportation was more than a challenge. It was often a struggle.'' Now he owns a very small sandwich shop. He pays his entry-level workers $6 an hour. He says, ''I can't afford to pay them less.'' He respects them as workers and as people, and as he puts it, ''What kind of family value is it to pay someone supporting a family a wage that is below poverty?''

Mr. President, these are the people we are talking about. We are talking about teacher's aides who are working with our children. We are talking about child care helpers. We see the turnover that is taking place in the Head Start Program, and we are all concerned about that because we know the importance of consistency of care in terms of looking after our children.

One of the principal reasons for this turnover is that we are paying the child care assistants in these kinds of settings the minimum wage, and they just cannot make ends meet. We are talking about those health workers who are working with our parents to try to keep them at home, to help and assist them so they are not institutionalized. They are the helpers and assistants in the nursing homes looking after our parents. They are the people who take care of the buildings which house America's corporations, working long, hard hours at night.

When we asked minimum wage workers what the impact was when they saw an increase in the minimum wage last time, the answer that so many of them gave was amazing: ''You know, Senator, what the impact is going to be

when we raise the minimum wage. We are only going to have to work two jobs instead of three.'' Only two jobs instead of three. ''We might get a chance to see our children more often. We might be able to go to teachers' meetings. We might be able to spend some time with our child helping with some homework.''

That is the difference in terms of any kind of increase in the minimum wage. That is what we are talking about. That is what we are talking about at a time when we have the strongest economy in the history of this country and at a time when we have hard-working Americans who are prepared to do the work.

How much time do I have remaining, Mr. President?

The PRESIDING OFFICER. The 12 minutes requested by the Senator have expired.

Mr. KENNEDY. Mr. President, I yield myself 3 more minutes.

The PRESIDING OFFICER. The Senator is recognized.

Mr. KENNEDY. Mr. President, this chart here says it: ''The minimum wage is not a livable wage.'' We are talking about a livable wage here in the United States of America. These are the average figures for a family. The monthly minimum wage budget includes what is necessary for a family of three. Food on the table, $348; housing, $582; transportation, $145; and what remains is $131. That does not include child care, where the national average in terms of one child would be $333 or health care where the average is $49 or clothing where the average is $63, which comes to $445. You have to squeeze three items, $445, into the remaining of $131.

The question is, how many times is a parent going to serve peanut butter to a child in order to save the $10, $15 or $20 so they can look after health care needs? How many times are they not going to pay their utilities in order to be able to look after a child? This is what we are talking about—hard-working Americans who deserve a living wage. This issue is the same as the last 70 years when we have debated it in the Senate. But we have come together in decency and fairness at important times for working Americans.

Finally, Mr. President, just last year we had an increase in our own minimum wage. Members of this body got $3,100. That is $1.50 an hour. That is the increase every Member of this Senate received—$1.50 an hour in 1 year. We are looking at child care workers, health care workers, teacher's aides getting 50 cents next year and 50 cents the following year. If it was fair enough for the Members of the Senate, it ought to be fair enough for those hard-working Americans who are trying to provide for their families. That is the issue—fundamental fairness to working Americans. Hopefully, we will be successful.

I reserve the remainder of my time.

The PRESIDING OFFICER. The Senator from Utah is recognized.

Mr. HATCH. Mr. President, I have very much enjoyed listening to my colleague once again on this very important issue, which seems to come back on an annual basis. The ink is barely dry on the announcement for last year's increase in the minimum wage and the Senator from Massachusetts is back asking for another serious, mandatory wage hike.

The distinguished Senator from Massachusetts, and those who support this concept, believes that an increase in the minimum wage is the quick, painless way to help the disadvantaged in our society. They believe that a minimum wage hike is absolutely costless, and they believe that it has no adverse impact whatsoever. I can only wonder, then, why they have not offered an amendment raising the minimum wage to $15 an hour or $20 or $25 or $30, because if it has no impact and it really is going to benefit people, why not do that. In fact, if raising Senators' salaries $1.50 an hour over the last year is right, why not give everybody whatever the amount of money the Senators make—$100,000, $130,000, or whatever it is—to even things up and make everybody equal in our society? I am sure the Senator is not arguing that so I do not mean to raise that type of ridiculous argument.

Frankly, if raising the minimum wage was all it took to raise people out of poverty—or to make life better for the working poor—I would vote for it.

But, I believe the proponents of this amendment and of the underlying concept have greatly oversimplified the issue. And, I believe they know they have oversimplified it.

EMPLOYMENT IMPACT

I will admit to my colleagues that the most elusive aspect of the economic debate on the minimum wage is an estimate of its impact on employment. Study after study has been done to quantify the employment effects of an increase in the wage floor. And, economists have disagreed about the severity of the employment impact.

There is, however, overwhelming consensus that there is indeed an adverse effect on employment. Three-quarters of the 22,000 members of the American Economic Association agree that minimum wage hikes have a disemployment effect that stifles employment opportunities for low-skilled workers.

In 1981, the Minimum Wage Study Commission, which was formed under the Carter administration, concluded that for every 10 percent increase in the minimum wage, the disemployment effect was between 100,000 to 300,000 jobs.

Disemployment means jobs not only eliminated, but also jobs that are never created in the first place. For example, if a retail store planned to hire five additional workers and, as a result of the higher labor costs, only hired two, the disemployment effect is three jobs.

For the sake of argument, let's take the more conservative boundary of this range of impact. The Kennedy-Wellstone amendment proposes a 19.4 percent increase in the minimum wage over two years.

That means that, using the most conservative multiplier, nearly 200,000 entry level jobs would be lost.

Now, Mr. President, let's line up 10 applicants for entry-level jobs. Which two of them are most likely to lose out at this higher minimum wage level? The suburban teenager working to pay the insurance on his car? The spouse working to put a little extra money into the household budget? The senior citizen who is supplementing his retirement income and trying to stay active? Are they the people who would lose out?

Or, would it be the new immigrant still learning a new language? Perhaps the young woman just out of a drug rehabilitation program, or a young man recently paroled from prison. Perhaps those who will miss out are high school drop outs.

Michgan State University economist David Neumark suggests that the employment effects of a higher minimum wage are actually most acute on certain subgroups. In his paper ''The Effects of Minimum Wages on Teenage Employment, Enrollment, and Idleness,'' Neumark finds that higher minimum wages act as an incentive for teenagers to seek employment and that those with more experience and greater skills crowd out those with fewer skills. Those who are displaced find themselves ''idle,'' i.e., neither enrolled in school nor employed.

I certainly do not consider this a positive effect of the minimum wage increase. But, it gets worse.

The probability that a black or Hispanic teenager will be displaced is five times greater than for the general population of teenagers.

But, perhaps the perverse impact of minimum wage increases is summed up best by two of President Clinton's own appointees to the Federal Reserve Board, William Baumol and Alan Blinder: ''The primary consequence of the minimum wage law is not an increase in the income of the least skilled workers, but a restriction on their employment opportunities.'' [Baumol and Blinder, cited in Glassman, Washington Post, 4/9/96]

This is pretty serious stuff. The ones who really get hurt are the ones who need the help the most.

The long and the short of it is simply that you cannot mandate an increase in the price of entry level or unskilled labor—which is exactly what the statutory minimum wage is—without reducing the demand for that labor.

The term ''labor costs'' is complicated. It includes lots of things: wages, insurance, FICA taxes, unemployment taxes, training, uniforms or other expenses. But, for now, let's just say it's wages and FICA taxes.

Some may be tempted to say that another dollar an hour is no big deal for an employer. Well, let's take a hypothetical employer in my home state of Utah. Let's see how big of a deal it is.

Is it only $1 for the ABC Company in Salt Lake City, UT? ''Hey, it's only $1, what's the big deal?'' they say. Assume you are a business owner with 25 part-time employees who work 30 hours a week. How much would a minimum wage hike cost you? You fill in the blanks.

First year, 50 cents times 25 employees times 30 hours per week times 52 weeks per year equals $19,500 in the first year.

The second year, $1 times 25 employees time 30 hours per week times 52 weeks per year equals $39,000 in the second year. Add in the additional FICA and other taxes—I'll bet you forgot about those—that is $5,265, just use 9 percent, if you will, to keep it easy.

And the grand total is $63,765. Think about that. This is the average small business. The average small business owner takes home less than $25,000 per year. So where is the money going to come from? Where is the money going to come from?

If you stop and think about it, under the Kennedy-Wellstone amendment, the 2-year increase in labor costs would be more than $63,000. Actually the figure is $63,765. That is 2½ times what a typical small business owner takes home.

The median take-home for small business owners, as I have said, is $25,000. That's based on the National Federation of Independent Businesses, the representative of the small business people in this country, and that is using CPS data.

Exactly what would you do, Mr. President, if you were this small business owner faced with a dollar per hour mandatory increase in your labor costs?

The answer should be obvious. As one small business owner noted:

> Unfortunately, many entry-level jobs are being phased out as employment costs grow faster than productivity. In that situation, employers are pressured to replace marginal employees with self-service or automation or to eliminate the service altogether. . . .

I should mention that the small business owner I just cited is former Senator George McGovern.

His eyes were opened once he left the distinguished U.S. Senate and went into a small business himself and found out it is pretty tough to be in business. There are a lot of demands on you. That was Senator George McGovern, who I believe voted for every minimum wage increase the whole time he was in the U.S. Senate. I give him credit for being willing to call it the way it is.

Harriet F. Cane, owner of the Sweet Life restaurant in Marietta, Georgia, after the last minimum wage increase reports that she went from 16 employees to 9. She voiced her frustration in the Wall Street Journal:

> Money for minimum wage increases has to come from somewhere. . . . If you pass another increase in the minimum wage, you can tell the teenagers and working mothers I employ why they no longer have jobs. Then try asking for their votes.

And, I also share Senator McGovern's concerns about one other aspect of the minimum wage. He goes on to ask:

> When these jobs disappear, where will young people and those with minimal skills get a start in learning the ''invisible curriculum'' we all learn on the jobs?

Senator McGovern is right. Entry level jobs are only the first run of the ladder. How many of us are today doing the same job we did as teenagers? Quite obviously none of us in Congress. And, I would venture very few outside of Congress.

Ed Rensi started in 1965 in Columbus, Ohio, at 85 cents an hour. Today, he's the president and CEO of McDonald's. [Shlaes, WSJ, 8/15/95] Just think about that.

James Glassman, writing in the Washington Post, quotes this finding by David Macpherson, professor of economics at Florida State University: ''A year after having been observed working at the minimum wage of $4.25, the average wage for these workers was $6.08 an hour.'' [Glassman, Washington Post; 4/9/96] That is a $1.83 increase—43 percent.

Amity Shales, writing in the Wall Street Journal, cites a 1992 study in the Industrial Relations and Labor Review that stated that 63 percent of minimum wage workers earn higher wages within 12 months and that the increases average 20 percent. [Shlaes, WSJ, 8/15/95]

So, let me get the proponents' argument straight: Someone who has a minimum wage job is going to be better off with a 19.4 percent increase under the Kennedy-Wellstone amendment—if he or she doesn't lose his job or have his hours reduced—than under current law where there is a greater probability of keeping the job and getting a 20 percent or greater raise in their wages?

I find this logic terribly twisted.

It is a great myth that everyone currently earning the minimum wage gets 'stuck'' in a minimum wage job. The fact is that people cycle through these jobs regularly. They get raises; they get more education; they learn a new skill; they prove themselves reliable; they move on and up.

And, I'll say one more thing about jobs at the bottom. I am proud that I worked my way through school. I even worked as a janitor. Some of my colleagues might poo-poo that experience. Well, I am proud of it. Not only was I a darn good janitor, but I met good, decent people doing it as well, and I have to tell you I made 65 cents an hour.

I like to think maybe I have progressed in life and that little bit of training I got as a janitor helped me to appreciate what working is. It helped me to put myself through school. It helped me to have the dignity that comes from working, the discipline that I learned from having to meet hours, meet work schedules, and meet work expectations. All of that was pretty darned important.

One thing I learned was that there is no such thing as a menial job—only people who do not understand the importance of any job performed well. And maybe that's one thing wrong with our society today—but that's a subject for another day.

WINNERS AND LOSERS

First jobs are for learning as well as earning. If we continue to raise the bar for entry, how many adults will we have who have never worked? How many teenagers and young adults who need a chance are not going to get one?

According to the conservative estimate, at least two out of every 10. My colleagues on the other side may not think that is too high a price to pay in order to benefit the other eight. But, considering the evidence that hiking the minimum wage is a lousy way to help the working poor, I can't agree—I cannot agree, to make it even more clear.

It is true that some workers will reap the benefit of the increase. Some workers will get a $40 a week raise. But, by mandating wage increases, two out of 10 entry-level job seekers won't have a job at all—very likely those who need a chance the most.

Senator KENNEDY has gone to great lengths to disassociate this minimum wage increase from organized labor's legislative wish list. He has tried to convince us that this is a women's issue and a children's issue. He has tried to tell us that we should enact this 19.4 percent increase in order to lift the poor and working poor out of poverty.

The distinguished Senator from Massachusetts is attempting to give this perennially bad idea a Cinderella-like transformation. I must point out to my friend and colleague that there is no way this pumpkin is going to turn into a handsome coach.

Let's look at the demographics of who will be helped and who will be hurt by the loss of job opportunities.

There are twice as many minimum wage earners in families earning more than $25,000 per year—that is 51 percent of them—than in families earning less than $12,500 per year. That is 25 percent of them. And, one of five lives in a family earning $50,000 or more. [Deavers; Employment Policy Foundation, 3/5/98 briefing, p. 21]

Nearly 43 percent of all minimum wage earners are teenagers and young adults living at home; 16.5 percent are spouses of other earners; 22.5 percent are not heads of household. Only about 20 percent are heads of household supporting dependents.

In Utah, the distribution is even more lopsided.

Who really benefits from the minimum wage hike in Utah? The average family income of Utah employees who will benefit from President Clinton's proposed minimum wage hike is $37,816. According to the U.S. Census Bureau data, fully 89 percent of Utah employees whose wages will be increased by President Clinton's proposed minimum wage hike either live with their parents or another relative, live alone, or

have a working spouse. Just 11 percent of them are sole earners in families with children, and each of these sole earners has access to supplemental income through the earned income tax credit.

As you can see, Mr. President, only 11 percent are single parent with kids or single earner in couple with kids. Stop and think about it.

That is important to look at. Our State is maybe a little bit better than the national average where it is 22 percent. That 11 percent is doubled to 22 percent. But it still means that 78 percent of the people are those who need that entry-level job, that first job, that opportunity of starting on the ladder climbing higher.

Of course, we should be concerned that certain families are struggling with minimum wage incomes. There should be no insinuation that those of us who oppose this amendment do not care about these struggling families.

MINIMUM WAGES CAN'T FIGHT POVERTY

But, we need to understand the limits of a minimum wage increase to reach these families with any tangible benefits.

The minimum wage increase cannot be targeted only to certain workers. We cannot say that Mrs. Jones who is trying to raise two kids on the minimum wage gets the increase, but Mrs. Brown who is working to supplement her husband's earnings does not.

The reality is that those who are not poor are more likely to get raises and those whose skills do not justify the higher wage will be out of jobs.

Study after study has concluded that raising the minimum wage is an ineffective means of helping those who are disadvantaged.

David Neumark of Michigan State and William Wascher of the Federal Reserve Board concluded that:

> On balance, we find no compelling evidence supporting the view that minimum wages help in the fight against poverty. Rather, because not only the wage gains but the disemployment effects of minimum wage increases are concentrated among low-income families, the various trade-offs created by minimum wage increases more closely resemble income redistribution among low-income families than income redistribution from high- to low-income families. Given these findings, it is difficult to make a distributional or equity argument for minimum wages. [Neumark & Wascher, ''Do Minimum Wages Fight Poverty?'' NBER Paper, August 1997].

Peter Brandon, of the Institute for Research on Poverty at the University of Wisconsin has found that ''welfare mothers in states that raised their minimum wage remained on public assistance 44 percent longer than their peers in states where the minimum wage remained unchanged.'' [Brandon, cited in Understanding the Minimum Wage, 1995]

A conference paper prepared by Robert V. Burkhauser (Syracuse University), Kenneth A. Crouch (University of Connecticut), and David C. Wittenburg (The Lewin Group) reports the results of a simulation model on the effects of the 1990–1991 minimum wage increase. After holding the employment variable constant (which was not the actual effect), ''only 19.3 percent of the increase in the wage bill caused by that minimum wage increase went to poor families. This is less than the 22 percent of workers whose wages were increased by the minimum wage increase who live in poor families.'' [Burkhauser, Crouch, Wittenburg, ''The Behavioral and Redistributional Consequences of Minimum Wage Hikes: Evidence from the 1990s;'' AEI Conference, May 4, 1998, p. 5]

Yes, Mr. President, raising the minimum wage sounds like an easy way to help those who are working but still struggling to find their way out of poverty. It is no wonder that, lacking the facts, the American people would support this.

But, upon examination, using minimum wage increases to alleviate poverty is like trying to shoot a fly off an elephant—and we are not even aiming at the fly but at the entire elephant. The amendment proposed by Senator KENNEDY and Senator WELLSTONE is not directed to workers who are poor, but rather at the entire universe of minimum wage workers. And, even former Secretary of Labor Robert Reich has acknowledged that most minimum wage workers are not poor.

CONCLUSION

The idea that there is no adverse impact from a mandatory increase in the cost of hiring workers is delusional.

But, what is worse, is that this adverse impact is for nothing. And, those very individuals who need entry level jobs the most are the ones most likely to be displaced by the increased competition for those jobs.

This proposal, like the emperor who has no clothes, is specious—it is still specious, and I haven't even touched on inflationary or geographic inequities. I would need another hour to do that.

It is disappointing that some of my colleagues on the other side of the aisle remain so enamored with this discredited dinosaur of a labor policy. Even the Democratic Leadership Council, citing findings of the Progressive Policy Institute, has repudiated minimum wage hikes, correctly claiming that they are counterproductive.

Hiking the minimum wage is not the only way to assist working Americans and those struggling to make ends meet. Let's work on some of those ideas. Personally, I would like to raise people's paychecks by cutting their taxes. That is probably a far better way of doing it than doing it this way. That would increase their paychecks without the risk they might lose their jobs, which is a big risk that will happen with this giant albatross.

I think we can work together on education. We passed the A+ Education bill earlier this year with bipartisan support. Education—or the lack of it—is the single biggest factor in determining an individual's earning capacity.

Let's tackle illiteracy and other root causes of low-skills and low-earnings potential. But, for Heaven's sake, let's recognize the minimum wage as the mirage it really is.

I urge my colleagues to defeat the Kennedy-Wellstone amendment. It deserves to be defeated, and it is time we start approaching these problems in a better way, in a way that really will help people, especially those who are at the lowest level of poverty in this country. I yield the floor.

The PRESIDING OFFICER (Mr. ASHCROFT). Who yields time?

Mr. KENNEDY. Mr. President, I yield 7 minutes to the Senator from Rhode Island.

The PRESIDING OFFICER. The Senator from Rhode Island is recognized.

Mr. REED. Mr. President, I rise in strong support of Senator KENNEDY's and Senator WELLSTONE's proposal to raise the minimum wage. There, in my view, is a very compelling reason why we must do this and we must do it today. That reason, simply stated, is that if you are a full-time worker, a head of household, a single head of household and a family of three, you will make $10,700 a year. That is $2,900 below the poverty level. Today, the minimum wage law in the United States guarantees to so many people only one thing: that they will still be in poverty. We can do much better than that, and we should do much better than that.

There have been discussions about the employment effects of raising the minimum wage. Studies have been presented; statistics have been presented. Let's look clearly at what has happened in the last two episodes in which we raised the minimum wage.

Back in October of 1996, the minimum wage was increased to $4.75. And what happened to unemployment? It fell; it was in a cyclical pattern, but it fell. Again, in September of 1997, we raised the minimum wage to $5.15, and once again unemployment fell.

This legislation is not a job killer. This legislation does not deny opportunities to work for anyone. What it does is it gives people more money in their paycheck, gives them more opportunities to provide for their families, gives them a bigger share in this country's economy. That is why we need to do it.

There are others who argue, ''Well, those are just general statistics.'' The real problem with the minimum wage increase is it affects some discrete subgroups like teenagers. If you look at the record of teen unemployment, age 16 to 19, once again the same pattern emerges. The minimum wage was raised in October of 1996—it is a cyclical process—and unemployment declined. Again, in September of 1997, with some cyclical variation, a declining curve, unemployment in this category also falls. So the arguments against the minimum wage because it kills employment just do not hold water based upon the most recent experiences.

Then there is the argument that small businesses will invariably and automatically react to an increase by cutting back on their employment. There has been a recent study by two researchers from the Jerome Levy Economic Institute at Bard College. And 90 percent of the small businesses they surveyed indicated that the 1996 minimum wage increase did not change their hiring decisions. Their hiring decisions were based upon the demands in their marketplace for their products, driven by a very strong economy. Moreover, 75 percent of these individuals surveyed said that a further increase to $6 would also not influence their decisions about hiring.

So small business is not reacting to this proposed minimum wage increase by saying, ''We are going to cut off employment.'' What this does is give hard-working Americans a chance to put more money in their paycheck to provide more opportunities for their families.

We have also heard arguments on the floor today that, ''Well, the minimum wage is benefiting not just the poorest people, just teenagers who work, but maybe spouses who work and their husbands or wives are employed in more lucrative jobs.''

First of all, the reality of the minimum wage is that 74 percent of the wage earners are over 20, so the vast majority are not teenagers. And 40 percent are the family's sole breadwinner. They have people who depend upon them, depend upon them bringing in a living wage. And 63 percent are women; and 50 percent of the minimum wage earners are in the lowest 40 percent of earners in the United States. This does, in fact, provide a very positive impact on the opportunities for low-income Americans.

There is another argument here, too, that I think we have to present. Last Congress, many of us joined together to pass significant welfare reform, in fact, directing people off welfare into the workforce; and it is an irony, at best, moving people from welfare into poverty-level wages—indeed, below poverty-level wages. To make this experiment in welfare reform truly workable, we have to ensure that when people leave welfare they get adequate pay. And the minimum wage increase will help do that.

Also, it seems to me illogical that in every other sphere of economic endeavor raising someone's pay is seen as a good thing, not a bad thing, that most of our activities in the workplace are designed to get increases in pay. In fact, very few people would think, ''I'm not going to ask for an increase in pay. It might curtail my opportunities to work.'' Because the reality, as demonstrated by my colleague, just to survive, to put food on the table, clothe children, to provide minimal care to their families, requires an increase in the minimum wage.

I think there is another argument that has to be stressed. We are coming into some rocky economic times in the United States because of the turmoil throughout the world. Demand for American goods overseas is faltering. How do we keep our economy going? One way to do that is to give the American people more purchasing power. Increasing the minimum wage does that for the very lowest income Americans, those people who go into the Kmarts, go into the Wal-Marts, to buy products. In fact, they are typically the types of individual households that, because of the demands on them, are constantly buying products for their children, buying goods and services. This will also help, I think, in a broader economic sense.

So for all these reasons—basic justice and fairness, to keep our economy moving, to recognize that there are so many good reasons to do this—it does not affect employment dramatically but what it does affect is the ability of working families, people who work very hard to provide for their families and maybe provide a little extra. That, to me, is why we are all here.

I strongly support the efforts of Senator KENNEDY, the efforts of Senator WELLSTONE, and their strong commitment to ensure that the benefits of this economy are shared not by just those who are affluent but are shared by the broadest segments of American society, particularly by those who struggle each and every day under circumstances, frankly, that few of us have had to endure, to be good citizens, to work hard, and to get something a little bit more for their families.

I hope, in that spirit, and recognition of those facts, that we strongly support this amendment.

I yield back my time.

The PRESIDING OFFICER. Who yields time?

Mr. HATCH addressed the Chair.

The PRESIDING OFFICER. The Senator from Utah.

Mr. HATCH. I yield 12 minutes to the distinguished Senator from Wyoming.

The PRESIDING OFFICER. The Senator from Wyoming is recognized.

Mr. ENZI. I thank the President and the Senator from Utah.

I rise today to share my thoughts about another proposed increase in the minimum wage. Having been a small business owner for 27 years, I want to be sure that my concerns regarding the full economic impact that that Federal one-size-fits-all mandate can have on rural States like Wyoming are made known. This complex economic issue demands careful consideration.

I want to say right up front, I favor an increase for all wages. But that increase should be sparked by a strong free market economy, not by a Federal mandate that would be detrimental to small businesses and to the existence of hundreds of minimum-wage-paying jobs in Wyoming that are already few in number.

I travel throughout Wyoming almost every weekend. I regularly hold town meetings and attend ice cream socials as a way of listening to my constituents' concerns. I want to point out, Wyoming residents are thick-skinned individuals and they are not shy about sharing opinions—they show up and they share.

I was not surprised to hear from them that another increase in the minimum wage could close small businesses and eliminate jobs—two things that are already tough to come by in Wyoming.

As a former shoestore owner, I have always felt that the minimum wage represented a starting wage—better referred to as an entry-level wage. I hear people trying to equate it with a ''living wage.'' It is a minimum wage. It is an entry-level wage.

An entry-level wage in Wyoming changes quickly as the individual worker gains experience and improves his or her skills in the workplace. Almost two out of three workers who start at the entry-level wage earn a higher wage within 6 months—more skill, more money. Every job works that way. There are just different entry-level rates—more skill, more money. Kids with no skills have to gain experience in the workplace if they are to understand why hard work is a fundamental step to life's success.

Moreover, college students seeking part-time jobs to help supplement their education are going to find it even more difficult to obtain work when the number of these available jobs is cut.

Are the economic realities that impact these kids being considered by this amendment? I will gladly welcome any explanation based on Wyoming's labor market.

Only 480,000 people live in Wyoming, fewer than any other State in this country. That is not bad; we have plenty of elbowroom. Wyoming still remains a State of high altitude and low multitude dominated by miles and miles of miles and miles. We can still call the wrong number and know who we are talking to. But my State's labor market has produced a set of statistics that worry us. Wyoming ranks 50th in new economic growth, 50th in the creation of new jobs, and 50th in technical industries. That is not a change. We lack the population needed to lure high-turnover jobs. We lack critical mass where there is enough population for businesses to feed on each other.

While other States are celebrating budget surpluses, Wyoming politicians argue over every available penny, knowing that a $200 million shortfall is expected within the next 5 years. To put that in perspective, a 1 cent statewide sales tax only raised $50 million a year for the State. Having served in the State and the legislature for 10 years, I have dealt with this reality firsthand.

Folks need to understand why another increase in the minimum wage impacts States like Wyoming differently than Connecticut or Massachusetts. The Nation's economy may be strong, but my State hasn't shared

that fortune. It takes a long time for rural States with sparse populations to benefit from these trends. I am not going to buy into the notion that another minimum wage hike is necessary just because the Nation's economy is doing well. There is more to it than that.

Despite Wyoming's economic portfolio, the absence of intrusive State taxes ensures that family incomes go a long way. It would go even further if I could say the same for Federal taxes—however, we will save that debate for another time. Wyoming residents pay no State income tax, a five-cents-on-the-dollar sales tax, bare-bones ''sin'' taxes and fuel taxes, and some of the lowest property taxes in the country. In fact, a Wyoming family of four making $50,000 per year pays about $2,500 total in State and local taxes—including sales tax. In Connecticut, that same family of four pays $10,000. That is an incredible difference. Connecticut folks pay four times as much in local and State taxes. Labor Secretary Herman stated in a letter to Chairman JEFFORDS of the Senate Labor Committee describing how another minimum wage increase would make an ''enormous difference in the lives of workers and their families'' and that it would ''mean an additional $2,000 a year
* * *'' I guess if I had to pay over $10,000 each year just in State income tax, a Federal minimum wage hike might not sound too bad. However, those folks should be screaming for lower taxes—not higher wages! Those East Coast families have to make up to four times as much to cover State and local taxes.

Wyoming's low taxes give the dollar plenty of mileage, despite lower wages. Even where the availability of housing is scarce, it's still affordable. My youngest daughter now attends the University of Wyoming in Laramie where rental property is tough to come by. Still, a person can rent a single-family home there for less than $400 per moth. A one-bedroom apartment in a modest Washington neighborhood often exceeds $1,000 per month. That is a monumental difference. Similar to taxes, East Coast workers need to make up to 2½ times as much to cover housing. I made a few phone calls to some local ''fast food'' restaurants and I learned that each of them started their employees above the minimum wage. I was quoted wages starting from $5.25 per hour at the Burger King in Falls Church to $6.00 per hour at an Alexandria McDonald's. The labor market and cost of living determine these pay rates, not Federal minimum wage laws. But in Wyoming, where these same factors are much different, the wages are dictated entirely from Washington where folks pay 4 times as much for State and local taxes and 2½ times as much for housing. To no surprise, the Burger King in Casper, the McDonald's in Cheyenne, the Taco Bell in Laramie and the McDonald's in Sheridan all start their employees at this entry-level wage. Remember, those who show some interest don't stay at that entry-level wage long. Remember, those who show some interest don't stay at the entry-wage level. Another mandated, one-size-fits-all minimum wage hike may sound like a good deal for Wyoming's entry-level employees, but it isn't Each time the minimum wage is increased, these jobs that put money in the pockets of kids—and sometimes senior citizens, too—become extinct.

That is not just Wyoming. This chart shows that although the growth and the overall economy did accelerate, it agrees with the other charts. It accelerated in 1996 and 1997. The job growth at eating and drinking places fell sharply after the wage hikes. In 1995, job growth in the whole economy was 2 percent; eating establishments, 3.9. In 1996, after the wage increase goes into effect, the economy grows by 2.8 percent, and the kids working in restaurants only have a growth of 2.2 percent.

After outpacing overall employment growth each year in the 1990s, job growth at eating and drinking places fell sharply in 1996 and 1997. This chart shows the total employment and the eating and drinking employment. So both of them show the same trends.

Another chart shows what the new job opportunities at eating places were in 1994 and 1995 versus 1996 and 1997. The rate of growth allowed for 532,800 jobs in 1994 and 1995. Then the minimum wage kicked into effect. The growth was only 281,600 jobs; we lost over 250,000 jobs in that market alone. That is a quarter of a million kids who didn't get a job.

Despite Wyoming's sparse population, the number of jobs are even fewer. The complaint I hear from my constituents is not about low paying wages, but the lack of jobs. Folks in my State are tired of seeing their kids leave Wyoming to attend college elsewhere simply because there are not enough part-time and full-time entry-level jobs to help them get a little experience and pay for their education while they go to college. Since the bulk of jobs in Wyoming are provided by small businesses, another increase in the minimum wage will only increase that disparity. Another minimum wage increase would hike all wages. I'm in favor of all wages being increased, but not at the cost of critical jobs. If the entry-level wages have to go up, the workers earning slightly more than the minimum wage would have to earn more too. This isn't just a debate about entry-level wages. Not only would small businesses have to pay its employees a higher wage, but the price of products that the business purchases at wholesale costs and sells at retail prices will undoubtedly have to go up—causing customers to purchase less as a result. Lower sales means less jobs. Downsizing would result. If that fails, the business folds—often quickly by Wyoming's standards. This is basic macroeconomics and a simple explanation on why Federal mandates can hurt the very people they are intended to help. Unfortunately, people don't work at the Federal level. They work at the local level—even for those who work for the Federal Government.

Not only have I heard the argument that our economy won't be hurt by another increase since it is already so strong, but the argument is also portrayed to sound as if another increase is long overdue. Over the past 10 years, the Federal Government has walked all over States like Wyoming by subjecting them to national, one-size-fits-all mandates, all kinds. In 1989, the Congress and President Bush negotiated an agreement that provided for three increases in the minimum wage over a 12 month period. By April 1, 1991, the minimum wage rose from $3.35 per hour since 1981 to $4.25 per hour.

Congress didn't stop there, however. On May 22, 1996, the House passed a tax bill to assist small businesses, entitled the Small Business Job Protection Act of 1996. On May 23, the very next day, the House passed another bill that increased the minimum wage from $4.25 an hour to $5.15 an hour over two years. These two bills were combined into one package and sent to the Senate where it passed. I was still a small business owner in Wyoming at that time, but I was still appalled by the action Congress and this President took under the guise of ''small business protection.''

That takes us to today. Now the Senate is talking about another increase in the minimum wage—$1 over the next two years. I am a member of the Senate Labor Committee that has jurisdiction over this matter. The committee has not had one, single hearing discussing the impacts of another minimum wage increase. The committee has not considered any legislation that would increase the minimum wage. Rather than discuss the impacts that the pending legislation would have on States like Wyoming, the committee process was shunned. Instead, we're now debating this issue as a matter of election year theatrics. Politics does not constitute sound policy and this attempt to increase the minimum wage again simply confirms that notion.

I am not interested in playing games with the minimum wage. This is a complex, economic issue that must be carefully considered. If the minimum wage goes up, then so does the poverty level. But wages are already going up because of full employment. A quick downturn in the economy would escalate unemployment. This would be a lose-lose situation. Phony wage hikes drive prices up—so we trick the worker into thinking he or she is getting more—but the bills still can't be paid at the end of the month. Government dabbling in a free economy is phony economics.

Congress has a duty to weed out political schemes from impacting our Nation's market and labor force. States like Wyoming deserve better than that and I'm not going to sit idly by and allow my constituents' concerns to be silenced.

This matter should receive a fair hearing and additional consideration by the respective committees and must not be excluded. This is the last-minute election year pitch; nothing more. I strongly oppose this attempt to pass a minimum wage increase, and I ask my colleagues to do the same.

Mr. President, I yield the floor.

Mr. WELLSTONE addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. KENNEDY. Mr. President, I yield 10 minutes to the Senator.

The PRESIDING OFFICER. The Senator from Minnesota is recognized.

Mr. WELLSTONE. Mr. President, I am pleased to be on the floor with my colleague, Senator KENNEDY, in support of this amendment.

Let me say to my colleagues on the other side—perhaps we can have some discussion and debate about this—that I find it very interesting what is going on here. If I am wrong, I am sure my colleagues will try to prove me wrong. I don't actually think they can prove me wrong. Here is what is going on.

The reason that the vast majority of the people in our country have made it crystal clear that they are for an increase in the minimum wage, that they think to go from $5.15 cents and hour to $6.15 over a 2-year period is imminently reasonable is because they think this is a family-value issue. This occurred the last time we went through this debate and this time as well. Most people in Minnesota and most people in the United States of America believe that it is our responsibility as Senators and as Democrats and Republicans to create a climate whereby they can do their best by their kids, because when they do their best by their kids, they do their best by our country. One of the ways they can do best by their kids is to have a decent job and a decent wage so they can support their families. That is what this debate is all about.

Mr. President, we have these arguments trotted out here. I do not like where they come from. We have the same old song. I understand that for a variety of different reasons some of my colleagues are opposed to raising the minimum wage. I understand this may be a difficult vote. So we have to figure out other arguments to make. I don't think it looks good.

I am going to sort of break from the traditional boundaries of debate and say this: I don't think it looks good.

In this past year we gave ourselves a cost of living raise of $1.50 an hour on top of giving ourselves, several years ago, a $30,000 increase. We in the Senate went from $100,000 to $130,000-plus.

At the time, I had colleagues come up to me and say, ''We need to do it. We have two places. We have children. They are in college. It is tough. It is very difficult to make ends meet.'' So we voted ourselves a $30,000 increase, and then, on top of that, we vote ourselves a $1.50-an-hour cost of living increase. Yet, we say it is just outrageous to increase the minimum wage for people who are working full-time, playing by the rules of the game, 52 weeks a year, 40 hours a week, and are making poverty wages. People who work full-time ought not to be poor in America. They ought to be able to make a decent wage and support their children. $100,000 to $130,000 for us is fine, but to raise the minimum wage $1 over 2 years is not fine.

That is a tough argument to make for people in the country, because most people in the country believe that it is our job to make sure that when people play by the rules of the game and work hard that they earn a decent living. Most people in this country believe that those people ought to have that chance. Thus, the arguments come out.

And so we heard that we are going to lose all these jobs, but that didn't happen. Here are the figures from the Bureau of Labor Statistics. I am not bringing out any particular conservative group or liberal group. I am just going by BLS data. When we went from $4.25 to $4.75 over this first year, 394,000 new jobs were added to the economy. Then when we went from $4.75 to $5.15, 517,000 new jobs were added to the economy.

When I am finished I look forward to my colleagues refuting this; to just explain away the data. Sometimes we don't know what we don't want to know. But these are the facts from the Bureau of Labor Statistics. Where is the evidence that this increase in the minimum wage that helped so many people in our country—10 million-plus people, 140,000 people in Minnesota, helped people do better by themselves and better by their kids—where is the evidence that it led to a decrease in jobs?

In the State of Wyoming, since the Federal minimum wage was increased, unemployment in Wyoming dropped by 8 percent. Where is the evidence that the increases in the minimum wage lead to a sharp drop in the number of jobs in the State of Wyoming? It is just the opposite. According to BLS, 15 percent of the workforce in Wyoming will benefit from our increase—30,000 workers.

So I don't understand this whole argument about how it will lead to a decrease in jobs. For reasons I can't understand, I think it is just sort of ''blind ideology'' that my colleagues don't want to support this. We are glad to have a big increase for ourselves. Then I say, ''OK. What could be the reasons?''

Here are the arguments that are brought out to the floor. One is we will see all of these jobs disappear. But precisely the opposite is happening.

Until I hear to the contrary, I don't quite understand that argument.

My colleague from Wyoming, who I enjoyed hearing, said we didn't have any hearings. The chairman of the Committee on Labor and Human Resources, my good friend, said we would be pleased to have hearings.

So we don't have hearings. Hearings are denied and then that is used as an argument why we shouldn't take action.

Then I hear my good friend from Utah make the argument that these jobs are not just about earnings. They are about learning, and that we should recognize the dignity of work. I agree. But do you want to know something? The best way that we can recognize the dignity of the work is to make sure there is some value to the work and make sure that these men and women who are taking care of our children, taking care of our parents, providing us with food, cleaning buildings, and you name it, are provided with a decent wage.

A lot of people, no matter how hard they work, are poor because wages are too low. To talk to them about the dignity of their work and how this is great for learning just misses the point, if we won't talk about earnings.

I don't know what reality we are dealing with here. We are dealing with the phenomenon of many working poor families in our country with the head of household working full-time, and those families are still poor.

I am hearing colleagues talk about how we are opposed to raising the minimum wage because somehow we think it will undercut the dignity people have. Or we are opposed to raising the minimum wage because we really think this is as much about learning as it is earning. I just do not understand these arguments.

Mr. President, we know that this especially helps women because they are disproportionately among the low-wage workers. We know that this disproportionately helps adults. We dealt with the mythology that this is all about teenagers. Then we get into the argument: But there are a percentage of these workers who are younger people, high school age, college age.

Again, I don't know what reality my colleagues are focused on here. But do you know, they work for compelling reasons as well. In case anybody hasn't noticed, higher education is an expensive proposition.

Many high school students and college students are working—I meet many college students who are working 2 and 3 minimum wage jobs. That is why it takes them 6 or 7 years to graduate. They are not doing it just on some lark. They are doing it because this is key to their being able to finance their education or help their parents finance their education. Or, if they are older—since many of the students are older and going back to school—it is even more critical.

I heard my colleague from Utah refer to a study that showed when you have a higher minimum wage, welfare mothers stay on welfare a longer period of time. That does not make any sense to me. I would love to know what there is to that story. Because, frankly, if you

are going to talk about the importance of going from welfare to workfare, presumably one of the key things you want to make sure of is that the jobs are there that pay a decent wage so those mothers and children will be better off. For some reason, States with higher minimum wage—or I guess the argument is supposed to be that by raising the minimum wage we have discouraged these parents from moving from welfare to work? It just makes no sense. I would love to know a little bit more about that finding.

So, my conclusion—and I say this with some indignation—we just have all the sympathy in the world when we have oil companies coming out here asking for special breaks, but we have very little sympathy when it comes to these working poor families.

I yield the floor.

The PRESIDING OFFICER. The Senator's 10 minutes have expired. Who yields time? The Senator from Utah is recognized.

Mr. HATCH. Mr. President I yield 10 minutes to the distinguished Senator from Vermont.

The PRESIDING OFFICER. The Senator from Vermont is recognized.

Mr. JEFFORDS. Mr. President, I have listened to my good friend from Minnesota, and certainly understand his concerns. But I think the picture he gives of the situation is somewhat different than what I perceive. I have faithfully supported minimum wage increases over the years, but there comes a time when we try to push things too fast and we could well destroy the very goals we are trying to reach.

One of my major goals as chairman of the Labor Committee is to get people into the workforce and keep them there. That is why I worked so hard with my colleagues on both sides of the aisle to enact legislation that will improve and streamline our adult education job-training programs. That is why I am working so hard on developing legislation that will improve our postsecondary, adult and vocational education. That is why I have, with my friend from Massachusetts, introduced legislation to help the disabled find jobs and get off the federal rolls while maintaining their health benefits. And that is why, although I have supported past minimum wage increases, I am concerned that if we raise the minimum wage too soon after the last increase, we may cause more harm than good.

Here in Congress, we continually grapple with the issue of how to assist low-skilled workers—particularly workers who have to support a family—without destroying the very jobs they rely on to support themselves and their families. It is hard for people with families and low skills to get by. We have seen and heard a lot of evidence about this. But it is also hard for small businesses to get by. Business failures are commonplace and margins are thin. When we raise the minimum wage, we make it more difficult for these businesses to justify hiring inexperienced, unskilled, and untrained workers.

For the past 60 years, we have relied upon the minimum wage to set a floor beneath wages. Every time we have increased it, we have given businesses five years or so to adjust from the last increase to the next enactment. The only exception was once during the 1970s when the real minimum wage declined even as the nominal wage was increasing. Those of us will remember, this was during a time of incredible inflation.

However, before the last increase even took effect, the senior Senator from Massachusetts had launched a new campaign for another increase in the minimum wage. The net effect of these increases would be a 45 percent rise in the minimum wage over a four and a half-year period. I am concerned that saddling small business with this steep increase over a relatively short period of time will have some negative repercussions both on the business owners as well as workers who count on their minimum wage jobs, and perhaps on those individuals who are seeking their very first job.

Although increases in the minimum wage have been important, they are not the only tool we have used to assist low-income workers who are supporting families. In addition, we have developed targeted government supports for the working poor, such as the Earned Income Tax Credit (EITC).

Over the years, the EITC has been expanded to target and supplement the wages of low income families without threatening any job loss. This year, the EITC will enable a minimum wage worker who is either a single parent or the single wage earning parent of dependent children to receive 3,756 additional dollars, bringing that family's income to $14,468. In addition, the EITC is set up so that these families do not have to wait for a lump-sum tax refund; instead the workers can receive the tax credit in their weekly paychecks.

A recent report released by the Center on Budget and Policies Priorities found that the EITC now moves more than two million children out of poverty. The report concluded that, ''the EITC is the most effective safety net program for children in working poor families.'' I strongly support the EITC because it is making a difference in the lives of working families. I also support the EITC because it provides an incentive to work, the incentive is specifically targeted to help workers from low income families, and it does so without threatening jobs, as a minimum wage increase will.

Further, I am concerned that when we raise the minimum wage we are not targeting low income workers. Statistics show that more than half of the minimum wage workers live in families with yearly incomes over $25,000. In addition, statistics reveal that the majority of minimum wage earners are young, single and childless. I understand that in my home state of Vermont, only a small percentage of minimum wage workers are supporting their families on their wages. The fact that an increase in the minimum wage does not specifically target low income families becomes particularly significant when we consider the dramatic impact that a back-to-back increase will have on small businesses as compared to the actual number of low-income working families who will be helped by the increase.

I believe that we should give the last minimum wage increase some time to be absorbed into the economy before we move to increase it again. I also think that we should continue to focus our efforts on assisting the working poor by working to improve and expand targeted approaches such as the EITC.

Finally, I believe that before we open up the Fair Labor Standards Act to raise the minimum wage, we should take some additional steps to update the FLSA to better assist our working families.

This update is sorely needed because, while the makeup of the American workforce has changed dramatically over the past 60 years, few provisions of the Fair Labor Standards Act have been updated to reflect those changes. The needs of today's workforce are different than the needs of the workforce of the 1930s. Increasingly, employees are requesting that their employers offer more flexible work schedules and compensation packages. Unfortunately, the FLSA and its underlying regulations preclude employers from accommodating such requests. In other words, even though our workers are requesting more flexible working arrangements so that they can juggle work and family obligations—the arrangements that would be most helpful to these workers are actually prohibited under current law. And our attempts to change that were frustrated earlier in this past session.

The Family Friendly Workplace Act would assist these working families by amending the FLSA to allow employees the ability to choose comp. time—the opportunity to choose paid time off instead of cash compensation for overtime work. It would also allow employees to work a flexible biweekly schedule—to schedule their hours over a two-week period so that they can work additional hours during one week in order to take that time off during the second week. These same options have been available to Federal, State, and local employees for some time and they have been extremely popular with these public sector employees.

Why my colleagues on the other side of the aisle refuse to acknowledge this and allow us to bring the FSLA up to the present-day needs of this Nation I do not know.

During the first session of the 105th Congress, we engaged in contentious and partisan debate over the Family Friendly Workplace Act. While we were

able to pass the bill out of the Labor Committee, our Democratic colleagues prevented us from moving forward on the floor of the Senate.

To be quite truthful, I still have a hard time fathoming why this issue has been so contentious. After all, we are talking about amending the law so that hourly employees in the private sector will be able to partake in some of the same scheduling options that salaried and public-sector employees currently enjoy. The public support for this bill has been overwhelming, and I am frustrated that we have been unable to move it forward.

The point I am trying to make here today, Mr. President, is that while the minimum wage is important—and obviously it is—another increase at this time will not necessarily benefit our workforce. However, there are things that we can do today that will benefit working families. It is my hope that my colleagues on the other side of the aisle will recognize this point and will begin working with me to help our workers meet the needs of their families by amending the FLSA to allow for more flexible work schedules. I hope my colleagues will lift their prohibition and allow us to consider this very important piece of legislation.

Mr. President, I yield the floor.

Mr. NICKLES addressed the Chair.

The PRESIDING OFFICER. The Senator from Oklahoma is recognized.

Mr. NICKLES. Mr. President, I yield myself 8 minutes.

Mr. President, I urge my colleagues to vote in favor—I believe there is going to be a motion to table—I urge my colleagues to vote in favor of the motion to table the Kennedy amendment which will increase the minimum wage by 19 percent. Just 2 years ago we raised it 21 percent.

I heard some of the proponents of the amendment say, ''We need to increase minimum wage because if we don't, these people will not be able to make a decent living.'' Frankly, I concur; if somebody needs to live on $5.15 an hour, that probably is not a very good living. But if you follow that philosophy through, then let's increase the minimum wage to $10 an hour or maybe $20 an hour. It just doesn't make sense.

What are we doing if we increase minimum wage? Right now, the minimum wage is $5.15 an hour. There are 2.2 million people who make that amount. The proposal is to increase it to $6.15 an hour. According to CBO, there are 11.7 million workers who make less than $6.15 an hour. If we do that, we are saying it is against the law for them to work for less than $6.15 an hour—the Federal Government, in its wisdom, has decided that it is against the law for anybody in America to work for less than $6.15 an hour. I think that is a mistake. We are saying it is better for them not to have a job: ''If that job doesn't pay $6.15 an hour, we would rather have them be unemployed.'' The Federal Government makes it against the law.

Do I want them to make $6.15 an hour? You bet. Do I want them to make more than $6.15 an hour? You bet. But I would hate to pass a law saying it is against the law for them to work for less than that. That is exactly what we are doing. Maybe this $6.15 an hour works in Massachusetts, but it may not work in rural Montana or in rural New Mexico.

I am bothered by the fact that we are telling people if whatever job they have—and maybe it is a beginning job; a lot of minimum wage jobs are beginning jobs; maybe they are working part time in a restaurant, maybe they are pumping gas or sacking groceries or something—but basically the Federal Government is saying, ''We would rather have you be unemployed; if your job doesn't pay this much, we would rather have you unemployed.'' Then they are entitled to receive Government payments, welfare benefits, so on.

To me, that just doesn't make sense. To go back on this poverty line and say, ''If you don't make this money, it just is not worth it,'' is hogwash. That is really devaluing the whole process of people starting to climb the economic ladder. We are saying if the job doesn't pay so much, we would rather you be unemployed.

Sometimes that first job, even though it doesn't pay very much, is one of the most important jobs an individual can get, because they learn what it means to get a job, to be at work, to be on time. They learn maybe that that job doesn't pay enough, so they need to get a better job. Maybe they need to improve their skills or maybe they need to continue their education.

To say we would rather have you be unemployed—whom does that really hurt? It hurts low-income people. It hurts minorities disproportionately. It basically leaves a lot of people with idle time who, frankly, would be better off making $5 an hour and having a job and learning some skills so they can get a better job in the future. Instead, we will be raising the ladder and saying, ''No, we would rather have you be unemployed.''

There they are, a 16-, 17-, 18-year-old person unemployed, maybe getting in trouble, maybe still wanting to have some money or something, so they get involved in doing other things. Sometimes those other things are illegal.

Mr. President, you can't repeal the law of supply and demand. If you raise minimum wage, you are going to cost jobs, you are going to put people out of work, and, yes, the Congressional Budget Office says maybe it is 100,000, maybe it is 500,000.

My daughter worked, and she was going to college. She was working in a restaurant as a waitress making $5 and something, I think—a little less than $6 an hour. At least she did when she started. I don't want the Federal Government to say, ''We don't want her to have that job.'' I don't want to price her out of getting that job. Unfortunately, she drives a car. I want her to help pay for that car. I want her to put gas in that car.

Again, I think learning skills in whatever job level a person is able to start at—the higher the better, that is great. But if it is a minimum wage job, if it is a low-income-type job, if they are able to learn skills from that point, great. Let's not price it out of the ball park. Let's not put those people out on the unemployment lines. Let's not deprive a minority youngster who is 15 years old, or 16 years old, or 17 years old, in Chicago the chance to start climbing the economic ladder.

Raising the minimum wage—I understand maybe the proponents' goal, and I share the goal of trying to raise people's incomes, but I want to do it through a free market, not do it through a Government mandate that is going to put hundreds of thousands of people out of work.

Unfortunately, I think that is the net result of this amendment. If not, let's raise the minimum wage a lot more. I would like for everybody to make $10 an hour. If the economic arguments are valid behind raising this—if we raised it 21 percent 2 years ago, if we are going to raise it another 19 or 20 percent—if there is no negative economic impact, let's make it $10 or $20 an hour. Let's make sure everybody is going to be wealthy. Let's make sure nobody is on the poverty line.

Frankly, that won't work. That just flat won't work. Most importantly, let's not deprive young people of the chance to climb the economic ladder. The hundreds of thousands, millions of these people who are making this level wage are people like my daughter. Let's give them a chance as well to start climbing the economic ladder. Let's not price it out.

Mr. President, I urge my colleagues to vote in favor of the motion to table the Kennedy amendment at the proper time. I compliment my colleague from Utah and also my colleague from Vermont for their statements.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Utah.

Mr. HATCH. Mr. President, I reserve the remainder of our time.

Mr. DURBIN addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. KENNEDY. I yield 7 minutes to the Senator from Illinois.

The PRESIDING OFFICER. The Senator from Illinois is recognized.

Mr. DURBIN. Thank you, Mr. President. I thank the Senator from Massachusetts for leading this debate, an important debate.

The first job that I ever had where I was paid an hourly wage was the result of two lies. I walked into a delicatessen at age 14 in the home State of the Presiding Officer, in St. Louis, MO, a place called Union Station. I bought a half dozen bagels for my mother. The man leaned over the counter and said, ''Are you looking for a job, boy?''

I said, ''Yes.''

He said, ''How old are you?''

And then the first lie came out. I was 14 and I said, ''I'm 16.''

''OK.''

I said, ''How much does the job pay?''

Then the second lie came out. He said, ''The minimum wage, 60 cents an hour.''

With that exchange, we entered into a contract: An underage worker making less than the minimum wage got his first job besides delivering papers. I have had a lot of jobs ever since. I have met a lot of people along the way who have struggled at low-wage jobs and tried to make a living.

And this debate is really about them.

I guess there is a sense of frustration by some on the floor that these people in low-income categories will not be quiet. They keep speaking up and saying, ''We can't make it. We're not making it. We need more help. We're trying to keep our families together. We're trying to provide the basics for our kids, and $5.15 an hour just won't do it.''

A lot of people would wish that the so-called invisible hand of the market would be all that we rely on, but, fortunately, we do not. Fortunately, since the days of Franklin Delano Roosevelt, we have said this country will have a minimum wage, because we believe there is dignity in work and there is dignity attached to work that pays a decent wage.

Unfortunately, we politicians, who draw regular salaries, have fallen down on the job of keeping up with inflation. Take a look at this chart about what has happened to the real minimum wage while we have gone through all this political gasification on the floor of the House and the Senate.

Starting in 1955, it was the equivalent of $4.50 an hour; it was not that, but in 1997 dollars it would have been $4.50 an hour. We saw the minimum wage, the real wage, the earning power of the minimum wage reach a high of $7.38 and then plummet between 1970 and 1988 to a low of $4.34.

If Senator KENNEDY is not successful with his effort today, you are going to see that line plummet again. What it means is the real earning power of people in low-income jobs will continue to descend; and as it continues to descend, it will be more difficult for them to provide clothing for their kids, any kind of health insurance, to pay rent on a decent place to live, to provide some of the amenities of life that all of us just take for granted.

I have listened to the arguments, and they are so weary and time worn that ''if you raise the minimum wage, we will increase unemployment.'' The spokesmen and spokeswomen for the business community have been giving us that song for as long as this debate has been on the floor of Congress. They cannot seem to divert their eyes away from their hymnal in singing this long enough to look at the facts. And the facts say just the opposite.

Look at what the impact on unemployment has been by our most recent increase in the minimum wage. When it was increased to $4.75, unemployment started going down. When it was increased to $5.15, it went down further. So the argument that raising the minimum wage forces employers to lay people off may happen in an isolated case or two, but in looking at the overall economy, you have to say there is no correlation here. The minimum wage has gone up and unemployment has gone down.

''Oh,'' they say, ''wait a minute. You're not talking about the most vulnerable people. These are the first ones they are going to lay off, that teenager,'' like myself at age 14 or 16, or whatever, ''trying to go to work and make a minimum wage. Surely, they will be the first casualties.'' The facts do not support that. The facts say just the opposite.

Look at this. Unemployment continues to go down as the minimum wage goes up among teenagers age 16 to 19. They say, ''Well, there are special classes of teenagers.'' We all know the problems with minority teenagers. They are a special class. ''Surely, they'll be the first ones to suffer if we raise the minimum wage.'' Again, not the case. Minimum wage goes up; unemployment goes down.

There is really nothing to these arguments against an increase in the minimum wage. Frankly, we have heard so many of them—people who will not acknowledge that the last time we increased the minimum wage we saw an increase in employment in America.

The Senator from Oklahoma stood up and said, ''Be careful. If you raise this minimum wage, we're going to lose jobs.'' Since September 1996, the last time we raised the minimum wage, 61,000 new jobs have been created in the State of Oklahoma. There are 154,000 Oklahomans who would receive a raise of $1 an hour if this Kennedy amendment passed.

In my home State of Illinois, 179,000 new jobs have been created since we last increased the minimum wage. There are 374,000 Illinois workers and their families who are waiting for that, hoping that we will listen again to the need to raise this basic minimum wage.

Who are the people who will benefit? The teenagers and the minorities? Yes. But if you want to describe who they are, you have to look at the bigger picture. Sixty percent of them are women; 74 percent are adults, 20 years of age or older. Some want to refer to this as a kid wage. Seventy-four percent of the people who would benefit by this amendment are over 20 years of age, 8.9 million workers in the United States.

Work is an ennobling experience. It has been in my life, the lives of my parents and the lives of my children. I am glad that I did it. And I learned a lot in the experience. I always wanted to feel that I was getting paid fairly for hard work. Sure, I would work hard at my job to do a good job, but I would like to think when the paycheck came in I was getting a decent wage.

Fortunately, in my life, there were very few times that I ever struggled to make ends meet with my family. My wife and I weathered those years. But for some people this is a weekly experience—waiting for that paycheck to come in and wondering if they are going to make it.

Who are these people we are talking about? These are the people we entrust our parents to in nursing homes. These are the people who are changing the sheets on their beds, cleaning up after them. These are the people who we entrust our children to in day-care centers and our grandchildren—I might add since I am now in that vaunted category—grandparents worried about grandchildren. These day-care workers are making a minimum wage, and we give them the most precious cargo we can deliver in bringing in our children. These are the people who made the bed in your hotel room, who took the dirty dishes off your table, who took in your cleaning. These are the people who every day get up and go to work. They know that work is ennobling. They are asking for fairness.

I ask for 1 additional minute.

The PRESIDING OFFICER. The time has expired.

Mr. KENNEDY addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Two more minutes.

Mr. DURBIN. I say to those who are opposing this minimum wage, that it is a sad day when we have reached the point when the U.S. Congress is so unresponsive to the reality of workers in America, so insensitive to what is really going on among workers in businesses across the United States.

When the record is written about this Congress, and what it has achieved, I am afraid it will be reminiscent of General MacArthur's speech to a joint session of Congress over 40 years ago. He said, ''Old soldiers never die, they just fade away.''

Well, maybe—maybe—it is time for this Congress to fade away—this Congress, which has been unwilling to address the most basic issues in this country; unwilling to pass campaign finance reform; unwilling to pass a tobacco bill to protect our children who continue to be lured by those companies; unwilling to show initiative to protect Social Security when Americans say that is their No. 1 priority; unwilling to do anything about education, like the crumbling schools initiative of my colleague Senator CAROL MOSELEY-BRAUN; unwilling to address a Patients' Bills of Rights when every American family knows how vulnerable we are when it comes to health insurance and the way doctors and hospitals are treated; and unwilling to address the most basic issue, the most basic issue of fairness, that the people who get up and go to work every day in America deserve a decent living wage.

It will be a tragedy if this turns out to be just another partisan roll call

swept aside and ignored because hundreds of thousands in my State and millions across America look to this Congress to be sensitive and to lead. Unfortunately, today, the debate suggests that we will not. And this Congress will fade away with an ignominious record when it comes to the people who are going to work every day and keeping America moving.

I yield the floor.

The PRESIDING OFFICER (Mr. SESSIONS). Who yields time?

Mr. HATCH. I yield 3 minutes to the distinguished Senator from Iowa.

The PRESIDING OFFICER. The Senator from Utah yields 3 minutes to the Senator from Iowa.

Mr. GRASSLEY. Mr. President, I want to talk about the procedure of this minimum wage bill on a very, very important bankruptcy reform bill we have. The substance may be very important, but the procedure is what we want to consider as we ask our colleagues to vote on this amendment.

We are on the first major change in bankruptcy legislation in 20 years—very needed change. So what is the minimum wage bill doing on this bill? This bill was voted out of committee 16–2. The author of this minimum wage amendment was one of those two people who voted against it. Obviously, by putting minimum wage on this, it is a poison pill to defeat this legislation. This is an anchor that is going to take this bill to the bottom of the ocean if this amendment is adopted. We must not let this amendment be adopted if we want a strong bankruptcy bill, any bankruptcy bill, out of this Congress.

We have about 2 weeks left to get this bill worked up, with wide differences between the House bill and the Senate bill. If we adopt this amendment on minimum wage, I am sure the majority leader will take this bill down.

I am asking my colleagues not to vote for this amendment because of the merits or demerits of minimum wage, but because this is a poison pill that will destroy the bankruptcy reform legislation that has so much going for it. When a bill comes out of the Judiciary Committee 16–2, it has a lot of bipartisan support, and you know it will go. This is one way that one opponent of this bankruptcy bill can stop it.

Now, as important as a minimum wage increase might be to help some families in America, this bankruptcy bill is also very important to help lower-income families in America because there is not a single family in America—low-income or high-income—that is not paying part of the costs of bankruptcy; $40 billion costs to the economy every year, $400 for a family of four. So every family that the Senator from Massachusetts is trying to help through an increase in minimum wage, he is hurting by stopping the reform of bankruptcy. We must reform bankruptcy. This is a hidden tax on the poor of America.

By passing this legislation, reducing the tax, we will help the very same families that the Senator from Massachusetts wants to help.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. HATCH. Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, we have how much time?

The PRESIDING OFFICER. Seventeen minutes.

Mr. KENNEDY. Mr. President, I yield 5 minutes to my friend from Iowa.

Mr. HARKIN. I thank the Senator from Massachusetts for yielding this time.

PRIVILEGE OF THE FLOOR

Mr. HARKIN. Mr. President, I ask unanimous consent privilege be granted to Yvonne Byrne of my staff for the duration of the debate on this bill.

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

Mr. HARKIN. Mr. President, first, let me commend my friend and colleague, Senator KENNEDY, for his long-time commitment and leadership on this issue, among many others, but especially on this issue. So many people are now working in America and earning at least a raise from the minimum wage of what we had a few years ago of $5.15 because of the hard work and effort and leadership of Senator KENNEDY.

As Senator KENNEDY knows, this is an issue of basic fairness about whether those Americans who work hard, who have helped our Nation grow to a period of very significant economic prosperity, should, indeed, receive some of the benefits of this prosperity.

I was in Iowa on Friday. I visited the Tri-State Food Bank in Sioux City, IA. Now, the unemployment rate in Sioux City and the surrounding areas is about 2 percent—literally almost no unemployment. The economy is growing; people are working. It is some of the best times people in that area have ever had from what they tell me and from what all the indicators are. Yet, the director of the Tri-State Food Bank Mr. Ron Swanson informed me that they are getting more demand for food from the food bank than they have ever had before. Now they are concerned about the winter and whether or not they will have the food necessary. I said, with all these people working, why is it that people are coming to the food bank?

Earlier, I visited the food bank in Des Moines and Karen Ford told me the same thing. That in this time of economic prosperity and growth and low unemployment, the demand for the commodities and the food from the food banks is higher than ever.

As I was told in Sioux City on Friday, you have a lot of people who have come off of welfare in the so-called Welfare-to-Work Program. They are making minimum wage, they are feeding their families, clothing their kids, sending their kids to school, paying rent, they are getting food stamps. But their food stamps are running out before the end of the month so they have to go to the food bank to get USDA commodities of rice, USDA canned pears and canned peaches, USDA flour, plus the donations that churches, schools and the businesses in that area donate to the food bank.

Now, these are not people that are shirking. These are not people that are just out on the streets. These are people that go to work every day trying to provide for their families. Yet they have to go to the food bank before the end of the month because the food stamps run out. These are people making the minimum wage—$5.15 an hour.

It is not right in this country when in this time of economic prosperity when millionaires are created every day and we have billionaires like we have never seen before, that people who work and go to work every day can't even get enough food to last until the end of the month.

That is what this is about. That is what this whole debate and this vote is about. For the life of me, I can't understand why anyone would vote against raising the minimum wage just the modest amount that Senator KENNEDY is proposing.

I had my staff calculate up for me what the minimum wage would be if it had increased at the same rate that CEO salaries, chief executive office salaries, had gone up on average since 1960. If the minimum wage had increased at the same rate as CEO average salaries since 1960, the minimum wage today—are you ready for this—would be $41 an hour. Now, that tells you about the spread. That tells you what is happening in our society. Fewer and fewer people making more and more money, getting all the wealth, more and more people shoved to the bottom who make the minimum wage, who get food stamps, and then have to go to the food bank to get food to last them until the end of the month. It is not right. It is not right in this country that those conditions have to exist.

They tell us, well, if you raise the minimum wage there will be unemployment, people will be out of work. How many times do we have to hear this nonsense? We know it is not true. We have the facts, we have the data. It is absolutely not true. For example, in Iowa about 5 years ago, Iowa raised their minimum wage more than the national minimum wage. What we heard at that time from the Republicans in Iowa was, oh my gosh, it will cost us all these jobs, people will leave Iowa. They will go to other States where there is a lower minimum wage.

In 1989, Iowa raised their minimum wage. By 1996, the Iowa minimum wage was forty cents more than the Federal minimum wage. Guess what happened? Nobody left. People worked. Jobs didn't leave. Businesses didn't leave. In fact, we had one of the greatest periods of job growth and business growth in the State of Iowa when we had a higher

minimum wage than the Federal minimum wage.

Now the Federal minimum wage has caught up to Iowa. I think that points out the fallacy of the argument that if you raise the minimum wage, businesses are going to go out of business and they will leave. We proved in Iowa that is not so because we had a higher minimum wage than the Federal.

This is the time for us to stand up and be counted for what is fair and right in our society. I thank Senator KENNEDY.

Mr. KENNEDY addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, we have had a good debate and discussion on this issue during the course of the morning. The opposition to an increase in the minimum wage raised a number of issues, which we anticipated and responded to.

First of all, they say that there is going to be an increasing problem in terms of unemployment. We have demonstrated that we have the lowest unemployment since World War II.

They argue that it is going to add to the problems of inflation. We have demonstrated that we have the lowest rates of inflation, and we have demonstrated a very substantial growth in terms of small business interests.

I want to point out, since our friends, Senator HATCH and Senator ENZI, talked about the restaurant industry, that they have been prime opponents of any increase for the hardest working Americans, those at the lowest end of the economic ladder. I point out that in this industry in 1996, the average restaurant CEO grew in income by 8.6 percent. Their average bonus increased 13 percent. Their average value of stock options exploded by over 100 percent. Their average total compensation grew by 6 percent.

These are some of the highest paid CEOs in this country who are making that high salary on the basis of low-wage workers. I might also add that of the 100 top CEOs in the restaurant industry, there is not one single woman—not one single woman.

Mr. President, before we take all of the arguments by my friend from Utah where we have seen since 1996 a growth and an increase of 59,000 jobs—that was after the increase of the minimum wage in 1996 in October, and September 1997—one of the lowest unemployment rates in this country, I have a list of the statements that have been made by my friend from Oklahoma that he gave in the last debate: I don't think that they should do it in my State because they are going to put people out of work.

That was said in 1996. Senator HATCH virtually said the same thing in 1996. The facts demonstrate to the contrary.

Finally, Mr. President, I want to point this out. We have seen here what you can't get away from: that is, the decline in the purchasing power for low-income Americans. That is a fact. It is lower now than it has been for a period of 30 years.

Republicans signed onto this program. President Eisenhower, President Nixon, President Bush—all Republicans—supported an increase in the minimum wage. Yet we hear from our Republican leadership that we can't possibly do it because it is going to destroy America.

Mr. President, it is important to understand why this issue is so important to the religious community. We have 170 organizations, the principal leaders in the religious community, supporting an increase in the minimum wage because they understand it, whether it is the American Friends, Catholic Charities, the Episcopal Church, the Evangelical Church, the Lutheran Church, the American Council of Churches, U.S. Catholic Bishops, United States Church of Christ—they understand it. It is a moral issue for them—believing in the dignity of the individual. They ought to be able to have a decent living, that they are working in America to provide for their children. That is what the issue is.

You can give us all the charts you want made up by the restaurant industry to distort what is really being debated on the floor of the U.S. Senate.

This is an issue involving women—sixty percent of the recipients are women.

It is an issue involving children—the neediest and the poorest children in this country who are the sons and daughters of those minimum-wage workers.

This is a civil rights issue—it is paying people the entry wage, a livable wage for those individuals who come from different backgrounds and tradition, and also the minorities in our country.

This is basically the moral issue of our time—and when we have been at our best, we have responded to it, Republicans and Democrats alike. It is a fundamental issue that has been stated by my colleagues—Senators WELLSTONE, HARKIN, DURBIN, and others who have spoken on it.

To sum up, it is whether the United States of America, with the most extraordinary economic prosperity in the history of our Nation, is going to say that our fellow citizens who work hard and who have children ought to have a livable wage. That is what the issue is about. The Republican leadership is saying no to those working families.

We hope that we are going to have some support from the other side of the aisle because we believe that there are those who understand the importance of this issue to working families. There is no issue before this U.S. Senate that involves fairness and decency and equity like an increase in the minimum wage. This is it. Now is the time.

I reserve the remainder of my time.

Mr. HATCH addressed the Chair.

The PRESIDING OFFICER. The Senator from Utah.

Mr. HATCH. Mr. President, I always enjoy listening to Members of Congress talk about how the minimum wage is going to benefit this society as we raise the minimum wage. Some of us have worked for the minimum wage in our lifetimes. We know what it is like to work for the minimum wage. We also know what it is like to lose your job because you raise the minimum wage too much, and small business people who do not make all that much money have to either reduce employment or get out of it. That is what happens.

The Senator from Minnesota, the Senator from Illinois, and the Senator from Massachusetts I think are looking at the wrong numbers. They should be looking at employment—not unemployment. They should be comparing it to what might have occurred without the mandatory minimum wage increases. There is no question that we have a good economy right now. A rising tide lifts all boats, thank goodness.

I notice that my colleagues are not discussing the plunging youth employment rates following the minimum wage increases in 1978 or 1989. The 1996 legislation that raised the minimum wage included a package of tax cuts. To some extent, of course, that helped mitigate the impact. You would think that by increasing the minimum wage we were going to have an increase in jobs. Really, I don't know any responsible economist who makes that argument. The fact remains, however, that unskilled workers are not helped, they are often hurt, by increases in the minimum wage, particularly in areas where the market wage for entry-level workers is lower.

You are looking at one of the main sponsors of the child care development block grant. I wonder how many children are not being cared for because we keep increasing the minimum wage and freezing people out of child care.

Yes, there are a lot of issues involved here. Wouldn't it be better to cut Americans taxes? We could give everyone more money in their paychecks without jeopardizing jobs and at the same time without hurting small businesses or without triggering price increases for consumers.

I think instead of having minimum wages we ought to have minimum taxes. But where do we get the help from the other side on that? We don't get much of it. If you cut taxes, you actually give people an increase in wages, because they actually take more money home.

Frankly, that is what we ought to be interested in doing to help these people along the way. It would help small business people, where most of the jobs are created. Better than 50 percent of all jobs are created by small business people, who would be the most severely impacted and who are the most severely impacted by increases in the minimum wage, other than those who never get a chance to enter into the workforce as a result of increases in the minimum wage.

Let's be honest about it. This is not the simple little economic interest, as

some on the other side have been saying. There is a lot involved here. We ought to be reducing taxes, not increasing minimum wages.

Mr. KENNEDY. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator from Massachusetts has 4 minutes.

Mr. KENNEDY. I yield 3 minutes.

Mr. WELLSTONE. Mr. President, I have not heard my colleague from Utah respond to this. I haven't heard one colleague on the other side of the aisle respond to the data or to the facts. I have heard them try to hide behind the argument that raising the minimum wage was going to lead to a loss of jobs. Since increasing the minimum wage in the prior year, the Bureau of Labor Statistics reported 517,000 new jobs. Sometimes we do not want to know what we do not want to know. I have not heard any refutation of that at all.

So my question is, Why in the world would we not value work and give dignity to work by raising the minimum wage, which is so important to women in the workplace, so important to children, so important to families?

Then my colleague from Utah moves on to another argument concerning child care. In all due respect, that is what is so sad about this debate. If we really wanted to do our best by families and value families, we would be raising the minimum wage, we would be investing in affordable child care—which this Republican-led Senate will not do. We would have universal health care coverage, which this Republican-led Senate will not do. In child care, I hope the tradeoff is not to say that we are not going to be able to provide good child care for children unless we continue to devalue the work of men and women in child care. Many of them barely make minimum wage or barely above it. That is why we have a 40-percent turnover every year. This is not acceptable.

We can raise the minimum wage, which is important for women, important for these working families, important for children, important for young people who are trying to work their way through school. We can invest in the health and skills and intellect and character by investing in affordable child care. We can invest in health care. This Republican-led Senate has done none of these things.

In all due respect, in all due respect, the reason that 75 or 80 percent of the people in the country believe we should raise the minimum wage is because they have some sense of fairness and justice. We raised our salaries by $30,000 just a few years ago. We gave ourselves a cost-of-living increase that amounts to a $1.50 increase per hour, we make $130,000-plus and say we need to make that. And yet, we will not raise the minimum wage from $5.15 to $6.15 over a 2-year period so people who work hard will not be poor in America and their children will not be poor? This is really outrageous.

I hope we get a majority vote.

Mr. KENNEDY. Mr. President, I believe I have some time?

The PRESIDING OFFICER. The Senator from Massachusetts has 1 minute 20 seconds.

Mr. KENNEDY. Mr. President, just again to underline the excellent point my friend from Iowa made, according to the U.S. Conference of Mayors study, in 1997 requests for emergency food aid increased 86 percent in the cities served—these are cities with Republican and Democratic mayors. Mr. President, 67 percent of the cities cited low-paying jobs as one of the main causes of hunger. Low-paying jobs are the most frequently cited causes of hunger. Nearly half of those relying on emergency food aid do so because their earnings are too low. In 1997, in Jeffersonville, IN, one-fourth of the families receiving emergency shelter were earning less than $6 an hour.

This is about fairness to teachers' aides, to child care workers. It is a basic and fundamental issue with regard to health care workers as well. We are either going to respect our fellow citizens and give them this modest increase in the minimum wage, or we are not going to meet our responsibilities.

Mr. President, has the time expired?

The PRESIDING OFFICER. The time remaining is 10 seconds.

Mr. HARKIN. If the Senator will yield me the 10 seconds—I have 10 seconds, Mr. President—there is a lot of talk in this town these days about morality and immorality. This has to do with morality. This has to do with what is moral in this society and to stick up for people who are low-income and are going hungry.

RECESS

The PRESIDING OFFICER. Debate on this issue has expired. The hour of 12:30 having arrived, the Senate will be in recess until 2:15 p.m.

Thereupon, at 12:31 p.m., the Senate recessed until 2:15 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. COATS).

Mr. SARBANES. Mr. President, I rise in strong support of Senator KENNEDY's amendment to raise the Federal minimum wage. I am proud to be an original co-sponsor of the legislation—upon which this amendment is based—to raise the minimum wage 50 cents a year over the next two years bringing it to $6.15 per hour by the year 2000.

For more than half a century, Congress has acted to guarantee minimum standards of decency for working Americans. The object of a Federal minimum wage is to make work pay well enough to keep families out of poverty and off Government assistance. Any individual who works hard and plays by the rules should be assured a living standard for his or her family that can keep them out of poverty.

If nothing is done before the year 2000, the real value of the minimum wage will be just $4.82 in 1997 dollars—about what it was before Congress last acted to increase the minimum wage in 1996. The increase being proposed today would bring the purchasing power of the minimum wage to $5.76. Now, no one asserts that raising the minimum wage will correct every economic injustice, but it will certainly make a significant difference to those on the low end of the economic scale. We have the opportunity to enact what is in my view a modest increase to help curb the erosion of the value of the minimum wage in terms of real dollars, and it is an opportunity which we should not let pass us by.

Currently, full-time minimum wage worker earns just $10,712 —$2,600 below the poverty level for a family of three. A dollar increase in the minimum wage would provide a minimum wage worker with an additional $2,080 in income per year, helping to bring that family of three closer to the most basic standard of living. This extra income will help a family pay their bills and quite possibly even allow them to afford something above and beyond the bare essentials.

According to the Department of Labor, 74 percent of workers who will benefit from an increase in the minimum wage are adults, 50 percent work full time, 60 percent are women and 40 percent are the sole breadwinners in their families. Mr. President, these are not the part-time workers and suburban teenagers many opponents of the minimum wage increase would have you believe.

After 30 years of spiralling deficits we are on the verge of balancing the budget for the first time in 30 years - 4 years ahead of schedule. Today, the budget is virtually balanced, unemployment is at a 25-year low, and inflation is at a 30-year low. However, despite this period of economic prosperity, the disparity between the very rich in this country and the very poor continues to grow. According to the Economic Policy Institute, projections for 1997 indicate that the share of the wealth held by the top 1 percent of households grew by almost 2 percent since 1989. Over that same period, the share of the wealth held by families in the middle fifth of the population fell by half a percent. In light of these estimates, consider that the Department of Labor predicts that 57 percent of the gains from an increase in the minimum wage will go to families in the bottom 40 percent of the income scale.

It is both reasonable and responsible for Congress to enact measures which provide a standard that allows decent, hard-working Americans a floor upon which they can stand. We did it back in 1996 when we approved, by a bipartisan vote of 74–24, a 90 cent increase in the minimum wage bringing it to its current level of $5.15 per hour, and it is appropriate to do it here again. With the economy strong, we have a responsibility to reinforce this basic economic floor for millions of American workers

to prevent them from sliding further into the basement.

This is, and always has been, an issue of equity and fairness for working men and women in this country and I strongly encourage my colleagues to support this amendment and vote against the motion to table.

Mrs. MURRAY. Mr. President, I rise today in strong support of the Kennedy amendment and as a cosponsor of the minimum wage increase.

I cannot sit idle as I hear of those struggling to live on today's minimum wage. I thought, like many of you, that the minimum wage earner was my daughter or one of her friends: a teenager flipping burgers or taking food orders to earn some extra cash for new clothes or a movie.

That is the misperception though. The sad fact is that 71 percent of those workers who benefited from the last increase were adults over the age of 20. This increase will benefit those that need it most—working families at the bottom. A full-time, year-round minimum wage worker in 1997 earned only $10,712, $2,000 less than the $12,803 needed to raise a family of three out of poverty. Some 40 percent of minimum wage workers are the sole income-earners in their families.

I am immensely troubled with the fact that 58 percent of those struggling with a minimum wage are women. These millions of women, many of them single mothers, would benefit directly from this increase.

These single moms are trying. Trying to raise two kids on a below-poverty income. And how does Congress reward these single parents? By attacking Medicaid that would have paid for her son's asthma medicine. By cutting her child care support that allows her work. By taking away funding for nutrition programs that pay for her kids to eat at school or day care. By eliminating her Head Start Program that gives her kids a chance at starting school ready to learn. By refusing to add one dollar to her hourly wage—a wage that pays for heat, clothing and food.

Aren't these the individuals and families we are trying to keep employed and off of federal support? Instead, this Congress has targeted the low-income family through cut after cut and a resistance to move them above the poverty line.

This amendment does not eliminate jobs, it barely keeps people working, who otherwise would be completely reliant on public support. Today's minimum wage is 18 percent below the 1979 level. Each year we wait means a loss of $2,000 to that single mother. To that low-income family, that would have meant more than seven months of groceries, four months of rent, a full year of health care costs, or nine months of utility bills.

I did not reach my decision to support the minimum wage easily. I have listened carefully to the concerns of small-business owners from across my state, who have highlighted the implications of this increase. I don't want to see prices for the American consumer rise or jobs eliminated. But I don't think an increase to the minimum wage will end employment in small business, either.

Now is the time to adjust that inequality and demonstrate a true commitment to our working families. A slight increase in this wage provides those who work hard and play by the rules an increased opportunity and a chance to succeed. If any of my colleagues oppose the minimum wage, I urge them to try living on $10,712 this year and then reconsider their vote.

Ms. MIKULSKI. Mr. President, I rise today to voice my strong support for raising the minimum wage. In 1996, Congress helped millions of working Americans by increasing the minimum wage by 90 cents over two years. Passing that historic measure was a good first step. Now, it is time for us to take another one.

I am proud to be cosponsoring the Fair Minimum Wage Act of 1998, a bill that will help even more Americans take that next step. This much-needed legislation would raise the hourly minimum wage to $6.15 over the next two years. The first part of this bill would take effect on January 1, 1999, and would raise the minimum wage from $5.15 to $5.65 per hour. Then, on January 1, 2000, the minimum wage would be raised to $6.15 per hour.

I support this minimum wage increase for many of the same reasons I supported the last one. In 1995, I said that an increase in the minimum wage would help working Americans improve their standard of living. I said that it would help them move one step closer to self-sufficiency. And I said that it would give them the opportunity to practice self-help.

It has done all these things, and it has helped business and trade at the same time. The results in my state alone tell the story. Since we increased the minimum wage in 1996, employment in Maryland is up and unemployment is down. We've added 54,500 new jobs since September 1996, and the unemployment rate dropped to 4.7%. I'd say that's progress.

I believe we can expand upon the progress we've already made by increasing the minimum wage again. A minimum wage increase would give a raise to more than 129,000 Marylanders and their families. It would enable Marylanders to improve their standard of living. It would move them closer to self-sufficiency. And it would allow them to practice self-help.

An increase in the minimum wage equals an increase in the standard of living for working Americans. This is especially important to me. Since I first came to Congress, my economic mission has always been a pretty simple one: to help those who are in the middle class stay there or do better and to give those who are not in the middle class the chance to get there. I support this bill because it gets at the heart of my mission. I know that to some people, a $1.00 increase in the minimum wage over the course of two years may not seem like much at all. But even a small increase like this one will mean a whole lot to many others.

An increase in the minimum wage will also help many Americans move one step closer to economic self-sufficiency. We all know by now that minimum wage workers aren't just high school kids working part-time jobs after school and on the weekends. In fact, two-thirds of minimum wage earners are adults, and nearly 60% are mothers, many with young kids to support.

We don't have to tell working moms who are struggling to make ends meet what an extra $1.00 an hour means. An extra $1.00 an hour means more groceries in the refrigerator. An extra $1.00 an hour means that the mortgage or the rent gets paid. An extra $1.00 an hour means a full tank of gas in the car. And, most importantly, an extra $1.00 an hour can mean more time to spend with their families. That single dollar goes a long way for those moms.

Finally, an increase in the minimum wage will give people the opportunity to practice self-help. For too long now, Americans, including those working moms, have been working longer and harder only to see their paychecks get smaller and smaller. This cycle has got to stop. Those Americans who are working for minimum wage are not asking for handouts. They're asking for fair pay for hard work.

Right now, even after the previous minimum wage increase, a mother who works full-time—that's 40 hours per week and 52 weeks a year—earns only about $10,700 a year. That is $2,600 below the poverty level for a family of three. I don't think that someone who shows up everyday and works hard should be condemned to a life in poverty. A fair day's work should mean a fair day's pay.

Does that $10,700 salary reward a working mom's hard work? No. Does that salary give her an incentive to stay off welfare? No. Does that salary give her the time to walk her kids to school, help them with their homework, or even read to them at night? Absolutely not. In fact, that $10,700 salary barely allows her to clothe them, put a roof over their heads, or put food on the table. No mom should have to make the choice between paying the heating bill or buying her child new school shoes. Forcing working moms to make choices like that is wrong.

That same mom who works full-time, plays by the rules, and does everything else we ask of her ought to be able to get ahead. I don't think that's asking too much. Hard-working minimum wage workers are just like everyone else—they want to climb up the American economic ladder. Too often, however, that ladder looks too tall to climb. Too often, the rungs on that ladder are too far apart from each other.

Too often they are just a little bit out of reach. As representatives of those workers, we can help them climb that ladder. We can and should give them that little push they need to grasp the next rung. This bill gives them that little boost, and that is why it has my full support.

Ms. MOSELEY-BRAUN. Mr. President, I wish to take a moment to speak about a few of the compelling reasons that the Senate should pass the amendment to increase the minimum wage by $1.00 per hour by the year 2000.

I am a cosponsor of this legislation because I believe that by raising the minimum wage now, we can accomplish a number of critical objectives. We can improve the quality of life for millions of Americans, expand the market for all of the goods and services that the workers of our nation produce, increase the amount of taxable income in the country, reduce expenditures for public assistance, close the ever-increasing gap between working people and wealthy individuals, and—certainly not least—honor the American tradition of rewarding hard work and perseverance.

The current minimum wage is not a living wage for the millions of Americans who try to support themselves and their families on $5.15 an hour. Today, 6.2 million Americans earn the minimum wage. In my state alone, 5.7 percent of the workforce—making up roughly 296,000 people—earns that salary. This means that an Illinoisan, working 40 hours a week, 52 weeks a year, earns only $10,712 per year. That's about $2,600 below the poverty line for a family of three and over $5,700 below the poverty line for a family of four. And make no mistake about it—this is an issue that directly affects families. As much as opponents of this amendment would like us to believe that the minimum wage primarily affects teenagers working at their first jobs, the actual fact is that three-fourths of those earning the minimum wage are adults, many trying to support families. And with respect to the fact that one-fourth of those who will be assisted by this legislation are teenagers, we should bear in mind that many teenage minimum-wage workers contribute the money they earn (or at least a portion of it) to their families' total income.

A $1.00 increase in the minimum wage would provide a full-time worker earning the minimum wage with a little over $2,000 a year in additional income. That money could pay for more than seven months of groceries, more than four months of rent or mortgage bills, over a full year of health care, or more than nine months of utility bills for a family living on the minimum wage. That $2,000 would make a world of difference to such a family.

Moreover, a family that can pay for rent, groceries, or health care is putting money back into the economy. That family is buying goods and services produced by other workers. It is also earning taxable income and reducing the amount government has to spend on public assistance. An increase in the minimum wage helps people to contribute to, rather than burden, the nation's economy. And it wouldn't just be minimum wage workers who would be able to make a greater contribution to the economy. Currently, there are almost six million Americans who earn between $5.16 and $6.14 per hour who would also receive a pay raise if this amendment were to become law. All 12 million Americans who stand to benefit from this legislation—not just the 6.2 million earning the minimum wage—must be taken into account when we consider the fact that adopting this amendment would increase the pool of consumers and increase taxable earnings.

I wish to take this opportunity to dispel a myth that many opponents of increasing the minimum wage have put forward over the years: that paying a living wage means losing jobs. Around the time that we debated raising the minimum wage from $4.25 to $5.15 per hour, a group of respected economists, including three Nobel Prize winners, concluded that such an increase would have positive effects on the labor market, workers, and the economy. In 1996 we went ahead and raised the minimum wage to $5.15 per hour and what happened? Bureau of Labor Statistics data show that employment increased. Four million new jobs have been created since that time. Unemployment has hovered around its lowest rate in a generation. This will not surprise anyone familiar with the scholarly literature on this issue. The Economic Policy Institute studied the effect of the last minimum wage increase on the economy and found that it had no negative impact on jobs or inflation. A recent study by economists at Berkeley and Princeton Universities showed that the type of moderate increases in the minimum wage that we are debating today do not cost jobs. It should be noted that their research included the increase we enacted two years ago.

Some have argued that small businesses would be hurt by Senator KENNEDY's amendment. The reality is that many such businesses will suffer if we do not raise the minimum wage. Small businesses which right now pay a living wage to their employees are at a competitive disadvantage with those that try to cut costs by slashing wages. This creates a race to the bottom with the most profits going to companies paying the lowest wages. Adopting this amendment will ensure that all businesses will be able to afford to pay a decent wage to their workers.

I would like to make a point regarding how this amendment would affect single working women. Twenty percent of those earning the minimum wage are female heads of households. These are women who are taking responsibility for themselves and their children. They are doing precisely what we have told them we expect them to do: get a job and go to work every day. We have told them that AFDC is a thing of the past, that they cannot rely on the government to take care of their families. I am not seeking to re-open the welfare reform debate. But I do want to know how we can send these women that very clear message and then fail to provide a minimum wage that allows them to support their families at a level above the poverty line? The fact that a single mother working full-time cannot bring her family out of poverty represents a clear policy failure on our part. With this legislation, we have the opportunity to take a step towards addressing it.

Right now, our economy is strong. The unemployment rate is low and new jobs are being created in record numbers. This economic strength, however, has not translated into increased wages for many of those on the lower rungs of the economic ladder. In fact, the income disparity between the richest and the poorest is increasing. Consider, for example, what has happened in my state. Over the last 20 years, the income disparity between the richest and poorest Illinoisans has increased by over 46 percent. During that time, the average income of the poorest twenty percent of families in Illinois fell by $1,460 to $10,000. At the same time, the average income of the richest twenty percent increased by over $25,000. An increase in the minimum wage will help close that gap.

I conclude by reminding my colleagues that at the heart of the American Dream lies the belief that hard work is the foundation of success. Fortunately, for most people in this country, that remains a valid notion. But it is not for those who earn the minimum wage. We must guarantee that those attempting to provide for themselves and their families by earning the minimum wage receive a living wage. Here in Washington, we talk a great deal about family values and the American Dream. There's nothing wrong with that as long as we stand up for those ideals ourselves when given the opportunity. This amendment represents just such an opportunity and I strongly urge my colleagues to vote for it.

Mr. FEINGOLD. Mr. President, I rise today to urge my colleagues to support efforts to increase the federal minimum wage by passing the Fair Minimum Wage Act of 1998. This important legislation will provide American laborers with a 50 cent increase to the minimum wage on January 1, 1999, and a second increase on January 1, 2000. This modest increase, which would raise the minimum wage to $6.15 per hour, will help 12 million lower income Americans.

Our country's economy is growing. It's economic vitality and the success of welfare reform have resulted in better news and a better life for working people. Or have they?

The truth is, even though the economy is on an up-swing, wages are stagnant and people are still living in poverty. In fact, over half a million people

live in poverty in our own state of Wisconsin.

Despite successes in the welfare to work initiative, last year, a US Conference of Mayors study indicated that eighty-six percent of cities reported an increased demand for emergency food assistance. Thirty-eight percent of those people seeking food at soup kitchens and shelters were employed. This is an increase of fifteen percent since 1994. It is evident that, in many cases, minimum wage workers can not afford to feed themselves or their families.

Mr. President, no hard working American should have to worry about affording groceries, shoes for their kids, or medicines. The people whom the bill will help are not people who spend their money frivolously, these are the families who scrimp and save to provide their children with the necessities of life: shelter, food, clothes and an education.

In a recent study, The State of Working Wisconsin—1998, by the Center on Wisconsin Strategy, we find some troubling news regarding wages. Today, the Wisconsin median hourly wage is still 8.4% below its 1979 level. Since 1979, Wisconsin's median wage declined 50% faster than the 5.3 percent national decline over the same period. These numbers are, sadly, not Wisconsin specific. This is the situation all over the country.

I urge my colleagues to bring some respect and dignity to the federal minimum wage. America's labor force deserves a chance to be successful and we need to give them the tools. I urge them to support the Fair Minimum Wage Act of 1998. Its a vote in support of every full time worker hoping to make ends meet.

Mrs. BOXER. Mr. President, the minimum wage is about fairness. The minimum wage should be a fair wage that rewards people for an honest day's work.

This is the right time to provide fairness by increasing the minimum wage. Our budget is balanced and the economy remains fundamentally strong. We've created new jobs at an historically high pace of 250,000 per month. The inflation rate has averaged just 2.5 percent since 1993—the lowest rate since the Kennedy Administration—and the unemployment rate has fallen from over 7 percent in 1992 to 4.5 percent for the past two months.

However, as the economy rolls along, it is leaving behind working families. The benefits of this strong economy are not being enjoyed by lower wage workers.

In fact, according to a U.S. Conference of Mayors study, 38 percent of people seeking emergency food aid in 1996 held jobs—up from 23 percent in 1994. Low-paying jobs are the most-frequently cited cause of hunger today according to this survey.

People who are willing to work should not have to turn to a soup kitchen in order to feed their families. There is no better time than now to address the problem of fair wages in this country.

A full time minimum wage worker now earns just $10,712 per year—$2,600 below the poverty level for a family of three. To have the same purchasing power it had in 1968, the minimum wage today would have to be $7.33 an hour instead of $5.15.

Even where the current minimum wage is a little higher in my state—$5.75. The purchasing power of the wage is over $2.00 an hour lower than the purchasing power of the minimum wage in 1968. After adjusting for inflation, today's $5.75 minimum buys 26 percent less than it did in 1968.

Nationwide, 4.8 million families depend on the minimum wage for their sole source of income. Of the workers that would benefit from an increase, 60 percent are women—over 7 million women, and 57 percent are families in the bottom 40 percent of the income scale.

In my state alone, almost 10 percent of the workforce would benefit from an increase in the minimum wage—nearly 1.2 million Californians and their families.

Opponents of a minimum wage increase argue that minimum wage increases result in massive job losses. I believe—and the data prove—they are wrong.

The National Restaurant Association claims a study found that over 146,000 restaurant jobs were lost as a result of the 1996–97 minimum wage increases. In fact, the Bureau of Labor Statistics say that as of April 1998, 187,000 new restaurant jobs were created since the minimum wage increases in 1996.

The retail industry has many minimum wage jobs in California. Since September 1996, 97,000 retail jobs have been added in California.

The job numbers tell the story. We have increased the minimum wage to its current level of $5.15 per hour, yet the number of unemployed Americans has dropped consistently over the past six years. Since 1992, 3 million less Americans are jobless. In fact, according to the Bureau of Labor Statistics, 16.3 million jobs have been created since January 1993.

Clearly this is an issue of fairness. Everyone in this country deserves an honest, fair wage for a hard day's work. No one who is willing to work should have to take their children to a soup kitchen at night in order to feed them.

Senator KENNEDY's amendment would increase the minimum wage in two increments of 50 cents each—to $5.65 on January 1st, 1999 and to $6.15 on January 1st, 2000. After the first increase, a minimum wage earner would make about $11,700 annually. And after the second increase, a minimum wage worker would earn about $12,700 each year—still $600 below the poverty level.

Unemployment is at historically low levels. Job creation has boomed in the past six years. There is no better time to address this problem. The time for a modest increase in the minimum wage is now.

CONSUMER BANKRUPTCY REFORM ACT OF 1998

The Senate continued with the consideration of the bill.

AMENDMENT NO. 3540

The PRESIDING OFFICER. Under the previous order, the hour of 2:15 p.m. having arrived, there will now be 5 minutes for debate, equally divided, prior to a vote relative to the Kennedy amendment.

Mr. KENNEDY addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I yield myself 2 minutes 15 seconds.

At long last, the Senate is about to vote on raising the minimum wage. The Nation has enjoyed extraordinary prosperity in recent years. Unemployment and inflation are at their lowest levels in a generation. Interest rates are low, and the economy is strong and growing. But 12 million hard-working Americans are left out and left behind. They are minimum wage workers, and for them, the current prosperity is someone else's boom. Working 40 hours a week, 52 weeks of the year, minimum wage workers earn just $10,700 a year, $2,900 below the poverty level for a family of three.

A full day's work should mean a fair day's pay. But for these 12 million Americans, it does not. These hard-pressed Americans can barely make ends meet every month. Too often they are forced to choose between paying the light bill or the phone bill or the heating bill. An unexpected illness or family crisis is enough to push them over the edge.

Their plight is shocking and unacceptable. If this country values work as we say we do, we must be willing to pay these workers a decent wage. The wealthiest nation on Earth can afford to do better for these hard-working citizens, and today we have the opportunity to do so. We can raise the minimum wage.

Giving workers another 50 cents an hour may not sound like much, but it can make all the difference for these hard-working Americans. It can help buy groceries or pay the rent or defray the costs of job training courses at the local community college.

The minimum wage is a women's issue. It is a children's issue. It is a civil rights issue. It is a labor issue. It is a family issue. Above all, it is a fairness issue and a dignity issue. Raising the minimum wage is a matter of fundamental fairness and simple justice.

In a few moments, the Senate will have the opportunity to do more than pay lip service to these basic principles. If we believe in these ideals, we will vote to raise the minimum wage. No one who works for a living should have to live in poverty.

The PRESIDING OFFICER. Who yields time?

Mr. HATCH addressed the Chair.

The PRESIDING OFFICER. The Senator from Utah.

Mr. HATCH. Mr. President, we know that only about 22 percent of the American people who are on minimum wage are people who have households to support. Almost every job on minimum wage is given to somebody who literally needs a job, would not otherwise have that opportunity and probably would have his or her job chances diminished if the minimum wage is increased. We found that to be the case year after year after year.

You cannot mandate increased labor costs without adverse impacts. What are those impacts?

Decreased employment opportunities, particularly for teenagers, and others, who are in the worst condition, with few skills and employment barriers. In large part, these reductions will be fewer jobs created, the elimination of certain services, such as bagging groceries or having them loaded in your car, or having services performed less frequently.

Higher prices for goods and services. The minimum wage is an ineffective antipoverty policy. Why? Because three-quarters of those earning the minimum wage are not heads of households or do not live in poor families—three-quarters of them. Most of these jobs are taken by people who are not from the poorest of the poor. Since the minimum wage increase cannot be targeted only to those who need it, the likelihood is that those with more experience, maturity, or skills will get or retain entry-level jobs and those who need a first-chance job the most are going to lose out.

Also, higher minimum wages stifle entry-level training opportunities. Workers have typically ''paid for'' their training and introductory work experience by working at entry-level wages. Mandating a higher minimum wage makes entry-level opportunities less available and our workforce less prepared for greater skills and opportunities down the line.

It is a myth that workers get ''stuck'' at minimum wages. Within a year, the average minimum wage earners get a 20 percent increase or even higher wage increase based on his or her greater skill level and experience.

Higher wages act as an incentive for some youth to leave school to take jobs.

So what is worse is that this adverse impact is for nothing. Those very individuals who need entry-level jobs the most are the ones most likely to be displaced by the increased competition for them. Frankly, hiking the minimum wage is not the only way to assist working Americans and those struggling to make ends meet. Let's work on some of these ideas.

Personally, I would like to raise people's paychecks by cutting their taxes. That would increase their paychecks without the risk that they might lose their jobs. And I think we can work together on education. We passed the A+ education bill. Let's tackle illiteracy, and let's do it this way rather than through this really untried procedure.

The PRESIDING OFFICER. The Chair announces all time has been used on the opponents' side, but the Senator from Massachusetts has 18 seconds remaining.

Mr. LOTT addressed the Chair.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. LOTT. If the Senator would like to use the remainder of his time, I will use leader time to conclude debate and move to table the amendment.

Mr. KENNEDY. I yield back and ask for the yeas and nays, Mr. President.

The PRESIDING OFFICER. All time is yielded back.

Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. LOTT. Mr. President, I intend to move to table the amendment and ask for the yeas and nays on the motion to table.

The PRESIDING OFFICER. The majority leader has that right and may move to table, if he so wishes, after the statement.

Mr. LOTT. Mr. President, before I do that, I want to yield myself such time as I may consume out of leader time. I will be very brief.

Mr. President, when I became majority leader 2 and a half years ago, this issue was pending before the Senate and it had caused a lot of problems and some difficulties in trying to decide how to deal with it. After a period of weeks and months, we came to the conclusion that we did need a minimum wage increase at that point, but with a lot of small business tax provisions being included. And they helped to mitigate the effect on small business men and women and the jobs they create in particular.

But we had a minimum wage increase the year before last. We had a minimum wage increase last year. This increase, in my opinion, would be bad for the economy, bad for business, and bad for job creation.

I would like to just cite you two examples to think about. I have a son, first of all, who is a small businessman. And he employs people at the entry level, people who do not have high school educations—unwed mothers, people who are desperate to get a start, to get a job. And he gives them that opportunity. A lot of them go on to wind up being supervisors and owners of their own companies and create jobs. They live the American dream.

But I had occasion to hear comments from one lady—I believe she was from Marietta, GA—named Harriet Cane. She owns a Sweet Life Restaurant, which she describes as a very small dessert and luncheon cafe. It seats 45 people. As a result of the last increase in the minimum wage, she reduced her staff from 16 to 10, by attrition primarily, raised prices modestly, and had to increase her own hours on the job to 16 a day. And here is her exact quote:

I will tell you this, that if the next increase does go through, what will happen to my store. Bottom line: my doors will close. I've talked with my CPA. We've tried to be creative. We've tried to find a way to handle the increase in payroll that it would represent. As a little shop, I have no option. I just want the world and the communities to understand that this is a reality and not just rhetoric.

Also, a very impressive statement was given on that occasion when I heard Harriet Cane by a gentleman from Texas named Jose Cuevas. Jose Cuevas came with no prepared statement, but he spoke from the heart. He and his wife, he said, have lived the American dream. He is a Hispanic restaurant owner in south Texas who is approximately 44 years old. And he and his wife, at the ages of 22 and 20, saved money and worked really hard so they could buy their first store. This is what he had to say:

It became a dream. We now have four locations. We have $2.6 million worth of sales. We have seen a lot of people come through our door, and a lot of good people. They have all left something. They have all gone on to better things. I think of how this minimum wage will affect other people's dreams of owning their own companies, their own restaurants. I was fortunate enough that I and my wife worked side by side with two other employees until we earned a little bit more and could hire extra people. But at $6 or even $5.50 an hour, it will make it almost impossible. Our last raise in the minimum wage cost us $60,000 in labor costs.

In conclusion he said,

So I urge you to continue to fight the battle for us, because I believe it's true and right. America is built on small business owners, just like all of us that go out every day, work hard, and create jobs so that others could live the American dream like we have.

Mr. President, I think this is the wrong action at the wrong time. The people who will be hurt the most are the people that well-intentioned Senators really want to help, because they will wind up not getting an increase in the minimum wage, they will wind up with no job.

I urge the Senate to vote to table this amendment. I now move to table the amendment and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the amendment No. 3540 offered by the Senator from Massachusetts. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. FORD. I announce that the Senator from Ohio (Mr. GLENN) is necessarily absent.

The result was announced—yeas 55, nays 44, as follows:

[Rollcall Vote No. 278 Leg.]

YEAS—55

Abraham	Bennett	Burns
Allard	Bond	Campbell
Ashcroft	Brownback	Chafee

Coats	Hagel	Nickles
Cochran	Hatch	Roberts
Collins	Helms	Roth
Coverdell	Hollings	Santorum
Craig	Hutchinson	Sessions
DeWine	Hutchison	Shelby
Domenici	Inhofe	Smith (NH)
Enzi	Jeffords	Smith (OR)
Faircloth	Kempthorne	Snowe
Frist	Kyl	Stevens
Gorton	Lott	Thomas
Graham	Lugar	Thompson
Gramm	Mack	Thurmond
Grams	McCain	Warner
Grassley	McConnell	
Gregg	Murkowski	

NAYS—44

Akaka	Durbin	Lieberman
Baucus	Feingold	Mikulski
Biden	Feinstein	Moseley-Braun
Bingaman	Ford	Moynihan
Boxer	Harkin	Murray
Breaux	Inouye	Reed
Bryan	Johnson	Reid
Bumpers	Kennedy	Robb
Byrd	Kerrey	Rockefeller
Cleland	Kerry	Sarbanes
Conrad	Kohl	Specter
D'Amato	Landrieu	Torricelli
Daschle	Lautenberg	Wellstone
Dodd	Leahy	Wyden
Dorgan	Levin	

NOT VOTING—1

Glenn

The motion to lay on the table the amendment (No. 3540) was agreed to.

Mr. NICKLES. Mr. President, I move to reconsider the vote.

Mr. KENNEDY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 3602

The PRESIDING OFFICER. Under the previous order, there will now be 10 minutes equally divided on amendment No. 3602 to amendment No. 3559.

The Senate will come to order.

The Senator from Wisconsin is recognized for 5 minutes.

Mr. FEINGOLD. Thank you, Mr. President.

Have the yeas and nays been ordered on these two amendments, Mr. President?

The PRESIDING OFFICER. They have not been ordered on the pending amendment.

Mr. FEINGOLD. Mr. President, I ask for the yeas and nays on both of my amendments.

The PRESIDING OFFICER. Is there objection to the request of ordering the yeas and nays on the next two amendments offered by the Senator from Wisconsin?

Without objection, it is so ordered.

Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. FEINGOLD. Mr. President, the original version of S. 1301 would have made a debtor's attorney responsible for the panel trustee's costs and fees if the attorney lost a 707(b) motion brought by the trustee—not if the filing was made in bad faith, not if the filing was frivolous, but simply if he or she lost the motion.

Fortunately, an amendment was accepted at the Judiciary Committee markup which would make the debtor's attorney liable only if he or she was ''not substantially justified'' in filing the petition. Even this standard, however, is untenable.

The opponents of the Feingold-Specter amendment argue that debtors attorneys are notoriously bad actors who abuse the bankruptcy system. No credible evidence, however—beyond an unsubstantiated story here and an unsubstantiated story there—has been offered to support the proposition that debtors attorneys are more likely to act in bad faith than any other type of attorney.

Why then would we allow this bill to contain a provision which applies a stricter standard of conduct to consumer debtors' attorneys than to any other type of attorney—a provision which is, as pridefully noted by the opponents of my amendment, designed to punish debtors' attorneys?

I have heard from bankruptcy judges in my home State of Wisconsin and they strongly object to the premise that debtors' attorneys are by any measure less admirable or honest than other types of attorneys. Moreover, they believe that this provision of the bill is fundamentally wrong and endangers debtors' access to the system.

The conduct of consumer debtors' attorneys should meet the standards set for all attorneys in Federal Civil Rule of Procedure 11, which is incorporated in Federal Rule of Bankruptcy Procedures 9011.

Every other fee-shifting provision in Federal law which holds the attorney liable require affirmative wrongdoing by the attorney. With or without my amendment—indeed, with or without this bill—if a debtor's attorney brings a ''frivolous'' or ''improper'' Chapter 7 filing—the court can order sanctions against that attorney.

Let me be clear—under current law, debtors' attorneys can already be fined if they act in bad faith. There is simply no legitimate basis for a different and more punitive standard that only applies to debtors' attorneys in bankruptcy proceedings.

Should not the purpose of this bill be to rid the bankruptcy system of abuse, not to punish a particular type of attorney? The basic premise of this bill—the fundamental tool it uses to weed out abuse—is the 707(b) motion. That is, the motion which is filed by the panel trustee when she feels that the debtor is abusing the system.

To supposedly encourage a trustee to file such a motion, this bill would award her costs and fees only when the debtor's attorney's actions were not substantially justified. Under the Feingold-Specter amendment, the trustee would be rewarded for her efforts whenever she wins a 707(b) motion.

Let me ask you—if you were a panel trustee charged with the duty of protecting the integrity of the bankruptcy system and your primary tool for doing so was the 707(b) motion, would you be more likely to file such a motion when you got paid whenever you won such a motion or only when the debtor's attorney was demonstrated to have been not substantially justified?

Before you answer, let me ask you one more question. What if, before you could get paid—as under the current bill—you, a panel trustee—not the court or an independent third party—also had to incur the additional time and cost of bringing and arguing another motion to prove that the debtor's attorney was not substantially justified?

The answer to these questions is clear. If you were a panel trustee you would have a stronger incentive to bring a 707(b) motion—that is, a stronger incentive to rid the bankruptcy system of abuse—under the Feingold-Specter amendment than you would under the current language of the bill.

So, the Feingold-Specter amendment seeks to maintain the incentive for trustees while preserving a debtor's access to justice and representation. It does so by making the trustee's fees and costs an administrative expense under Section 503(b) if the trustee is successful in her 707(b) motion to convert the case into Chapter 13. If the court dismisses the Chapter 7 filing, the debtor would be required to pay the trustee's cost and fees.

Your vote on the Feingold-Specter amendment comes down to this—if you want to muddle the system with needless additional hearings and to strike a mean-spirited, unfounded blow against debtors attorneys, vote against our amendment; if on the other hand, you want to rid the bankruptcy system of abuse in the most equitable and efficient manner, then vote for our amendment.

The PRESIDING OFFICER. The time of the Senator has expired.

Who yields time? The Senator from Iowa controls 5 minutes in opposition to the amendment. The Senator from Iowa.

Mr. GRASSLEY. Mr. President, I yield myself such time as I might consume at this point.

The bill that is before us, and it is reported by the Judiciary Committee, penalizes lawyer misconduct. I think these penalties are very fair. They are very narrowly focused. Of course, penalties are very necessary. Many lawyers who specialize in bankruptcy view bankruptcy as an opportunity to make big money for themselves. This profit motive causes bankruptcy lawyers to promote bankruptcy as the only option, even when a financially troubled client might obviously have the ability to repay some debt.

This profit motive creates a real conflict of interest where bankruptcy lawyers push people into bankruptcy who do not belong there, and they do it because they get paid up front. I think that any reasonable person would say that lawyers who file bankruptcy cases which are not substantially justified ought to be required to help defray the costs of their frivolous cases. That is all my bill does. Senator FEINGOLD's amendment would gut this reasonable effort to control the bankruptcy bar, which is seriously out of control.

The Consumer Bankruptcy Reform Act contains reasonable lawyer misconduct penalties which will cause lawyers to think twice before they, willy-nilly, cart somebody into chapter 7 and pocket a nice profit in the process. Some bankruptcy lawyers, in their rush to turn a profit, operate what are known as bankruptcy mills—nothing more than a processing center that happens to be for bankruptcy. There is little or no investigation done as to whether an individual actually needs bankruptcy protection or whether or not a person is able, at least partially, to repay their debts.

Recently, one of these bankruptcy attorneys from Texas was sanctioned by a bankruptcy court. The practices of the bankruptcy mills are so deceptive and so sleazy that last year the Federal Trade Commission went so far as to issue a consumer alert, warning consumers of misleading ads that promise debt consolidation. So I think there is a widespread recognition that bankruptcy lawyers are preying on unsophisticated consumers.

Yesterday I spoke about the bankruptcy lawyer who had written a book. I had this chart up. I spoke about this bankruptcy lawyer who had written this book entitled, ''Discharging Marital Obligations in Bankruptcy.'' This author, a bankruptcy lawyer, actually said that he is going to counsel you on how to avoid your obligations to pay defense costs, alimony, and child support. So it is all about how high-income people can get out of paying child support and alimony.

I think it is outrageous that bankruptcy lawyers are helping deadbeats cheat divorced spouses out of alimony and children out of child support, so that is why we want to vote this amendment down. I think my colleague, Senator KYL, wanted time.

I yield the remainder of my time to Senator KYL.

The PRESIDING OFFICER. There is currently 1 minute 20 seconds remaining.

Mr. KYL. Mr. President, I thank the Senator from Iowa.

The key point here is to simply hold the attorney responsible for the costs of a hearing. That is all we are talking about. It is either going to be the attorney or it is going to be the people who are owed money in a bankruptcy, or even the debtor, to be responsible for the costs of that hearing in the event the attorney has made a wrong filing here, a filing that was not substantially justified. So, if the attorney can establish that what he did was substantially justified in putting his client into chapter 13 bankruptcy as opposed to chapter 7, then he has no responsibility here and would have no liability for the costs of the hearing. But if it turns out that he was not substantially justified in doing that, then this would permit the court to assess the cost of bringing the motion and having the hearing against that lawyer. That is all we are talking about here.

In view of the fact that the National Bankruptcy Commission has been very concerned about these bankruptcy mills, this is a legitimate concern and a way to avoid this kind of mistake from occurring. It puts the responsibility where the responsibility ought to lie. I support the position of the Senator from Iowa in urging opposition to the Feingold amendment.

Mr. GRASSLEY. Mr. President, I move to table the Feingold amendment and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table Feingold amendment No. 3602. The yeas and nays have been ordered. The clerk will call the roll.

The bill clerk called the roll.

Mr. FORD. I announce that the Senator from Ohio (Mr. GLENN) is necessarily absent.

The result was announced—yeas 57, nays 42, as follows:

[Rollcall Vote No. 279 Leg.]

YEAS—57

Abraham	Domenici	Lugar
Allard	Enzi	Mack
Ashcroft	Faircloth	McCain
Bennett	Frist	McConnell
Bond	Gorton	Murkowski
Breaux	Gramm	Nickles
Brownback	Grams	Reid
Bryan	Grassley	Roberts
Burns	Gregg	Roth
Byrd	Hagel	Santorum
Campbell	Hatch	Sessions
Chafee	Helms	Smith (NH)
Coats	Hutchinson	Smith (OR)
Cochran	Hutchison	Snowe
Collins	Inhofe	Stevens
Coverdell	Jeffords	Thomas
Craig	Kempthorne	Thompson
D'Amato	Kyl	Thurmond
DeWine	Lott	Warner

NAYS—42

Akaka	Ford	Lieberman
Baucus	Graham	Mikulski
Biden	Harkin	Moseley-Braun
Bingaman	Hollings	Moynihan
Boxer	Inouye	Murray
Bumpers	Johnson	Reed
Cleland	Kennedy	Robb
Conrad	Kerrey	Rockefeller
Daschle	Kerry	Sarbanes
Dodd	Kohl	Shelby
Dorgan	Landrieu	Specter
Durbin	Lautenberg	Torricelli
Feingold	Leahy	Wellstone
Feinstein	Levin	Wyden

NOT VOTING—1

Glenn

The motion to lay on the table the amendment (No. 3602) was agreed to.

Mr. GRAMM. Mr. President, I move to reconsider the vote.

Mr. GRASSLEY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 3565

The PRESIDING OFFICER. Under the previous order, there will now be 5 minutes equally divided on Feingold amendment numbered 3565.

The Senator from Wisconsin.

Mr. FEINGOLD. Ironically, bankruptcy is the only Federal civil proceeding in which a poor person cannot file in forma pauperis.

What this means, in any other Federal civil proceeding you can file a case without paying filing fees if the court determines you are unable to afford the fee; but in bankruptcy, you either pay the filing fee or are denied access to the system. That is right, the bankruptcy system—which is by definition designed to assist those who have fallen on hard times—is unavailable to the poorest of the poor.

This prohibition against debtors filing in forma pauperis is a clear obstacle to their efforts to gain access to justice. The current fee is $175; $175 is roughly the weekly take-home pay of an employee working a 40-hour week at the minimum wage.

I think it is unrealistic and unreasonable to expect an indigent in this case to raise such a fee simply to enter the system.

The PRESIDING OFFICER. The Senator has 1 minute 30 seconds remaining.

Mr. FEINGOLD. Given the fact that I have such high regard on behalf of the leader of this bill on our side, Senator DURBIN, I yield the remaining time to Senator DURBIN who will further speak in favor of the amendment.

The PRESIDING OFFICER. The Senator from Illinois is recognized.

Mr. DURBIN. Mr. President, I thank the Senator from Wisconsin. I rise in support of this amendment. When you have people who are so dirt poor that they can't come up with the $175 filing fee, we usually say in civil actions that we are going to waive the fee in court. For some reason, that waiver is not in the law in bankruptcy. It certainly should be. People wouldn't be coming to the bankruptcy court were they not in dire straits.

I support the Senator from Wisconsin because this has been tried successfully. It does not result in a mad dash to the courthouse by people who otherwise would not file for bankruptcy.

Now, the milk of human kindness curdled a few moments ago on the Senate floor when it came to bankruptcy lawyers, and the poor folks didn't do too well a few minutes ago when it came to minimum wage. Please stop and think about this for a minute. The poorest of the poor, coming to bankruptcy court trying to turn their lives around, want the same kind of treatment people get in all other civil suits. That is not unreasonable.

Mr. GRASSLEY. I yield all the time on this side to the Senator from Alabama.

Mr. SESSIONS. Mr. President, this Feingold amendment is directly contrary to the purpose of the bill that Senator GRASSLEY has worked so hard for. It requires no fee for filing under chapter 7, where the debtor wipes out all his debts. However, the amendment does require a fee under chapter 13, where the debtor pays back a portion of his debt. Therefore, it would encourage filings under chapter 7, when we

believe more people should file under chapter 13.

This Congress has considered this issue before and rejected it. The National Bankruptcy Commission just completed a long study of bankruptcy and did not call for the elimination of this fee. The United States Supreme Court in 1973 squarely held that it is constitutional. The bankruptcy system should discourage frivolous filings.

Furthermore, this amendment provides no standard for the judge to decide who in bankruptcy ought to pay and who ought not to pay. And, in addition to that, it would clog the courts with multiple hearings regarding who should pay the $160 filing fee. In addition, bankruptcy law currently allows filing fees to be paid in four installments. When a person files bankruptcy, they are able to stop paying all of their debt. Debtors are able to pay the filing fee because all other obligations have been tolled under the automatic stay.

This amendment will result in additional court hearings that distract the bankruptcy court from its primary purpose. This practice will be encourage filings under chapter 7 when filing under chapter 13 would be more appropriate. People who can pay a portion of their debt ought to be accountable for that amount.

I believe that this amendment will cost millions. In fact, based on the number of filings last year, we could be talking about $100 million in costs.

Thank you, Mr. President.

Mr. GRASSLEY. Mr. President, we yield back our time.

The PRESIDING OFFICER (Mr. KEMPTHORNE). The question is on agreeing to amendment No. 3565.

Mr. GRASSLEY. Mr. President, I move to table the Feingold amendment and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Iowa to lay on the table the amendment of the Senator from Wisconsin. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. FORD. I announce that the Senator from Ohio (Mr. GLENN) is necessarily absent.

The result was announced—yeas 47, nays 52, as follows:

[Rollcall Vote No. 280 Leg.]

YEAS—47

Abraham	DeWine	Hutchinson
Allard	Enzi	Hutchison
Ashcroft	Faircloth	Inhofe
Bennett	Frist	Kempthorne
Bond	Gorton	Kyl
Brownback	Gramm	Lott
Burns	Grams	Lugar
Campbell	Grassley	Mack
Coats	Gregg	McCain
Cochran	Hagel	McConnell
Coverdell	Hatch	Murkowski
Craig	Helms	Nickles
Roberts	Shelby	Thompson
Roth	Smith (NH)	Thurmond
Santorum	Stevens	Warner
Sessions	Thomas	

NAYS—52

Akaka	Durbin	Lieberman
Baucus	Feingold	Mikulski
Biden	Feinstein	Moseley-Braun
Bingaman	Ford	Moynihan
Boxer	Graham	Murray
Breaux	Harkin	Reed
Bryan	Hollings	Reid
Bumpers	Inouye	Robb
Byrd	Jeffords	Rockefeller
Chafee	Johnson	Sarbanes
Cleland	Kennedy	Smith (OR)
Collins	Kerrey	Snowe
Conrad	Kerry	Specter
D'Amato	Kohl	Torricelli
Daschle	Landrieu	Wellstone
Dodd	Lautenberg	Wyden
Domenici	Leahy	
Dorgan	Levin	

NOT VOTING—1

Glenn

The motion to lay on the table the amendment (No. 3565) was rejected.

Mr. FEINGOLD. Mr. President, I move to reconsider the vote by which the motion was rejected.

Mr. BREAUX. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. FEINGOLD. I ask unanimous consent that the yeas and nays be vitiated on the underlying amendment.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The question now occurs on agreeing to amendment No. 3565.

The amendment (No. 3565) was agreed to.

AMENDMENT NO. 3610

The PRESIDING OFFICER. Under the previous order, there will now be 10 minutes for debate, equally divided, on the Reed amendment. The Senator from Rhode Island is recognized for 5 minutes.

Mr. REED. Mr. President, I yield myself such time as I may consume.

Mr. President, the underlying legislation that we are considering today will allow a creditor to request a bankruptcy judge to move a petition in bankruptcy from chapter 7 to chapter 13. As we all realize, in chapter 7, a debtor may fully discharge his debts, and in chapter 13, there is an obligation to partially pay one's debts.

The focus of this legislation is on the debtor. There are two conditions which the creditor must show: The creditor must show either the individual debtor has at least enough assets to pay 30 percent of the debts or that the debtor has acted in bad faith in applying for chapter 7 liquidation.

I believe this focus exclusively on the debtor misses half of the equation. The other important half of the equation is the behavior of the creditor. My amendment explicitly requires the bankruptcy judge to consider the behavior of the creditor, whether that creditor acted in good faith in the extension of credit.

We all know there has been a significant increase in bankruptcy filings, but what we frequently overlook is the fact that there has been an extraordinary increase in credit extension. In 1986 through 1996, that 10-year period, filings increased by 122 percent, but revolving consumer credit increased 238 percent in that same period. As a result, we have had a situation where much of this credit extension has been done with very poor underwriting standards, a situation in which the companies themselves might very well anticipate that the debtor could not handle the debt.

Those companies that act recklessly and unscrupulously should not have the option to request that a debtor be thrown into chapter 13 from chapter 7. As a result, I believe it is incumbent upon the bankruptcy judge to look explicitly at the issue of the good faith of the creditor.

This is not just a question of the volume of credit that has been extended; this is the proliferation of solicitations. Each year, 2 billion credit solicitations are made in this country, many of them without any concern of the ability of the debtor ultimately to pay. We don't need a test to establish this fact. We just have to sit home on a Saturday and at about 10 o'clock, you get the first call from a credit card company. Then at 10:30, you get the second call. At 11, the mail comes and you get two or three solicitations, and it goes all the way through the evening.

What I want to see, and what the amendment requires, is if there is a consideration to move a debtor from chapter 7 to chapter 13, the judge should be able to apply a good-faith standard when reviewing the activities of the creditor. This establishes balance, this establishes a strong presumption that both sides must be looked at in terms of this rather unique and novel approach to the bankruptcy code. It is well within the expertise of the banking judge to make this determination.

I simply conclude by saying that this amendment has the strong support of the Consumer Federation of America and Consumers Union. This is an opportunity to vote with consumers with regard to this legislation.

I now retain the remainder of my time but also ask at this time for the yeas and nays.

The PRESIDING OFFICER (Mr. GORTON). Is there a sufficient second?

There appears to be a sufficient second.

The yeas and nays were ordered.

Mr. HATCH addressed the Chair.

The PRESIDING OFFICER. The Senator from Utah.

Mr. HATCH. I oppose the amendment. Under the provision, in any 707(b) case brought by a creditor, the court would consider whether the creditor had used good faith in the extension of credit. This determination necessarily would involve looking at underwriting decisions.

The bankruptcy court shall not be asked to interfere in the complicated process of making credit underwriting decisions. This is particularly true when current underwriting practices are quite successful, with an average of 95 to 97 percent of consumer credit extended today repaid on time.

Mr. President, this amendment permits new uncontrolled and virtually unlimited inquiries into creditor conduct. It encourages complicated and involved discovery and burdensome court proceedings. It introduces unwarranted defenses to strong enforcement of the needs-based provisions of S. 1301, this bill.

The amendment permits a debtor to avoid repaying all his creditors by attacking the good faith of any creditor who brings a motion to enforce the needs-based provisions. And the amendment has no standard for what is good faith. So this is a killer amendment.

Moreover, S. 1301 already contains numerous provisions to make sure creditors are acting appropriately. As I have noted in my previous remarks, this is a well balanced bill that is a combination of months and months of deliberations and cooperation between Senators GRASSLEY and DURBIN and other members of the Senate Judiciary Committee. They, along with other members of the Judiciary Committee, have done a fine job in ensuring that this bill is a fair bill. This balanced and broadly supported legislation not only curbs abuses of the bankruptcy system but also provides unprecedented consumer protections.

Let me begin by saying being a creditor and winding up in bankruptcy court to collect unpaid bills is not a desirable situation for any creditor. Creditors who deal with debtors in bankruptcy, even in the best of circumstances, are likely to recover only pennies on every dollar they are owed.

In any event, S. 1301 already contains nine provisions with rather severe penalties to creditors for improper behavior. We have given due consideration to these concerns.

First, if a creditor brings a motion to dismiss a chapter 7 case and fails, the debtor gets attorney's fees and costs if the creditor was not substantially justified or if the creditor filed the motion in an effort to coerce the debtor.

Second, if a creditor unreasonably refuses a debtor's offer to work out a repayment schedule, the creditor is barred from asserting any claim of nondischargeability or any claim of denial of discharge.

Third, if a creditor willfully violates the automatic stay, the creditor pays the debtor's attorney's fees, actual damages, and punitive damages, if appropriate. We have really gone a long way here.

Fourth, if a creditor fails to comply with the requirements for a reaffirmation agreement, the court can order heavy sanctions and penalties.

Fifth, the legislation will make it much harder for creditors to get determinations of nondischargeability. Only false representations by a debtor that are considered ''material'' will be actionable. If a creditor makes an unsuccessful claim of nondischargeability or denial of discharge, the creditor is liable for the debtor's attorney's fees, costs, and punitive damages, if the creditor's claim is not substantially justified. The reverse is not true. If the creditor wins the nondischargeability proceeding, the debtor does not have to pay the creditor's attorney's fees. So it isn't reversible.

Sixth, if a creditor willfully violates the postdischarge injunction, the creditor is liable for minimum damages of $5,000 and attorney's fees and costs, with the possibility of treble damages.

Seventh, if a creditor fails to comply with Truth in Lending Act requirements for certain mortgage loans, the creditor's claim will not be recognized or paid in bankruptcy. For instance, if a creditor does not provide for certain disclosures, or fails to meet the requirements of the act, even if it is a technical violation, the creditor's claim will be denied in bankruptcy. In other words, the debt, both principal and interest, will be completely forgiven. These new penalties are in addition to those penalties already present in the Truth in Lending Act itself.

Eighth, if a creditor willfully fails to credit payments to a bankruptcy plan, the creditor is liable for minimum damages of $5,000 and attorney's fees and costs, with the possibility of treble damages.

And ninth, if a creditor's proof of claim is disallowed or reduced by 21 percent or more, the debtor gets attorney's fees and costs, and so forth.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. HATCH. As you can see—I hope we can vote down this amendment—a lot of hard work has been put into this.

Mr. President, I move to table and ask for the yeas and nays.

The PRESIDING OFFICER. There is time remaining.

Mr. REED. How much time is remaining?

The PRESIDING OFFICER. Two minutes 6 seconds.

Mr. REED. Thank you.

I applaud all the consumer protections that the Senator from Utah has listed, but I would like to add one more. I would like to add, along with the Consumers Union and the Consumer Federation of America, the protection of looking at the good-faith operation of a creditor who is demanding that a debtor be placed from chapter 7 into chapter 13.

With respect to the standard, my standard is as equally well defined as the bad-faith standard that exists today within the legislation, because good faith and bad faith are something that the banking judge should be able to determine, and it does not require an elaborate searching through of underwriting policies and looking through documentation and going around the country.

What it does require is that that trier of fact, that bankruptcy judge, determine whether or not the creditor has abused the relationship, either by intimidation or deceit. All these things would rise to the level of a lack of good faith. I suggest very strongly the bankruptcy judge can do that, and should do that in this context.

Mr. President, I yield the remainder of my time to the Senator from Illinois.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. DURBIN. How much time is remaining?

The PRESIDING OFFICER. Fifty-two seconds.

Mr. DURBIN. I rise to support this amendment because I think it makes a good bill even better. We are trying to stop the abuses in bankruptcy. We say if you want to file for bankruptcy and you do not have good cause, we are going to throw you out of court. We might penalize you, and we are going to do the same thing to your attorney. So from the debtor side—the person who owes the money—it is a pretty tough standard.

What the Senator from Rhode Island says is, let's have a standard as well for the collection agencies and the creditors who are not treating people fairly. I think we want to eliminate all abuses in the bankruptcy court, not just by the debtors and their attorneys, but by the creditors, too. What the Senator from Rhode Island suggests is fairness and balance. It gives the court the ability to look at strong-arm tactics used by collection agencies and creditors to the detriment of debtors who are trying to get out of debt.

VISIT TO THE SENATE BY MEMBERS OF THE GOVERNMENT OF THE REPUBLIC OF SINGAPORE

Mr. LOTT. Mr. President, during this vote, I would like to urge Members of the Senate to go to the back of the Chamber and visit with our special guests we have here—the Prime Minister of the Republic of Singapore, Goh Chok Tong, the Foreign Minister, and their Ambassador to the United States. We welcome them to the United States and to the Senate Chamber.

[Applause.]

CONSUMER BANKRUPTCY REFORM ACT OF 1998

The Senate continued with the consideration of the bill.

AMENDMENT NO. 3610

The PRESIDING OFFICER. All time has expired.

Mr. HATCH addressed the Chair.

The PRESIDING OFFICER. The Senator from Utah.

Mr. HATCH. I move to table the amendment and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Utah to table the Reed amendment No. 3610. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. FORD. I announce that the Senator from Ohio (Mr. GLENN) is necessarily absent.

The result was announced—yeas 63, nays 36, as follows:

[Rollcall Vote No. 281 Leg.]

YEAS—63

Abraham	Frist	Mack
Allard	Gorton	McCain
Ashcroft	Graham	McConnell
Bennett	Gramm	Murkowski
Biden	Grams	Nickles
Bond	Grassley	Reid
Breaux	Gregg	Robb
Brownback	Hagel	Roberts
Burns	Hatch	Roth
Campbell	Helms	Santorum
Chafee	Hutchinson	Sessions
Coats	Hutchison	Shelby
Cochran	Inhofe	Smith (NH)
Collins	Johnson	Smith (OR)
Coverdell	Kempthorne	Snowe
Craig	Kohl	Specter
D'Amato	Kyl	Stevens
DeWine	Landrieu	Thomas
Domenici	Lieberman	Thompson
Enzi	Lott	Thurmond
Faircloth	Lugar	Warner

NAYS—36

Akaka	Durbin	Leahy
Baucus	Feingold	Levin
Bingaman	Feinstein	Mikulski
Boxer	Ford	Moseley-Braun
Bryan	Harkin	Moynihan
Bumpers	Hollings	Murray
Byrd	Inouye	Reed
Cleland	Jeffords	Rockefeller
Conrad	Kennedy	Sarbanes
Daschle	Kerrey	Torricelli
Dodd	Kerry	Wellstone
Dorgan	Lautenberg	Wyden

NOT VOTING—1

Glenn

The motion to lay on the table the amendment (No. 3610) was agreed to.

Mr. HATCH. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. ABRAHAM. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HATCH addressed the Chair.

The PRESIDING OFFICER. The Senator from Utah.

CHILD CUSTODY PROTECTION ACT

UNANIMOUS CONSENT REQUEST—S. 1645

Mr. HATCH. Mr. President, I ask unanimous consent that the only amendments in order to S. 1645, the child custody bill, other than the substitute, be the previously filed amendments which are at the desk and limited to the following:

Senator FEINSTEIN: to exempt adult family members of a minor from prosecution;

Senator BOXER: to allow consent of a parent after a minor's abortion;

Senator KENNEDY: to require deference to State authorities;

Senator KENNEDY: to provide an exception for State laws that have been enjoined or held unconstitutional or that State enforcement authorities have declined to enforce;

Senator HARKIN: to provide an exception in the case of rape or incest;

Senator LEAHY: to provide a complete substitute, which makes the offense the use of force or threats of force to transport a minor;

And a relevant amendment by Senator ABRAHAM.

I further ask unanimous consent that there be no other amendments in order, including second degrees; that following the disposition of the above-listed amendments, the bill be read a third time and the Senate proceed to vote on passage of the bill, with no intervening action or debate.

The PRESIDING OFFICER. Is there objection?

Mr. TORRICELLI. Reserving the right to object.

Mr. LEAHY. Mr. President, I am advised there is an objection, so I, therefore, object.

The PRESIDING OFFICER. Objection is heard.

Ms. COLLINS. Mr. President, I rise today to engage my colleague from Michigan, the sponsor of the Child Custody Protection Act, in a colloquy to clarify the legislation's intent with regard to existing State parental notification laws.

The State of Maine has a carefully constructed adult consent requirement. In my state, a minor under 18 may obtain an abortion with the informed consent of either one parent, a guardian or an adult family member. Absent that consent, she may obtain an abortion if she receives counseling from a physician, psychiatrist, ordained member of the clergy, nurse, physician's assistant or qualified counselor. She may also obtain an abortion without parental or adult family member consent by securing a court order.

Will the legislation we are considering today in any way override or supersede Maine State law?

Mr. ABRAHAM. I want to thank my colleague from Maine for this opportunity to answer important questions on the Child Custody Protection Act. The intent of this legislation is to protect state-passed parental involvement laws. Residents of the states have supported and passed parental involvement laws and they deserve to have their will protected. The Child Custody Protection Act would have no effect on Maine's parental consent law as it applies to minors who reside in Maine. It would in no way override or supersede that law with respect to Maine minors, families, or others. The only effect of legislation would be to restrict a non-parent, non-guardian from transporting a minor from another state where the minor resides to Maine in order for the out-of-state minor to obtain an abortion in Maine and avoid the minor's home state parental involvement law.

Ms. COLLINS. Opponents of this bill contend that health care providers in states like Maine that do not have a law requiring parental involvement could still be liable for conspiracy or as accomplices under this legislation. The liability would presumably apply when they perform or participate in performing an abortion on a minor brought into Maine in violation of the proposed statute. Is this analysis correct? Are there any circumstances under which Maine's health care providers performing or participating in the performance of what, under Maine state law, would be legal abortion on a minor, could be held liable under your bill? Would these providers have any new legal responsibilities as a consequence of the enactment of this legislation?

Mr. ABRAHAM. This is an important point to clarify. The violation of this act is not the performance of an abortion. The violation of this act is the transportation of a minor across state lines to obtain an abortion without involving that minor's parent as required by the law of her home state. The abortion provider would only be in violation of this act if the provider actually conspired to transport or assisted in transporting the minor across state lines to obtain an abortion without the parental involvement that the minor's home state required. Providers who had not engaged in any such activities related to the transport of a minor would not incur any criminal liability or face any new legal responsibilities under this legislation.

Mr. DEWINE. Mr. President, I rise today to offer my strong support for the Child Custody Protection Act of 1998, which would make it a crime to transport a child across state lines to circumvent a state law requiring parental involvement or a judicial waiver for a minor to obtain an abortion.

Twenty-two states have laws saying a parent or guardian has to be notified or their consent given if a child is trying to get an abortion. What's happening now—far too often—is that people who aren't parents or guardians are taking the children across state lines, secretly, to get abortions in another state where parental notification isn't required.

It is my hope that this bill will achieve two important goals—to protect the health of children and to protect the rights of parents. In fact, Mr. President, I believe that empowering parents is the single biggest investment we can make in ensuring the health of our children.

Parents have the right and duty to be involved in the moral and medical decisions that affect their children's welfare.

When it comes to parental notification on abortion, the American people have reached a clear consensus. By a huge majority—80 percent—they favor parental notification. And 74 percent favor not just parental notification, but parental consent. This is a clear expression of the national wisdom. This legislation is an effort to make that kind of informed decision possible.

Earlier this year, we worked on another bill, one that is now law. In that bill, the Administration and the Congress mandated that the flight of a parent to another state to avoid paying child support is a Federal crime. I worked with Senator KOHL to champion the Deadbeat Parents Punishment Act in order to protect the interests of America's children. We have to pursue zealously those who would harm our children, either by omission or by commission.

Mr. President, the very same principle is embodied in the Child Custody Protection Act. There are those living among us who would place our children in harm's way by transporting them across state lines to achieve dangerous goals, both physically and emotionally. One such goal is abortion. The right of citizens to pass and enforce laws regarding the rights of parents is completely violated by the ability of others to transport children to another state to obtain an abortion. As a nation, we must use all the resources available to us in order to protect our children, and our families, from this conduct.

That is our purpose here today. I thank Senator ABRAHAM for his strong leadership in bringing this legislation forward.

I am sorry that my colleagues on the other side of the aisle have rejected our unanimous consent agreement. It was a fair agreement that provided unlimited debate on germane amendments to this bill. Unfortunately, the vote that we will take shortly to invoke cloture to end debate on the bill, may really be a vote to kill the bill if it fails. Let's be frank those voting to continue debate are really voting against the health of our children and the rights of parents. I would implore my colleagues on the other side to vote for cloture—for our kids.

Mr. HELMS. Mr. President, Mark Twain was right on target with his comment that everybody was talking about the weather but nobody was doing anything about it.

Well, in our time almost everybody is indeed talking about family values but, thank goodness, many voices are being lifted in a concerted effort to do whatever is necessary to reverse a dangerous trend in America.

It's a trend that has been leading America down the slippery slope to self destruction.

The remedy? The preservation and restoration of the moral and spiritual principles and priorities laid down by our Founding Fathers a couple of centuries ago.

Given the time, I could identify hundreds of souls across this land who are hard at work in this massive restoration project—Bill and Elaine Bennett, for example. And in this Senate there are many who speak out with some regularity on the subject.

I am proud of them, and in today's special frame of reference, I am specially proud of the distinguished Senator from Michigan, SPENCE ABRAHAM, and all the cosponsors of S. 1645, The Child Custody Protection Act which is the pending business.

Mr. President, like, I pray, the majority of Americans, I was outraged by news reports that a 13-year old Pennsylvania girl was taken by a non-relative to another state to have an abortion without her parents' knowledge. Not knowing the whereabouts of a child, is surely a parent's worst nightmare. But, Mr. President, how much more frightening would it be for parents, if federal law permitted a stranger to perform an abortion on their child. Abortion is a medical procedure, potentially, which may cause psychological and physical complications. But this frightening scenario happened, and it will continue to happen if Congress does not pass the ''Child Custody Protection Act''. This pending legislation ensures that state laws requiring parental notification before an abortion can be performed on a minor will not be circumvented by crossing a state line. In other words, the parents in Pennsylvania will have their rights protected, so that, in turn, they can protect their 13-year old daughters from this traumatic experience.

Of course, if we were talking today about a medical procedure, other than abortion, there would be no need to defend a parent's right to be informed. But, this major money-making industry is worrying its pocketbook will be affected if parents are able to discourage their daughters from having an abortion. Abortion advocates are once more pulling out their deceitful tricks and desperately trying to defeat this bill.

Even Senators who disagree on the legality of abortion should feel comfortable with this legislation, because the vast majority of Americans agree that parental notification laws need to be protected. A recent poll conducted by Baselice & Assoc. shows that 78% of Americans strongly believe that it should be unlawful to take a minor across state lines to obtain an abortion without her parents' knowledge.

It comes down to this: Congress has an obligation to protect parental rights. Congress needs to protect states, like Pennsylvania, that have decided that parents have a right to be notified about their daughters' intent to destroy an unborn child—a decision, by the way, that even the Supreme Court has deemed constitutional in Planned Parenthood vs. Casey.

The parents in Pennsylvania are courageous, and they have not minced their words. They state unequivocally that they will not be pushed aside when it comes to being involved with their daughters' well-being. It is up to those of us in Congress to stand by the parents in Pennsylvania and the other states which have passed laws protecting parental authority.

To be precise, twenty-two other states have passed laws similar to Pennsylvania's—North Carolina being one of them. The parents of North Carolina have exercised their rights as voters and have also said that no abortion shall be performed on their daughter without their knowledge.

The question Congress needs to ask itself is this: Whose rights are we going to protect, those of abortionists—or parents? Are we going to tolerate that abortionists, who desire nothing more than to make a pretty penny off of young girls who are in a vulnerable state of mind, have more rights than the parents who love and care for their daughters more than anyone else in the world. Congress needs to be unmistakably clear that the job of deciding what is best for a teenager belongs to parents, not abortionists.

Simply put, America cannot afford to allow parental authority to be undermined. With the breakdown of so many families, it is absolutely critical that nothing further be done to weaken the relationship between parents and their children. While there are numerous contributory factors to society's ills today—the disintegration of the American family is, in my judgement, the primary culprit.

By passing the ''Child Custody Protection Act,'' we are saying that the custody of children both rightfully and fundamentally belongs to responsible parents.

I pray that the Senate will follow the overwhelming decision of the House of Representatives and protect a parent's right to decide what is best for their daughter.

Mr. KOHL. Mr. President, I rise today to urge my colleagues to vote against the cloture motion on S. 1645, the Child Custody Protection Act. I do so as a supporter of the bill and as one who supported cloture on the motion to proceed to S. 1645.

Let me be very clear. I support a family's involvement in a minor's very grave decision to have an abortion. I also support the rights of States to protect minors in their borders by passing constitutional consent measures. In my State of Wisconsin, there is a law that requires minors seeking an abortion to get the permission of a parent, a grandparent, an adult sibling, or a judge in cases where family support is unlikely.

The reports of adults driving unrelated minors across state lines to avoid state consent laws are very disturbing. It is bad enough that a minor would make such a large decision and have such a serious procedure without the support of a family member. It is worse that the procedure might be performed far from home and away from the child's family doctor. It is because of these concerns that I supported S. 1645.

However, S. 1645 as written is very narrow, and currently would cover only those few states that have strict parental consent laws. It would not cover Wisconsin where the law allows other family members to grant the required consent. In voting in Judiciary Committee to send S. 1645 to the floor, I had assumed that we would be able to

address this shortcoming, as well as other technical difficulties with the bill.

Unfortunately, the Majority decided to file cloture immediately on the bill before any perfecting amendments could be offered. Under the strict rules of cloture, virtually no amendments to S. 1645 would be in order. Of most concern to me, it would have be out of order to consider an amendment protecting from criminal prosection a grandparent who drove a minor across state lines for an abortion. I supported such an amendment in Committee and think it is a necessary, wise, and humane addition to this legislation.

I am sorry that final consideration of this important measure will be pushed aside by partisan procedural wrangling. Consent laws may be one aspect of the highly charged abortion debate on which a majority of the Congress and a majority of the American people can agree. Sadly, we won't have a chance to find out as the rush to the campaign shoves consensus and sound policy off the agenda.

Mr. LEVIN. Mr. President, I am opposed to S. 1645, the so-called Child Custody Protection Act. This legislation would prohibit and set penalties for transporting an individual under the age of 18 across a state line to obtain an abortion even though the abortion is legal in the state that individual is taken to. It would subject close relatives such as grandmothers, aunts, and siblings to criminal prosecution for an action totally legal where taken. In fact, an amendment that would have excluded grandmothers and other close adult relatives from federal prosecution was defeated in Committee by proponents of this bill. Invoking cloture at this time would preclude this amendment on the Senate floor.

When faced with difficult choices regarding abortion and reproductive health, young women should be encouraged to seek counsel from their parents or other trusted adults. In many cases, even in states without mandatory parental consent laws, young women involve one or both parents. However, if a young woman feels that she cannot involve her parents for whatever reason, such as her fear it would put her in danger of abuse or if the pregnancy is the result of incest, she should not be discouraged from seeking the counsel of a trusted adult. I support adult involvement in this very difficult decision, but we must recognize that in some cases it is not always possible for the adult to be a parent. This bill would make it a federal misdemeanor for a grandmother to take her granddaughter to another state for an abortion even if the mother is dead and the father is in jail for incest.

Without question, we should encourage parents, educators and counselors to help prevent teenage pregnancy within their state and communities. Teenagers need to be informed of the responsibility that comes with sexuality and parenthood. But making it more difficult for young women to turn to a trusted adult, be it an older sister, aunt, or grandmother, is clearly not the way to do this.

This legislation also raises some unusual federalism questions that concern me. Under this bill, state laws would follow the people who live in those states when they travel to other states. The legislation would require the federal government to prosecute people for an activity that is lawful in the states in which the activity takes place (if that activity is not lawful in the state in which they reside). The Federal government does not impose this same restriction on crossing state lines in any other case that I can think of such as to gamble or buy liquor, cigarettes or guns. For the first time since slavery this legislation would make it criminal to go to a state to act in a way that is legal in that state. This is a terrible precedent.

This legislation would impose federal penalties in states that have opted not to implement parental involvement requirements. I believe such decisions should be made by the citizens of each state, not by the residents of a neighboring state.

People who act legally in Michigan should not be prosecuted because acts are illegal in another state and Michigan citizens should not be prosecuted for acts which are legal in the state in which they are performed.

Mr. JOHNSON. Mr. President, I rise today to reiterate my support for S. 1645, the Child Custody Protection Act. I have long supported the right of states to enact and enforce parental notification laws with respect to a minor's access to abortion services, and I believe steps should be taken to prevent individuals from circumventing such laws. However, I voted against cloture on this bill today because such a vote would have had the effect of denying my Senate colleagues on both sides of the aisle an opportunity to offer amendments. While I do not necessarily support all of the amendments which might have been offered, I cannot in good conscience vote to circumvent what should be an open and fair debate on this important issue. The White House has threatened to veto this bill in its current form and I believe a vote for cloture today would have sealed the fate of this bill without consideration of compromise language toward the shared goal of preventing abortions.

Every parent has the right to be involved in their minor's decision to terminate a pregnancy. The Child Custody Protection Act would promote parental participation in what must be the most difficult decision a young girl might face. The federal government can play a roll in protecting states rights in this regard, and should support minor and adult women in alternatives to abortion. I always have supported efforts to promote adoption to ensure that children grow up in a loving environment with a supportive family. I believe the federal government should promote adoption assistance and should encourage moving children from foster care into adoptive homes. I remain hopeful that my colleagues in both political parties and I can work together to create a system that reduces unwanted pregnancies and abortions, encourages adoption, and results in strong families.

Mr. President, I will continue to work with the Senate leadership in an effort to move the Child Custody Protection Act forward so that the rights of parents are protected in the face of this most difficult decision, and that minor and adult women continue to be provided with alternatives to terminating a pregnancy.

CLOTURE MOTION

The PRESIDING OFFICER. Under the previous order, pursuant to rule XXII, the Chair lays before the Senate the pending cloture motion, which the clerk will state.

The assistant legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provision of Rule XXII of the Standing Rules of the Senate, do hereby move to bring to a close debate on the committee amendment to S. 1645, the Child Custody Protection Act:

Trent Lott, Orrin G. Hatch, Spencer Abraham, Charles Grassley, Slade Gorton, Judd Gregg, Wayne Allard, Pat Roberts, Bob Smith, Paul Coverdell, Craig Thomas, James Jeffords, Jeff Sessions, Rick Santorum, Mitch McConnell, and Chuck Hagel.

CALL OF THE ROLL

The PRESIDING OFFICER. By unanimous consent, the mandatory quorum call has been waived.

VOTE

The PRESIDING OFFICER. The question is, Is it the sense of the Senate that debate on the committee substitute amendment to S. 1645, a bill to amend title 18, United States Code, to prohibit taking minors across State lines to avoid laws requiring the involvement of parents in abortive decisions, shall be brought to a close? The yeas and nays are required under the rules. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. FORD. I announce that the Senator from Ohio (Mr. GLENN) is necessarily absent.

The yeas and nays resulted—yeas 54, nays 45, as follows:

[Rollcall Vote No. 282 Leg.]

YEAS—54

Abraham	DeWine	Hutchinson
Allard	Domenici	Hutchison
Ashcroft	Enzi	Inhofe
Bennett	Faircloth	Kempthorne
Bond	Frist	Kyl
Brownback	Gorton	Lott
Burns	Gramm	Lugar
Campbell	Grams	Mack
Coats	Grassley	McCain
Cochran	Gregg	McConnell
Collins	Hagel	Murkowski
Coverdell	Hatch	Nickles
Craig	Helms	Reid
D'Amato	Hollings	Roberts

Roth	Smith (NH)	Thomas
Santorum	Smith (OR)	Thompson
Sessions	Snowe	Thurmond
Shelby	Stevens	Warner

NAYS—45

Akaka	Durbin	Leahy
Baucus	Feingold	Levin
Biden	Feinstein	Lieberman
Bingaman	Ford	Mikulski
Boxer	Graham	Moseley-Braun
Breaux	Harkin	Moynihan
Bryan	Inouye	Murray
Bumpers	Jeffords	Reed
Byrd	Johnson	Robb
Chafee	Kennedy	Rockefeller
Cleland	Kerrey	Sarbanes
Conrad	Kerry	Specter
Daschle	Kohl	Torricelli
Dodd	Landrieu	Wellstone
Dorgan	Lautenberg	Wyden

NOT VOTING—1

Glenn

The PRESIDING OFFICER. On this vote, the yeas are 54, the nays are 45. Three-fifths of the Senators not having voted in the affirmative, the motion is rejected.

Mr. ABRAHAM. Mr. President, I ask unanimous consent to speak for up to 5 minutes with respect to the vote which just transpired.

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

Mr. ABRAHAM. Mr. President, I rise to comment on the vote which has just occurred on the effort to bring cloture on the Child Custody Protection Act. Obviously, as the sponsor of the legislation, I am disappointed we will not be moving forward at this time.

As I think the Presiding Officer is aware, as our fellow Members are aware, we have been trying to work with the interested parties on both sides since the bill came out of committee to try to limit the number of amendments so we might have a piece of legislation that could move through here in a reasonable period of time. Unfortunately, we could not get to that point. Our hope had been to limit, through the unanimous consent offer that was made earlier today, the amendments to those that have been filed that were germane. That was not agreed to.

Unfortunately, as is certainly every Member's prerogative here, there was the desire for people to bring amendments that were wholly unconnected to the child custody protection issue.

Obviously, given the calendar of the Senate as we look forward to the next few weeks, much business remains for us to complete, so the likelihood we will be able to continue with respect to this legislation during this Senate session seems very unlikely.

I certainly remain receptive to any counteroffers from the minority with regard to the possibility of limiting amendments and time. Realistically, that does not seem like it is potentially going to occur this year.

I think this is very important legislation. Across this country, every day families who live in States that have enacted parental consent laws are finding that those laws mean nothing because minor children are being transported across State lines without parental involvement or consent for the purpose of abortions being committed. This is wrong. People in my State, where we have enacted such legislation, have the right to rely on this legislation, to believe that their children will be safe and protected, and that they will participate in the important decisions of their children's lives.

I hope if we can't resolve this issue and bring this bill back to the floor this year that our colleagues will work together with me next year so that we might be able, early in the session, to move ahead. The House passed this legislation overwhelmingly. I believe if it came to a final vote of passage in the Senate it would likewise pass overwhelmingly. I believe it would move legislatively in a direction that is good not only for the young children affected by this legislation, but for our families, as well.

I want to thank the people who voted for cloture today. I want to encourage those who wish to bring amendments that are not germane to this legislation to consider other vehicles to possibly include those amendments so that we might still have a chance this year to move ahead on this legislation and do so in an expeditious timeframe.

If not, I certainly want to send out a welcome to anybody who wants to work with me because I do not intend to end this effort this year. I intend to continue until we pass the legislation.

I yield the floor.

CONSUMER BANKRUPTCY REFORM ACT OF 1998

The Senate continued with consideration of the bill.

The PRESIDING OFFICER. The pending business is the bankruptcy bill.

The Senator from Iowa.

Mr. GRASSLEY. Mr. President, I ask unanimous consent there be 2½ hours of debate equally divided on the Harkin amendment regarding interest rates. I further ask that all debate time on the amendment be consumed this evening and the amendment then be temporarily set aside.

The PRESIDING OFFICER. Is there objection?

Mr. HARKIN. I object.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HARKIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. SMITH of Oregon). Without objection, it is so ordered.

Mr. HARKIN. Mr. President, tomorrow I will be laying down a Sense of the Congress amendment calling on the Federal Reserve to lower interest rates as a preemptive strike against a recession in 1999. This is a very crucial issue coming at this point in time. I am going to take some time to speak about it and lay out why it is necessary for us, I believe, to take this kind of action and to express ourselves.

The amendment I will be offering on behalf of myself and Senators DORGAN, CONRAD, WELLSTONE, KERREY, and BRYAN will urge the Federal Open Market Committee to promptly reduce short-term interest rates as a preemptive strike against a recession in 1999. One week from today, the Federal Open Market Committee will meet to vote on interest rate policy. That is why it is crucial that the Senate send a clear message to the Fed: ''Lower interest rates now.''

Mr. President, if we want to significantly decrease the number of bankruptcies in this country, one of the best ways to accomplish this important goal is to reduce the risk of people losing their jobs.

With the chance of deflation and a recession rising, we need to lower interest rates.

Over 2 years ago, against the conventional wisdom of the time, I took to the floor of the Senate to speak and to openly put a hold on Chairman Alan Greenspan's renomination to the Federal Reserve Board until we had a debate on U.S. monetary policy.

One of the reasons I did this was to ensure that we had a significant debate on the Fed's focus only on inflation to the exclusion of other factors. I believed then, and I believe now, that it is wrong for the Fed to maintain high real interest rates without any significant signs of inflation threatening our country.

I believed at the time, and I continue to believe, that we should lower interest rates, allow the economy to grow, and to provide a maximum level of employment. Specifically, I said at the time that I thought our economy could grow at least at a rate of 3.5 percent a year for a number of consecutive years, with an expansion of the labor force and improved productivity. I also argued that we could at the same time have an unemployment rate of 4.5 percent a year without triggering a significant level of inflation.

That is what I said 2 years ago. At the time, many economists and economic writers took me to task on this, openly questioning my views. Many of these economists believed in a theory—an economic theory—which called NAIRU, which stands for the ''nonaccelerating inflationary rate of unemployment.'' I will get to that and what it means in just a moment.

But a couple of years ago, advocates of NAIRU, believed that if the unemployment rate fell below a certain rate—at that time it was somewhere between 5.5 and 6 percent—if the unemployment rate went below that level, employers would have to significantly raise wages and salaries igniting a 1970s style of inflation. And these economic theorists believed that the Fed should raise interest rates as a preemptive strike against inflation.

In other words, if unemployment ever fell to that level, regardless of anything else, these economic theorists under this theory believed that the Fed should raise interest rates right away to preempt any inflation from occurring.

That is what the Fed has done in the past. They have raised interest rates to a very high level.

But look where we are today. The unemployment rate currently is at 4.5 percent. It has been below 5 percent for nearly a year and a half, and it has been under 6 percent for 4 years. And there is no inflation. Our gross domestic product was 3.8 percent last year and 5.5 percent during the first quarter of this year. During this time, inflation hasn't gone up. In fact, it has gone down.

The rate has decreased to its lowest level since the 1960s during the past 2 years.

To Chairman Greenspan's credit, he has recently distanced himself from the view that there should be a preemptive increase in interest rates, simply because of NAIRU. He has, through his actions at the Fed, allowed our economy to grow and unemployment to fall without raising interest rates.

So unemployment has fallen from 6, to 5.5, to 5, to 4.5 percent. Under NAIRU, this would have triggered automatic increases in interest rates, but under Mr. Greenspan they have not. And I applaud him for that.

Unfortunately, many on the Federal Open Market Committee have continued to push for higher interest rates even as the signs of an economic slowdown in the United States continue. While they have not succeeded in raising interest rates, they represent a major obstacle against lowering interest rates, an action which is becoming increasingly needed.

Real interest rates are at a historical high. Although the Federal Open Market Committee has not directly raised interest rates since March of 1997, real interest rates are rising. In fact, real interest rates are at historically high levels, the highest in 9 years, because inflation has continued to fall while the Federal Reserve has failed to lower the Federal funds rate. The chart that I have here points that out.

This chart shows, for example, the real Federal funds rate. That is the market rate less the CPI percentage. As we can see, it has been, for a short period—from 1996 to 1997—going up, and last year and this year has gone up. Actually, this tick, it would be going up here again over the last few weeks. So we have about 4 percent real Federal funds rate right now. In fact, even Chairman Greenspan noted during his Humphrey-Hawkins testimony on February 24 of this year:

> Statistically it is a fact that real interest rates are higher now than they have been on the average of the post-World War II period.

That is a quote from Mr. Greenspan. It is a fact that real interest rates are higher now than they have been on the average of the post-World War II period. I ask why—why are real interest rates so high? There is no inflation; no signs of inflation. In fact, the economy is slowing down a little bit. We see some recessionary signs. Yet we still have these high interest rates. The high interest rate policy that is being imposed by the Federal Reserve, I have always said, is really a stealth tax on hard-working American families, and I believe it is a contributing factor to the near collapse of several economies worldwide.

It is time for the FOMC, the Federal Open Market Committee, to provide a significant and immediate cut in interest rates as a preemptive strike against a recession in 1999. Interest rates have a significant impact on virtually every family in America, on every producer, business and family farmer in this country. I believe lower interest rates have been needed for a long time, but now quick action is truly crucial for our country's well-being.

The economic signs, not only in the U.S. economy but in economies worldwide, demand swift and appropriate action to counteract the problems that lie ahead. I can only say that I believe we have waited too long. Just as inflation can spiral, and spiral out of control, so can deflation spiral out of control. I hope that because the Federal Reserve would not act a little sooner, that we have not reached a point where we are now in a deflationary spiral, and that even more drastic action may have to be taken. But I do believe that significant action has to be taken right now to lower these interest rates.

Don't just take my word for it. Here is a quote from Mr. Jerry Jasinowski, the President of the National Association of Manufacturers, and Earnest Deavenport, the CEO of Eastman Chemical Company. On September 8th they said:

> The current volatility in world financial markets and its threat to global growth . . . could lead to recessions throughout the developing world and Eastern Europe, as well as a slowdown in the United States.

Here is what they said on this chart, on September 8:

> We recommend a significant loosening of monetary policy. Specifically, the Federal funds and the discount rates should be reduced by 50 basis points as soon as possible.''

That is what they said on September 8.

Or we can listen to Mr. John Smith, President of General Motors. On September 15th he said, here it is on this chart here:

> The question is whether the Fed will wait until the recession is imported and then act, or act now. GM believes it should act now.

That is the President of General Motors on September 15, just last week.

Or, James Glassman at the American Enterprise Institute, he has written several op-eds in the Washington Post calling on the Fed to lower interest rates. Again he said recently:

> The most important step right now is for the Federal Reserve to cut interest rates. That would pump more money into the system, encouraging businesses to borrow and consumers to spend. It would also temporarily weaken the dollar, thus helping the currencies of countries in dire economic straits.

I could go on all day quoting business leaders, economists, editorial writers and others calling on the Federal Reserve to lower interest rates. From the Business Roundtable to the U.S. Chamber of Commerce, to the Economic Policy Institute and progressive economist Jamie Galbraith at the University of Texas, from the chairman of the Joint Economic Committee, to Robert Samuelson at the Washington Post, and Stephen Roach at the New York Times, the message to the Fed is clear: Lower interest rates now.

The Fed's policy needs to be reversed and interest rates significantly lowered or our growing economy is likely to quickly sink, perhaps into a very serious recession. So, what we need is to lower interest rates as a preemptive strike against these ominous economic signs.

If we do not do this soon, we will see our hopes for higher wages, more jobs, and the end of Federal deficits dashed on the rocks of recession and rising unemployment. We could be driven by deflation rather than fearing inflation. With deflation, people delay major purposes because they know it is going to be cheaper later on. The last time, of course, that we saw significant deflation was in the Great Depression of the 1930s, but it used to happen regularly in the last century.

How bad can it get? From 1929 to 1933, wages fell by 25 percent; wholesale prices fell by 30 percent; farm commodities fell by 51 percent. And with the shrinking economy, unemployment increased from 5.3 percent to 36.3 percent. Prices were cheaper, but with no money coming in, most people could not benefit at all.

Today, the signs of increasing global deflation are widespread. The problems in the U.S. economy are greatly exacerbated by the enormous difficulties in many Asian Pacific nations, Russia, Latin America and Mexico.

As former Assistant Secretary of the Treasury C. Fred Bergsten wrote in the Washington Post on September 20th:

> The Asian economic crisis is much deeper, much more pervasive and likely to last much longer than anyone imagined. Economies that had grown 6 to 8 percent annually for two decades are declining by like or greater amounts, a swing of Depression-era magnitude with incalculable political and social consequences. The contagion has already spread far beyond Asia, engulfing Russia and much of Latin America, and could do so even more violently in the days ahead. We now face a truly global crisis, which has already hit the United States hard and will do so with increasing force.

The fall in the Canadian and Australian dollars, two countries largely dependent on agriculture and mining is a demonstration of the worldwide impact of the deflationary trend in commodities.

A far more severe threat is the long-term economic paralysis of the Japanese economy which has turned into a significant recession. Some predict that a bailout of the Japanese banks could cost as much as 20 percent of Japan's entire GDP.

That is much larger than our savings and loan crises back in the 1980s. Some estimate that the bad loans of Japanese banks may be about $1 trillion. It is unfortunately clear that the Japanese government is not moving quickly enough to resolve the difficulties in their financial sector. The Japanese have already seen their wholesale prices decline in 5 of the last 6 years. To further illustrate this point, I would like to quote an article in September 14 Wall Street Journal which I found very troubling.

It says:

News that Japan has fallen into its longest economic contraction in 5 decades has led some economists and government officials to suggest that the country has nudged closer to a viscous spiral of falling prices, falling employment and falling output that would damage its economy even further.

Mr. President, I ask for unanimous consent that this entire article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Wall Street Journal, Sept. 14, 1998]

JAPAN'S WEAK GDP SUGGESTS LITTLE HOPE SOON

(By Bill Spindle)

TOKYO.—News that Japan has fallen into its longest economic contraction in five decades has led some economists and government officials to suggest that the country has nudged closer to a vicious spiral of falling prices, falling employment and falling output that would damage its economy even further.

Economic activity fell 0.8% during the April-to-June quarter from the previous quarter, the government said Friday, an annualized decline of 3.3%. And with spending by companies and consumers plummeting, there was almost no sign the situation will improve soon.

''The Japanese economy is walking along the edge of a deflationary spiral,'' said Taichi Sakaiya, head of the government Economic Planning Agency.

Even before the gross domestic product numbers were released Friday, the benchmark Nikkei stock index plunged more than 5% amid concern over the economy and the gyrating U.S. stock market. At the end of the morning session on Monday, the Nikkei was up 30.12 points to 13947.10. The dollar weakened almost five yen during the Asian trading day as spooked investors brought dollar investments home and cashed them in for yen. The Japanese bond market touched another record high as yields, which move in the opposite direction of prices, plunged to 0.79% on the benchmark long bond.

Japan's report on gross domestic product—the total value of goods and services produced in the economy—was a litany of problems that exceeded even the downbeat expectations of most private economists.

Consumer spending, the largest chunk of Japan's economy, fell an annualized 3.3%. Housing investment, which provided one of the few bright spots in the preceding quarter, plunged by an annualized rate of 4%. And corporate capital investment posted a second straight decline, falling 20% at an annualized rate. That is a particularly bad omen, since business investment has historically been a key engine that drives employment and thus consumer spending. That ''suggests the economy is going to be contracting going forward,'' said Brian Rose, an economist at Warburg Dillon Read.

While Japan's trade surplus made the biggest contribution to economic growth, even that silver lining was more a sign of economic weakness than strength. The surplus expanded because Japan's imports—which fell 6.8% from the previous quarter—are declining faster in the weak economy than exports, which slipped 0.4%. The only clear plus for the economy was an annualized 1% rise in government expenditures, indicating some of the spending from a fiscal stimulus package may be trickling into the economy.

These most recent data—showing that Japan's economy deteriorated for a third straight quarter, the longest contraction since the government began compiling figures in 1955—comes as the government gropes for effective tools to turn the tide. On Wednesday, the central bank loosened monetary policy by cutting the interbank lending rate to 0.25% from 0.5%. However, private economists and even some government officials said the move would provide little help for an economy where the usual tools of monetary policy have broken down.

The government is also pouring some $100 billion worth of tax cuts and spending into the economy, part of an economic rescue package passed in April. Still, private economists say the stimulus package—the centerpiece of the dominant Liberal Democratic Party's economic strategy—could be swamped by the deterioration in the rest of the economy. Nonetheless, many economists still think the spending and tax-cut package will be enough to at least break the momentum of the contraction temporarily over the next two quarters.

The fallout from the continued economic deterioration could also eventually hit the banking system. Already a swelling number of bankruptcies is creating concern that banks' huge portfolios of bad loans will grow further as more borrowers fail.

Mr. HARKIN. Mr. President, as the second largest economy, Japan's poor economic situation is going to have a very significant effect on our economy and the economies of most other countries.

Again I quote Fred Bergsten, a very respected expert in international economics. He urges that ''the United States and European Union should globalize the strategy of cutting their own interest rates. This would encourage capital reflows to the crisis countries, reduce their debt burdens and improve their competitive position by promoting a stronger yen. It would also ensure continued world growth and help prevent further stock market declines.''

Mr. Bergsten went on to note the fact that the 30-year bond interest rate is below the Fed funds rate and urged a cut in this rate by a full percentage point.

Chairman Greenspan recently said that the U.S. can't ''remain an oasis of prosperity'' in ''a world that is experiencing greatly increased stress.''

Again, this statement does appear to be a significant and positive shift in the views of the Chairman of the Fed.

However, I am concerned that there are members of the Federal Open Market Committee who both refuse to consider the global economy when determining monetary policy and are still worried that low unemployment will automatically trigger inflation.

The financial crisis in Asia, Latin America, Russia and many other areas of the world poses a serious threat to our economy and, to date, the United States has not established the appropriate monetary policy to minimize it. The FOMC, through its control of the federal funds rate, has the ability to take decisive action against the economic problems that face us.

Many economists note that devalued currencies in several countries will not only reduce the rate of inflation but also sharply increase our trade deficit, eliminating many jobs and slowing growth in the process. Worldwide commodity prices are at their lowest level in decades.

With regard to our record trade deficit, on September 18, the Christian Science Monitor reports that ''So far this year, the trade deficit in goods and services is running at a record annual rate of $185 billion, 68 percent higher than last year's record deficit of $110 billion. America's deficit with Pacific Rim countries hit $87.8 billion in the first seven months—42 percent above the imbalance for the period in 1997.''

The September 7 issue of Insight Magazine, says that ''Santa Claus is coming to America, only his goods are making the early trip by sea rather than sleigh—in huge freighters filled to capacity.''

What will this mean for the U.S. economy? Most importantly, it means a significant loss of jobs, perhaps as much as 1.1 million. In fact, Wilbur Ross, the senior managing editor of the Rothschild Investment Group, believes that ''the loss of American jobs due to decreased domestic production for export will outweigh any short term benefits of lower prices.''

Experts on balance-of-trade issues say nearly every major industry will be affected: automotive, steel, electronics, appliances, machinery, textiles and apparel.

Mr. President, lower interest rates would allow people in other countries to buy out goods, and, in turn, reduce the risk of Americans losing their jobs.

Lower interest rates are also needed to help our farmers. Worldwide commodity prices are at their lowest level in decades.

The price of farm commodities are connected to this problem, and we know what is happening to farm commodities in our country. I was just recently in the Midwest, and I can tell you that corn, beans, wheat and all the attendant crops are at their lowest prices in years. They are falling dramatically. Livestock prices are also going down. We are seeing average hog prices this year at their lowest level since 1974 and, again, no indication that they are going to go up.

This is an idea of what is happening to corn prices. We can see how they are dropping in the Midwest. I have shown these charts before in discussing the need for some legislation on agriculture.

Basically, what this chart shows, and all the other charts indicate, is corn, soybeans, wheat, cattle hogs—all the commodities we have in the farm sector—are drastically dropping, and dropping very rapidly.

Wayne Angell, a former Federal Reserve Governor appointed by President Reagan, and one of the last experts in farm economy to sit on the Federal Reserve Board, I might add, said on September 9, ''The Federal Reserve should cut interest rates to stem declines in the prices of key commodities.''

Angell goes on to say that, ''If commodity prices continue to fall unchecked, the U.S. economy risks a fall in the prices of hard assets, such as real estate, with potentially severe risks to the economy.''

He said that on September 10.

He is right, we are already seeing this. We are seeing this happen in the Midwest. Already we are seeing a softening of land prices, and perhaps it could lead to a downward spiral. I and many others in this body are working on solutions to fix the problems in the ag sector, like increasing loan rates, providing storage payments to farmers, helping those who have suffered disasters, helping to do something about the Federal Crop Insurance Program. One of the best things the Federal Reserve can do for farmers is lower interest rates.

There are direct effects. For example, a 1-percent reduction in interest rates means the average farmer in Iowa will save $1,400 in interest payments on their land each year. In addition to reductions in land payments, lower interest rates means farmers will be able to receive a much-needed break in the prices they pay for new machinery, fertilizer and seeds. It means that farmers' incomes will increase and the negative effect on the rural economy will be somewhat reduced.

Again, for example, a 1-percent reduction in interest rates means a typical 950-acre grain farm in Iowa will see an increase of about $2,500 in income a year.

But the indirect effects of lower interest rates, as I mentioned, are even more important. We need the engine of the U.S. economy working at full speed to help the world economy to recover. Lowering interest rates will help restore worldwide markets for our agricultural goods. As I have said many times in the past, lower interest rates amount to a badly needed tax break for hard-working families.

Mr. President, the U.S. economy is the only large, healthy economic engine in the world, and if our economy does slow (and our growth increased just 1.6 percent in the last quarter compared to 5.5 percent in the first quarter), it will be exceedingly difficult for the worldwide economy to recover. The chance of a long, deep, worldwide economic recession is, unfortunately, very possible.

There are already increasing signs of a possible recession in the U.S. economy. For example, 30-year Treasury bond rates have sunk to record lows and are now below the short-term Federal funds rate. This is indeed a yellow warning light that the U.S. economy could be headed for a significant decline. Again, this chart shows that. The 30-year Treasury bond rates are now lower than the short-term Federal funds rate. That sends a very powerful signal that we could be headed for a very, very steep decline.

Wholesale prices slid a steep 0.4 percent just in August alone. For the first 8 months of the year, producer prices have fallen at a 1.4 percent annual rate, compared with a 1.2 percent rise for all of 1997.

Nobel laureate Milt Friedman, with whom I do not very often agree on economics, called this a ''significant decline.'' And former Fed Vice Chairman Alan Blinder, says:

> If you ask about the prospect of deflation and you restrict your attention to goods, the answer is yes, and in fact we've had some.

So, Mr. President, we are already seeing troubling deflationary signs in our own economy. Action must be taken now.

The fall in the U.S. stock market, another flashing warning signal, will clearly have its own impact on what is referred to as the ''wealth effect.'' To describe the troubling nature of this situation, I would like to quote an article from the September 14 issue of Time magazine. The article pointed out that:

> A slumping stock market can certainly add to the drag on a slowing economy, through the so-called wealth effect. In a rising market, economists estimate that for every dollar of increased wealth, consumers spend an additional 4 cents. And, they often stop spending that money when their stock gains erode. If $2 trillion has been lost from investors' pockets over the past couple of months, then at 4 cents on the dollar we could expect an $80 billion drop in annual consumer spending, or about 1% of the total U.S. economy. While that alone is not enough to stop the economy from growing . . . it could combine with the global currency crisis to tip the U.S. into recession later this year or in early 1999.

The article in Time goes on to say that:

> . . . a persistent stock market decline can also hurt the economy by making companies more cautious about expansion and hiring. That usually means layoffs or plant closings, which ripple through our economy as laid-off people cut spending.

Mr. President, I ask unanimous consent that this article from Time be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From Time Magazine, Sept. 14, 1998]

WHAT A DRAG! ASIA, RUSSIA, LATIN AMERICA—TROUBLE ABROAD THREATENS THE U.S. ECONOMY

(S.C. Gwynne Reported by Bernard Baumohl, William Dowell and Aixa M. Pascual/New York, Julie Grace/Milwaukee, Alison Jones/Durham and Adam Zagorin/Washington)

Smack in the American heartland, far from both Wall Street and Asia, the 15,500 workers of Harnischfeger Industries, based in St. Francis, Wis., got slammed from both directions. A proud world beater that builds mining equipment and huge machines that produce 70% of the world's printing paper, Harnischfeger has just seen its sales to Singapore and other troubled Pacific Rim countries drop from $600 million a year to nearly zero. Its stock, riding high at $44 a year ago, was beaten down to $16 in last week's market rout, gutting the 401(k) retirement plans of many of its employees. ''What I have in Harnischfeger stock is down by two-thirds,'' says a glum Dave Trench, 57, a machinery stock attendant at a Harnischfeger subsidiary in Nashua, N.H. ''When I look at retirement, I might start to sweat.'' At least he still has his job—for now. Harnischfeger announced in late August that it soon will begin dismissing 3,100 employees, or a fifth of its work force.

Look at Harnischfeger, and you can see the origins of the stock market's grinding 1,698-point decline, a loss of 8% from the July 17 peak of the Dow Jones industrial average at 9337.97. The company also offers a glimpse of what might come next, as American workers and investors like Dave Trench wonder whether the long boom is over. Should they pull their money out of stocks? Does the market slide foretell a recession? How is any of this bad news possible when the U.S. economy seems so strong, with the lowest unemployment, inflation and interest rates seen in a generation?

Like American business generally, Harnischfeger entered this turmoil strong and lean. Well-managed with a skilled and productive work force, it had prospered from the past decade's explosive growth in global freedom and commerce. But then came the currency crisis that began in Thailand in July 1997 and spread like a contagion through the rest of Asia—and last month to Russia and last week to Latin America, hammering down local currencies and slashing demand for U.S. exports. Cheaper Asian exports began grabbing more and more domestic business away from U.S. companies and sliced into their earnings. That trend finally drove down an overheated stock market, taking back, in the past seven weeks, almost a quarter of the $9 trillion that stocks have pumped into U.S. portfolios during the roaring '90s.

When the Dow plunged 512 points last Monday, investors at first regarded it as an irrational response to the financial and political turmoil in Russia—a vast country that still bristles with 7,000 strategic nuclear warheads but whose economy scarcely rivals that of the Netherlands and accounts for less than 1% of U.S. exports. Investors treated Monday's market action as another of those ''dips'' in which they had been taught to buy stocks on the cheap. Heck, it wasn't even as big as the one-day dip last Oct. 27, and the market had shrugged that one off six weeks before powering to new highs and greater glory.

With that in mind, bargain hunters on Tuesday sent the Dow rebounding 288 points, in the second-largest single-day point gain in history, President Clinton, for whom rising stocks have covered a multitude of sins these past six years, tracked the Dow anxiously as

he traveled to beleaguered Moscow. During a dinner with Russian President Boris Yeltsin, Clinton stopped economic adviser Gene Sperling in the receiving line to tell him, quietly but with palpable relief, that ''the market's up'' and flashed a thumbs-up sign.

But this time things were different. The Dow fell Wednesday. And the next day. And the next day, losing ground for the seventh trading day out of the previous eight and posting a 411-point, or 5%, setback for the week. Despite the release last week of fresh reports chronicling persistent low unemployment and rising orders for factory goods, anxiety spread from the stock market to the ''real'' economy of jobs and paychecks. The market drop served as a reminder—one about as subtle as a poke in the eye—that in today's global economy, not even a healthy U.S. can quarantine its factories and offices and markets from the illnesses of countries halfway around the world. It vividly showed Americans how the turmoil in Asia and Latin America is slashing the profits of U.S. corporations, which might be forced to respond with layoffs and cutbacks in spending.

Federal Reserve Chairman Alan Greenspan, speaking after the markets closed last Friday, revealed that Fed policymakers are worried that the threat to the U.S. economy from global financial turmoil rivals the danger of wage and price inflation. The Fed is now as likely to cut interest rates, he hinted, as to raise them. ''It is just not credible that the U.S. can remain an oasis of prosperity unaffected by a world that is experiencing greatly increased stress,'' Greenspan said in a speech at the University of California, Berkeley. Then he headed off to join Treasury Secretary Robert Rubin in a meeting where they urged Japan's new Finance Minister to deal with his country's insolvent banks and other financial troubles, which are dragging down not only the huge economy and financial market of Japan but also those of other Asian countries—and now the U.S.

Only 21 months ago, with the Dow at 6500, Greenspan was warning against ''irrational exuberance'' in the stock market. Several other wise elders expressed hope that last week's correction will have the cleansing effect of strengthening the historic relationship between stock valuations and the earnings of the underlying companies—a notion that had fallen out of favor after years of ''momentum investing,'' in which all that mattered was that someone would buy the hot stock that some greater fool would soon bid up to an even higher price. The price-earnings ratio for the S&P 500 has approached a record 30 this summer, twice its historical norm. Securities analysts, reassessing the impact of the turmoil in Asia and other foreign markets, last week began chopping down their estimates for growth of U.S. corporate profits, to as little as 3% for all of 1998, and zero growth for 1999, a sharp drop from last year's robust 12%.

In a bit of lucky timing, Fidelity Investments, the mutual-fund giant, last week rolled out a promotional and educational campaign starring Peter Lynch, its legendary fund manager. Lynch was troubled, he told TIME, that ''in the first half of this year, the S&P 500 was up 15%, but [corporate] profits were down.'' He also expressed relief that the correction came now, rather than having the market drop to 7500 ''after it's gone up to 14000.''

There was remarkably little evidence of panic among individual investors last week. One measure of that is the amount of money that flows in and out of equity mutual funds. In August, a month that included several gut-wrenching weeks, there was a net outflow of $5.4 billion, or well under 1% of the total invested in equity funds. Though this was the first such exodus since the recession and stock slump of 1990, the number is still quite modest when compared with the 4% that fled equity funds after the October 1987 correction. Last week investors pulled a net $6.2 billion out of stock funds Monday and Tuesday, but on Wednesday a net $6.5 billion flowed right back as the market bounced, according to Trim Tabs Financial Services. ''There has not been any retail panic as far as we can see,'' says Scott Chaisson, a branch manager for Fidelity in midtown Manhattan. ''There seems to be an awareness that there are going to be ups and downs like this.''

The real test, though, won't come until later, when new investors face the results of their first sustained market decline. An unprecedented 43% of adult Americans are now invested in stocks, up from only 21% in 1990. (That helps explain why we are hearing less Schadenfreude over the discomfort of Wall Street yuppies than in past corrections.) A striking 57% of all household assets today are allocated to equities. Small wonder: the market has doubled just since 1994. But these investors are about to get account statements showing declines of 20% to 30%. Even if they have been in the black over the past 12 months, not to mention the past few years, it will be a shock to be reminded, for the first time in years, that stocks can go down as well as up.

Investors large and small who had put money overseas in search of diversification, or simply higher returns, were sorely disappointed last week. Day after day, one giant U.S. bank after another came forward, like sheepish A.A. members fallen off the wagon, to confess they had succumbed to the lure of big returns from Russian investments on which—surprise!—the Yeltsin government has defaulted. Citicorp announced that its earnings for the third quarter will be cut by about $200 million in Russian losses. The price tag at Bankers Trust, about $260 million; at brokerage firm Salomon Smith Barney, $360 million in the past two months.

All told, U.S. financial institutions had losses mounting to $8 billion by week's end, and one of the fears that drugged the stock market was that U.S. companies might face even larger losses in Latin America, where they have much more exposure (about a third of U.S. exports) and where currencies came under fresh assault late last week. Brazil saw $11 billion in capital fleeing the country in the past five weeks—not because its economy is weak but because of each investor's fear that other investors might flee any economy slurred with the label ''emerging.'' Money also fled the stocks of financial institutions with lots of business and investment in the merging markets. Citicorp's stock dropped to about half of its recent high, losing $40 billion of market value.

Other companies that took major hits were transportation stocks whose business involves trade and travel: the parent companies of such airlines as American, United and Delta. Companies like Coca-Cola, Procter & Gamble and Gillette, which not long ago were praised for their successful penetration of global markets, last week were punished harshly through stock sell-offs. General Electric, the world's most valuable public corporation and one of the most admired, fell 22%, losing $68 billion of its market value.

The near panic over emerging markets was strongest among some of the hedge funds, the high-risk vehicles that often deliver high returns to wealthy investors. After famed investor George Soros lost $2 billion in Russia, John Meriweather's Long-Term Capital Management announced that it had lost $2.1 billion, or half its asset value, so far this year. ''Russia and Asia became the trigger for the correction in the U.S. stock market,'' says David Wyss, chief economist at DRI/McGraw-Hill, a consulting firm. ''Although there had already been a softening in earnings over the past few quarters, traders needed to be hit with a two-by-four to make them realize you just can't get double-digit increases in earnings every year.''

Russia also became the trigger for another concern, at once political and economic: ''We were suddenly threatened by an old fear—the Soviet Union and militarism,'' says John Silvia, chief economist at Scudder Kemper Investments. ''If the world is not as peaceful as we expected, then a lot of money in the U.S. that went into consumer spending and capital investment may now have to go back to defense, and that's going to shock the budget here.''

As the Dow ended its week at 7640.25, it was approaching one of the standard benchmarks for a bear market: a 20% drop from a previous peak. Many investors, though, have been in a quiet bear market for several months; that's because, during the last stages of the run-up in the Dow and the S&P 500, most of the increase was accounted for by such large companies as Coca-Cola and Microsoft; many smaller stocks were left behind. In the S&P 500, virtually all the gains in share prices in recent months were made by the 50 largest. At the same time, the Russell 2000 index of smaller stocks—traditionally favored by many individual investors—was off 29% from its April high. And as of Monday, the average stock in the New York Stock Exchange was off 38% this year. Even before last week, nearly half of U.S. domestic stock funds were losing money for the year.

Several economists see the current market as an untraditional bear market or, as Harvinder Kalirai, an economist at the consulting group I.D.E.A., sees it, what's happening on Wall Street is ''a cyclical bear in a secular bull market. This is a cyclical fluctuation.'' The longer-term or secular trend in the market, though, ''is still high.''

Many individual investors also hold that faith. Dennis Lese, 52, an executive with Amoco Corp. in Chicago, says that he is staying in the market but that the six-figure losses he suffered last week have caused him to postpone his planned early retirement. ''I was thinking about retiring and living off stocks,'' he says. ''But now I think I'll work a few more years.''

Others seemed content to ride it out, in the knowledge that the gains of the past few years will cushion the impact of a down market now. ''Anyone with brains knows the thing to do is to sit back and wait,'' says Stephanie Rubin, 52, an executive with a search firm in Chicago who has about $300,000 in stocks. ''If it's down 25% on paper, it doesn't bother me because it's money tied up in an IRA account. I'm not going to touch this money till I'm 65.''

Some people who were actively playing the market, however, were singing a different tune. ''I was panicking,'' said Alan Herkowitz, 39, a New York systems analyst and a self-described ''short-term trader'' who invests ''play money'' in the market.

One of the biggest worries in a sustained market downturn is that it might depress consumer confidence and spending. Contrary to popular belief, though, bit stock market drops alone rarely herald recessions. According to a study by Peter Temin, an economics professor at M.I.T., falling stock prices directly caused only one minor economic downturn in this century, in 1903.

But a slumping stock market can certainly add to the drag on a slowing economy, through the so-called wealth effect. In a rising market, economists estimate that for every dollar of increased wealth, consumers spend an additional 4 [cents]. And they often

stop spending that money when their stock gains erode. If $2 trillion has been lost from investors' pockets over the past seven weeks, then at 4 [cents] on the dollar we could expect an $80 billion drop in annual consumer spending, or about 1% of the total U.S. economy. While that alone is not enough to stop the economy from growing, economists say, it could combine with the global currency crisis to tip the U.S. into recession later this year or in early 1999.

A persistent stock market decline can also hurt the economy by making companies more cautious about expansion and hiring. ''If the stock price isn't doing well,'' says John Lonski, chief economist for Moody's Investors Service, ''shareholders will put pressure on management to cut costs to improve returns.'' That usually means layoffs and plant closings, which ''ripple through the economy'' as laid-off people cut spending.

Pushing against these negative currents, fortunately, is the persistent, fundamental strength of the U.S. economy. The trend in wages and employment, which wield far more influence over consumer confidence and spending than stock prices, remains strong. As she placed a tortilla warmer in her shopping cart last week at a store in Nashville, Tenn., Sue Allison, 53, a public relations officer for the Tennessee supreme court, observed that ''there are a million people out tonight spending $90 on nothing, just as I am. My husband and I won't touch [our retirement stocks] for at least 15 years, so I don't worry about short-term losses.'' In fact, aside from corporate profits and stock prices, most other leading indicators are pointing briskly upward. Orders from American factories rose 1.2% in July, the strongest performance since November. As investors around the globe sought a safe haven for their capital, long-term interest rates continued their slide to 5.3%, a silver lining for the U.S. in the cloud over emerging markets. Those low rates in turn have boosted the used-housing market, which recorded an all-time high of houses sold in July. Housing values, another important factor in Americans' calculation of their wealth, are rising smartly at about 5% a year. Unemployment stands at 4.5%, nearly a 28-year low, and only 1.8% for those with college degrees. Thanks to rising productivity, real wages have been rising for the first time in nearly three decades without spurring inflation. The U.S. growth rate, while down from its feverish 5.5% in the first quarter, is still expected to register 2%-plus for the rest of the year. The only skunk at this picnic is the Asian, Russian and Latin financial crisis, estimated to have knocked about 2.5 percentage points off second-quarter growth of 1.5%.

If recession comes, economists say, the cause will be the inability of countries such as Brazil, Indonesia, Malaysia, Mexico and Venezuela to buy as many U.S. exports with their devalued currencies—and the hit on U.S. wages and corporate earnings as cheap imports from those countries grab a greater share of the U.S. consumer's wallet.

At Nucor Corp., a $4 billion North Carolina steelmaker, the global tumult has hit home in both ways. Nucor's exports are down, falling globally from an annual rate two years ago of 700,000 tons to the present 30,000 tons, much of which is accounted for by Asian markets. But far more worrisome is the tough competition in the U.S. market from cheap steel made in Japan, Korea and Russia. Currency devaluations in those countries have made their products cheap for American buyers, says chairman Ken Iverson. ''The U.S. is the only economy left that's doing well, so they're going to ship it all here.'' That makes America the consumer of last resort—a lifeline to many foreign economies, but at a heavy cost to many U.S. companies and workers. Again, such disruptions quickly get capitalized into stock prices: Nucor shares have fallen from $61 a year ago to $39 last week.

Another North Carolina company feeling the pain is Beacon Sweets, which makes, among other products, ''gummi watches'' (gelatin candy in the shape of a watch). Although most of its business is domestic, Beacon had begun to grow in China, Korea, Singapore, the Philippines and Japan. But over the past year, Beacon has seen its export business evaporate. Says Stephen Berkowitz, an executive vice president: ''Our business in those countries has absolutely dried up as a result of currency devaluations.''

Perhaps the greatest risk to both the U.S. and global economies is that today's hard times could bring a rising tide of global protectionism, including controls not only on trade but also on flows of capital. With the leadership in Russia and Japan virtually paralyzed, and President Clinton distracted by his personal problems there is a danger that the trend toward freer markets could be reversed. This is already happening in places like Malaysia, which last week imposed foreign-exchange controls hurtful to multinational firms in the U.S. and elsewhere—not to mention to Malaysia itself, which will be hard pressed to attract investment. Nor is the U.S. immune. If unemployment begins to rise, blame will quickly attach to the rocketing U.S. trade deficit—one of the most immediate effects of the crisis in Asia—and will tempt members of Congress to impose new limits on imports. That, more than any other factor, could eventually lead to a significant recession in this country and others. ''What we need is leadership,'' says Hugh Johnson, chief investment strategist at First Albany, a brokerage firm. ''Without it, we have a vacuum, and the market always hates that.''

For Clinton, much is at stake. The rising market and robust economy have long boosted his approval rating and made both is allies and his adversaries loath to cross him. A significant downturn in the economy, or a longer stock decline than expected, could make Americans feel much less patient with his foibles, and could embolden his enemies. Studies of polling show that a sour economy in 1973–74 contributed significantly to Americans' disgust with President Richard Nixon in the later stages of the Watergate scandal.

For American investors too, much is at stake. One of the worst things they could do is let rising volatility and uncertainty drive them out of stock investments. Returns on stocks have far outdistanced most other investments over time, producing an average annual return, after inflation, of 6.4% from 1927 through 1995, which includes the period when stocks struggled to regain the highs they reached before the 1929 crash and the Great Depression. Investors can also take heart that the stock market usually bounces back far more quickly than it did in the 1930s. In nine of the 11 months where the S&P 500 lost 4% or more since October 1987, returns were positive within two months of the drop. In all cases, including the 1987 crash, the market returned to positive returns within six months. As TIME's Dan Kadlec explains in the following story, most investors should stay with stocks, except when handling money they might need within the next three years.

For all its problems, Harnischfeger offers encouragement to other Americans at this uncertain time. Folks at the Wisconsin company have earned higher wages and have been able to educate their children better because of the profits they have reaped from the unprecedented spread of global commerce and free trade. But the price of that prosperity is a global economy so interlinked that the troubles of America's trading partners very quickly become its troubles too, even when America's domestic economy is showing remarkable resilience, as it is now. Harnischfeger's managers believe they are in for a rough ride for several quarters, but that the company's future, like that of the American economy, is bright over the longer term. Says Francis Corby Jr., the company's executive vice president for finance and administration: ''We'll bounce back.'' They always have.

EXCERPTS

WHEN THE DOW BREAKS

Monday, Aug. 31—

Tuesday, Sept. 1—Financial and political turmoil in Asia and Russia trigger a plunge in the Dow on Monday, but bargain hunters help it recover more than half its loss on Tuesday, setting a record for trading volume.

Wednesday, Sept. 2—Stocks drift down slightly in relatively light trading as exhausted investors await signs of the market's direction.

Thursday, Sept. 3—Worries of an economic slowdown and lagging corporate profits contribute to the Dow's sixth drop in seven days.

Friday, Sept. 4—A burst of bargain hunting late in the day erases most of a sharp decline on Friday, leaving the Dow down 411 for the week.

A LITTLE PERSPECTIVE

A Short-Term Loss—If you had invested $10,000 in the S&P 500 at the market's peak on July 17, it would have been worth $8,206 on Sept. 4, after last week's market drop.

An Even Year—But if you had invested $10,000 12 months ago, on Sept. 1, 1997, it would now be worth $10,827.

A Long-Term Gain—And if you had invested $10,000 on the eve of the big market plunge a decade ago, on Oct. 19, 1987, your investment by now would be worth $34,450.—Source: Datastream

UNITED STATES

The Problems—The economy's increasing dependence on stock market, exports suffering as the world economy stumbles; widening income inequality a concern

The Solutions—Federal Reserve can lower interest rates to ease economic strains in troubled nations. At home, higher priority for education and training to enhance job skills

JAPAN

The Problems—The economy has been stagnant for seven years; banks crippled by massive amounts of bad loans; weak political leaders won't make hard decisions; exports hurt by Asian crisis

The Solutions—Pass permanent tax cuts to stimulate growth; use taxpayer funds to revitalize banks so they can issue credit again.

GERMANY

The Problems—High unemployment; excessive spending on social programs, high tax rates could threaten German competitive under Europe's new single-currency system, the euro

The Solutions—Accelerate labor-market reform to allow easier hiring and firing of workers; equalize tax rates before the euro arrives

INDONESIA

The Problems—Risk of social upheaval as poverty increases; dysfunctional banking system; absence of investor confidence; large companies closely linked to the government.

The Solutions—Restructure banks and companies; promote domestic stability; restore confidence of ethnic Chinese businesses

BRAZIL

The Problems—Massive government-budget deficit; foreign reserves dwindling as the nation defends its currency, the real

The Solutions—Overhaul the social security plan and pare back spending to lower the deficit; privatize more government-owned companies to free resources and increase productivity

MEXICO

The Problems—Low oil prices are slashing government income, causing the budget deficit to swell; the peso is unstable because of highly volatile world currency.

The Solutions—Political leaders need to set strict limits on domestic spending; the central bank should maintain a tight monetary policy to support the currency.

RUSSIA

The Problems—Poor tax collection; corruption; little access to credit markets; creeping hyperinflation; zero credibility that the country will carry out economic reforms.

The Solutions—Collect taxes owed to pay wages owed; stay committed to free and open markets to stabilize the ruble; overhaul the banks; stop the crooks.

HONG KONG

The Problems—The government is fiercely defending an overvalued currency; interest rates are excessively high; real estate is overvalued; a faltering financial sector is burdened by shaky real estate.

The Solutions—End the currency peg to the dollar; reduce interest rates to ease pressure on the banks.

CHINA

The Problems—Falling exports and foreign investments plus damaging floods will slow economic growth below 8% target; a virtually insolvent banking system; state-owned enterprises are drowning in red ink.

The Solutions—Devalue the renminbi 15% to keep exports competitive; privatize government-owned companies.

MALAYSIA

The Problems—An autocratic ruler is turning toward a controlled economy; foreign investors have little confidence; domestic debt is dangerously high; a serious threat of inflation.

The Solutions—Revamp the banking system and promote a level playing field in the economy; stick to austerity plan to support the ringgit.

Mr. HARKIN. One argument against lowering interest rates is that our unemployment levels are already low. Some say that our current rate of unemployment at 4.5 percent is too low, companies cannot find workers and will be forced to pay more, hurting their profits, hurting the economy.

Businesses have surprised many economists by creating multiple ways to improve efficiency. Of course, more can and should be done. I believe there is room for additional job growth. Companies have also been effective at finding new employees who were not actively looking for work and were, therefore, not counted as unemployed.

We need economic growth to continue in order to improve wages, to bring still more people into the labor force, to give those working part time the chance to work full time, and to provide opportunity for those on welfare, and for those who have entered the workforce at the bottom rung, to start moving up the ladder.

With only those looking for work counted as unemployed, there are still millions of others not counted as unemployed who could be brought into the workforce. As difficult as it may be to find workers now, this will be viewed as a small problem compared to a serious economic downturn, a recession, and deflation.

Again, if inflation should start to accelerate we can always apply the brakes and whatever inflation may have occurred can be reduced. But to forever limit our growth to a preset limit blocks Americans from the opportunity of reaching their full potential.

If we do move to deflation, if we go into a serious recession at this point, without America's strength, the world's economy could sink to Depression-era levels.

For the sake of our farmers and our small business owners, for hard-working Americans, and the rest of our economy, and for countries around the world, I sincerely hope that Chairman Greenspan and the Federal Open Market Committee do not misjudge the current economic indicators in the U.S. and worldwide economies.

While I am pleased that Chairman Greenspan recently hinted at a possible rate cut, I am afraid the Federal Open Market Committee may have already misjudged the ominous economic signs that are out there. I only hope it is not too late. That is why, Mr. President, the Senate must send a clear signal to the Federal Reserve: Lower interest rates now.

The Fed must show that it has as much concern for the jobs of American workers as it has for the interests of U.S. investors throughout the world. An immediate cut in interest rates will give our economy the boost it needs to maintain its strength during the next year as the fragile nature of many economies throughout the world recovers.

So, Mr. President, that is what we need—for this Senate to send a clear signal that we have looked at the economy, we have listened to our constituents, we have been out in our States; we see it, we feel it, we know it. Things are declining —I can tell you that—in the farm sector and in rural America. We know what is happening worldwide. Now is the time for the Fed to act for a significant cut in interest rates.

Mr. President, I yield the floor.

Mr. GRASSLEY addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. GRASSLEY. Mr. President, I had asked one of the smartest people in the Senate on this issue, Senator DOMENICI, to debate it. And there is going to be some discussion of this amendment tomorrow before we vote on it. At that time, Senator DOMENICI will speak about it for our side. But I also want to address the issue shortly, but not from the standpoint of the merits of where interest rates ought to be, but just the issue of whether or not it is appropriate to do this on this bankruptcy legislation, as well as the whole issue of whether or not Congress should try to interfere with the issue of the Federal Reserve deciding what the interest rate should be. Because I think it is fair to assume that we want to make sure that interest rates are appropriate. But who should make that decision?

So I offer this advice to my colleagues on this amendment offered by my colleague from our State of Iowa, Senator HARKIN.

While we are all for lower interest rates, I think this amendment should be opposed because of the traditional separation of the Federal Reserve from the political process. What we generally speak of is the independence of the Federal Reserve System. For short, we all speak of the independence of the Fed.

This country has a very long history of protecting the work of the Federal Reserve from political manipulation. Since the 1930s, Congress has gently refrained from passing legislation in an attempt to influence monetary policy. In fact, according to the Congressional Research Service, in the past 25 years, Congress has acted on only five occasions on legislation that affects the Federal Reserve System. Most of these actions have been in the form of nonbinding resolutions or report language. So congressional action of a statutory nature has been rare, and when it has been done whenever Congress has spoken on this issue, it seems it has had a very tempered approach. Maybe we ought to say that this sense of the Senate is a tempered approach in the sense that it doesn't change statute, but still it is an attempt by a political body to influence a part of our government that we have always tried to keep immune and separated from politics.

There is a sound reason for keeping the Fed independent of this political process. It is because we in this body, whether we want to admit it or not, tend to think too much for the short-term. We tend to think in terms of the next election rather than the next generation. Too often, it is even more personal than that—what can I do to increase my chances of reelection? These short-term policies, as we too often find out, can lead to long-run disasters.

While increasing the money supply can put more people to work prior to an election, of course, it can lead to crippling inflation in the long run. The Fed appropriately is not subjected to the pressures to do something potentially reckless for the purpose of short-term gain. This policy has served us well for generations and the U.S. economy remains the envy of the world because of it. In fact, in this decade alone, many nations have followed the lead that the United States has practiced for over 60 years. They have done this by bringing more independence to their own central banks. Great Britain, under a new labor Prime Minister, has moved to make the Bank of England

more independent. Other European Union nations in their new union have committed to an independent central bank upon the creation of that monetary union which starts January 1, 1999.

Furthermore, every nation that has faced a monetary crisis in recent memory has attempted in the name of reform to keep its central bank from political influences. We saw it in Mexico just 3½ years ago when the peso declined so rapidly in Mexico. They have moved in that direction. We see it today in Japan, Korea, and Thailand. A major reason for each of their economic problems, of course, is the cronyism in bank lending practices and political influence over the banking systems. Maybe another way to say it is too much of an incestuous relationship between their corporations and their government, between their bank and their government, to a point where there was no arm's length transactions; the marketplace did not work appropriately. Nobody had to make a sound business judgment because there was always somebody there to bail them out.

These people now, after the crisis in Southeast Asia, have begun to see the wisdom of a central bank, free of political influence. We should recognize the wisdom of it, as well.

As I said earlier, we are all for low interest rates. The relatively low interest rate environment that we currently enjoy has allowed millions of Americans to purchase a home for the first time. It has kept the cost of doing business for small business and farmers down. It has helped the Federal Government reduce its budget deficit by reducing the costs of the national debt.

Instead of pointing fingers at the Fed, Congress should instead focus on the things that are within its authority that lead to lower interest rates, like balancing the budget and reducing Government borrowing. We have been on this course now for the last 3 or 4 years. So, September 30th of this year for the first time we can tell the people we finished the fiscal year not only with the budget balanced but with paying down, probably 60-billion-some dollars, on the national debt.

During this 30-year period of irresponsible Federal spending in which the national debt has been run up to $5.4 billion, and without the changes made in the last 3 or 4 years, at the end of the Clinton administration the debt could have gone to $6.7 billion—at least that is what we were projecting in the 1994 budget resolution discussions. During this period of time of 30 years the Fed has been a counterbalance to an irresponsible Congress, trying to make sure that inflation was kept down as a result of fiscal policy that would tend to drive interest rates up for the Federal Government because the Federal Government always stands first in line for credit and is always willing to pay more and will pay more than any other borrower would pay or have to pay.

Congress has sole constitutional authority over the fiscal policy of this country, and in many respects fiscal policy has had as big an impact on interest rates as monetary policy. For instance, interest rates will remain relatively high as long as the Federal Government is competing with borrowers for money. That is why I find it interesting that often the same Members who want to direct monetary policy at the Fed tend to vote against sound fiscal policies such as balancing the budget and reducing Government spending.

If a Congress did its job of managing fiscal policy better, maybe we wouldn't have to worry so much about what the policy of the Federal Reserve is. Now we are in a position of balancing the budget, paying down some on the national debt, not having the Federal Government eating up all of the total credit that is needed, the Federal Reserve job will be much, much easier.

In short, I oppose these efforts to subject the decisionmaking of the Federal Reserve to the vagaries of the political process. By most accounts, the Fed has been largely responsible for this period of unprecedented economic growth fueled by both low interest rates and low inflation. So I say that we should stay on course that Congresses for the past 60 years have laid out for us, and that is keeping the Fed free of political influence that has led to economic calamities in so many other parts of the world.

I yield the floor.

Mr. HARKIN. Mr. President, I just want to respond a little bit to my colleague from Iowa by again pointing out to Senators that while we do respect the independence of the Fed, as we say, some argue that it is not even appropriate to debate monetary policy or to send signals to the Fed.

I say to my colleague from Iowa, as William Jackson at the Congressional Research Service writes in the report to Congress,

> Constitutional authority to regulate the value of money, and by implication, to determine monetary policy, rests with Congress, article I, section 8 of the Constitution.

This authority has been largely delegated to the Federal Reserve by the Federal Reserve Act, as amended. Nonetheless, the Fed, as a creature of law, may have its policies dictated as well as its structure changed by Congress. Since the 1930s, Congress has generally declined from doing either. But in the past 25 years, Congress has occasionally legislated more Fed accountability, with an aim towards influencing policy. And Congress has periodically enacted nonbinding language to express its monetary policy preferences to the Fed, with the implication that more structural changes could be forthcoming in the absence of policy response by Fed officials.

Again, I think it is not only our right but our duty as Senators to debate monetary policy and to give our thoughts and guidance and direction to the Fed.

The Federal Reserve, I keep reminding people, is nowhere mentioned in the Constitution of the United States. It is not a separate branch of government. It is not something that is under executive powers enumerated in the Constitution. The Constitution gave Congress the power to coin money and regulate the value thereof. Of course, we don't want to do that. I would hate to see us do that. So we delegate it. We set up the Federal Reserve with the Federal Reserve Act. We amended it many times to do that. And it has worked well.

But it still means that as policymakers we have a right and, I think, an obligation to send guidance and direction to the Fed about what is happening in the economy and what they ought to do. The last time the Senate debated a sense of the Congress calling on the Federal Reserve to lower interest rates was on December 19, 1982. It passed by a vote of 93 to nothing here in the Senate. Ninety-three to nothing the Senate passed a sense-of-the-Senate resolution asking the Fed to lower interest rates.

Again, given all of the recent support for interest rate cuts in the business community by economists, editorial boards, and political leaders on both sides of the aisle, I see no reason why the Senate should not vote unanimously, again, urging the Fed to lower interest rates to stem what I and others—not only myself but a lot of others, from conservative to more liberal economists all over America—are saying: there are ominous signs of a possible recession in the U.S. economy.

As I said, even the Chairman of the Fed himself, Chairman Greenspan, has moved in this direction recently. He said encouraging things about the need to perhaps cut interest rates. But I am fearful that the rest of the Federal Open Market Committee hasn't gotten the word yet.

I think we need to send them the word that what we see as policymakers in our daily lives, what we see in our States, what we see in terms of the issues that we deal with in the Senate, that we see an economy that is going down from a 5.5 percent growth rate last quarter down to 1.6 percent next quarter. We see rapidly falling commodity prices, especially in the farm sector. We see wages beginning to stagnate. We see the 30-year Treasury bonds now lower than the Federal funds rate. There are some very ominous signs out there.

This amendment is designed to simply exercise not only our right but, I believe, our obligation as Senators to debate this situation.

Of course, if Senators don't agree that is what is happening—that indeed there may be a recession out there, that there are some signs of falling commodity prices, for example, and of worldwide recession—I guess people can debate that. Obviously, if Senators feel the other way, they obviously should not vote for a sense-of-the-Congress amendment like this. But I hope

that Senators who feel that they shouldn't vote against it because Congress has no right telling the Fed what to do—I would just say look at the history.

I will have more to say tomorrow about the many times Congress has passed some legislation, or sense-of-the-Senate, or sense-of-the-Congress resolution giving guidance and direction to the Fed. I hope that we will exercise not only our right but I believe our obligation to do so.

I yield the floor.

Mr. GRASSLEY addressed the Chair.

The PRESIDING OFFICER (Mr. BROWNBACK). The Senator from Iowa.

Mr. GRASSLEY. Mr. President, my colleague from Iowa has accurately stated what the Constitution says and what we can do. I don't have any dispute with that. The only dispute I would have is whether or not it would be wise for Congress to do that after we have had such a success of building confidence in the economy when there is an absence of congressional manipulation of monetary policy. I fear if there is a perception in the private sector of Congress from time to time making an impact upon monetary policy, that is going to build in protection for people who are investing and, consequently, drive interest rates up. We don't want that to happen.

I yield the floor. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

UNANIMOUS CONSENT REQUEST—S. 2176

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the Senate now proceed to S. 2176, the Vacancy Act.

Mr. BYRD addressed the Chair.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. BYRD. Reserving the right to object Mr. President, I have advocated the passage of this bill. On a number of occasions I have asked the leader to proceed with this bill as soon as he could do so. And I introduced the legislation several months ago—I believe last year even—that went to the committee chaired by the distinguished Senator from Tennessee, Mr. THOMPSON. I asked the chairman to hold hearings on the bill, which he did. I appeared before the committee and spoke in support of the bill.

And that bill has been reported from the committee with some changes, which I support. So I support this bill 100 percent. But I am constrained to object this evening because of one or two colleagues on my side of the aisle who wish to object. I am sorry to have to do that. But with that explanation, Mr. President, I do object.

The PRESIDING OFFICER. Objection is heard.

FEDERAL VACANCIES REFORM ACT OF 1998—MOTION TO PROCEED

CLOTURE MOTION

Mr. GRASSLEY. With all respect to the Senator from West Virginia—and his explanation I think is very clear—in light of that explanation, I now move to proceed to S. 2176, and I send a cloture motion to the desk.

The PRESIDING OFFICER. The cloture motion having been presented under rule XXII, the Chair directs the clerk to read the motion.

The legislative clerk read as follows:

CLOTURE MOTION

We the undersigned Senators, in accordance with the provision of Rule XXII of the Standing Rules of the Senate, do hereby move to bring to a close debate on the motion to proceed to S. 2176, the Vacancies Act:

Trent Lott, Strom Thurmond, Charles Grassley, Thad Cochran, Wayne Allard, Ben Nighthorse Campbell, Don Nickles, Orrin G. Hatch, Pat Roberts, Tim Hutchinson, Richard Shelby, Conrad Burns, Jim Inhofe, Connie Mack, Fred Thompson, Spencer Abraham, and Robert C. Byrd.

Mr. BYRD. Mr. President, I ask unanimous consent that I be added as a signatory to the cloture motion.

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

Mr. GRASSLEY. Mr. President, for the information of all Senators, this cloture vote will occur on Thursday, at a time to be determined. In the meantime, I ask unanimous consent that the mandatory quorum under rule XXII be waived.

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

Mr. GRASSLEY. I now withdraw the motion, Mr. President.

The PRESIDING OFFICER. The motion is withdrawn.

CONSUMER BANKRUPTCY REFORM ACT OF 1998

The Senate continued with the consideration of the bill.

MODIFICATIONS TO AMENDMENT NO. 3595, AS MODIFIED

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the amendment No. 3595, previously agreed to, be modified to make certain technical corrections and remove duplicate language. The language is now at the desk.

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

The modifications to Amendment No. 3595 are as follows:

1. Replace page 3 of the Amendment with the following language:

SEC. . ADDITIONAL AMENDMENTS TO TITLE 11, UNITED STATES CODE.

(a) Section 507(a) of title 11, United States Code, is amended by inserting after paragraph (9) the following:

''(10) Tenth, allowed claims for death or personal injuries resulting from the operation of a motor vehicle or vessel if such operation was unlawful because the debtor was intoxicated from using alcohol, a drug or another substance.''.

(b) Section 523(a)(9) of title 11, United States Code, is amended by inserting ''or vessel'' after ''vehicle''.

2. Replace pages 31 and 32 with the following language:

SEC. . DEBT LIMIT INCREASE.

Section 104(b) of title 11, United States Code, is amended by adding at the end the following:

''(4) The dollar amount in section 101(18) shall be adjusted at the same times and in the same manner as the dollar amounts in paragraph (1) of this subsection, beginning with the adjustment to be made on April 1, 2001.''.

SEC. . ELIMINATION OF REQUIREMENT THAT FAMILY FARMER AND SPOUSE RECEIVE OVER 50 PERCENT OF INCOME FROM FARMING OPERATION IN YEAR PRIOR TO BANKRUPTCY.

Section 101(18)(A) of title 11, United States Code, is amended by striking ''the taxable year preceding the taxable year'' and inserting ''at least one of the three calendar years preceding the year''

SEC. . PROHIBITION OF RETROACTIVE ASSESSMENT OF DISPOSABLE INCOME.

(a) Section 1225(b) of title 11, United States Code, is amended by adding at the end the following:

''(3) If the plan provides for specific amounts of property to be distributed on account of allowed unsecured claims as required by paragraph (1)(B) of this subsection, those amounts equal or exceed the debtor's projected disposable income for that period, and the plan meets the requirements for confirmation other than those of this subsection, the plan shall be confirmed.

(b) Section 1229 of title 11, United States Code, is amended by adding at the end the following:

''(d)(1) A modification of the plan under this section may not increase the amount of payments that were due prior to the date of the order modifying the plan.

''(2) A modification of the plan under this section to increase payments based on an increase in the debtor's disposable income may not require payments to unsecured creditors in any particular month greater than the debtor's disposable income for that month unless the debtor proposes such a modification.

''(3) A modification of the plan in the last year of the plan shall not require payments that would leave the debtor with insufficient funds to carry on the farming operation after the plan is completed unless the debtor proposes such a modification.''.

3. Strike pages 46 through 49.

4. Replace pages 58 and 59 with the following language:

SEC. . DISCOURAGING ABUSIVE REAFFIRMATION PRACTICES.

Section 524 of title 11, United States Code, is amended—

(1) in subsection (c)(2)(B) by adding at the end the following:

''(C) such agreement contains a clear and conspicuous statement which advises the debtor what portion of the debt to be reaffirmed is attributable to principal, interest, late fees, creditor's attorneys fees, expenses or other costs relating to the collection of the debt.''.

(2)(A) in subsection (c)(6)(B), by inserting after ''real property'' the following: ''or is a debt described in subsection (c)(7)''; and

(B) by adding at the end of subsection (c) the following:

''(7) in a case concerning an individual, if the consideration for such agreement is based in whole or in part on an unsecured consumer debt, or is based in whole or in part upon a debt for an item of personalty the value of which at point of purchase was $250 or less, and in which the creditor asserts a purchase money security interest, the court, approves such agreement as—

''(A) in the best interest of the debtor in light of the debtor's income and expenses;

''(B) not imposing an undue hardship on the debtor's future ability of the debtor to pay for the needs of children and other dependents (including court ordered support);

''(C) not requiring the debtor to pay the creditor's attorney's fees, expenses or other costs relating to the collection of the debt;

''(D) not entered into to protect property that is necessary for the care and maintenance of children or other dependents that would have nominal value on repossession;

''(E) not entered into after coercive threats or actions by the creditor in the creditor's course of dealings with the debtor.''.

(3) in subsection (d)(2) by striking ''subsections (c)(6)'' and inserting ''subsections (c)(6) and (c)(7)'', and after ''of this section,'' by striking ''if the consideration for such agreement is based in whole or in part on a consumer debt that is not secured by real property of the debtor'' and adding at the end: ''as applicable''.

5. Strike page 66.

MORNING BUSINESS

Mr. GRASSLEY. Mr. President, I now ask unanimous consent that there be a period for the transaction of morning business with Senators permitted to speak for up to 5 minutes each.

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

EFFORTS TO LEGALIZE MARIJUANA

Mr. HATCH. Mr. President, yesterday, my colleague Senator GRASSLEY introduced Senate Joint Resolution 56, a bill cosponsored by Senator KYL and me that expresses the sense of Congress in opposing efforts in various States to legalize marijuana and other Schedule I drugs for so-called medical use. I am proud to be a cosponsor of this bill, and I want everyone to understand that current drug laws should not be circumvented by allowing illegal harmful drugs to be introduced freely in our society.

Last week, an identical measure sponsored by Congressman MCCOLLUM passed in the House of Representatives by a vote of 310 to 93.

Mr. President, proponents of legalization argue that marijuana and other drugs are needed by those living with pain and disease. They stress that these drugs improve the quality of life and should not be denied to those suffering. I understand their argument that we need to be compassionate to those that are suffering. My heart goes out to those people living with disease and to the families that care for them. Nevertheless, those arguments are flawed, and we cannot allow this legalization effort to contravene our Federal drug laws.

In 1996, the Judiciary Committee held a hearing and examined the drug legalization initiatives in California and Arizona. We heard testimony from many of those involved in the war on drugs including General Barry R. McCaffrey, Director, Office of National Drug Control Policy, and Mr. Thomas A. Constantine, Administrator, Drug Enforcement Administration. As a result of chairing that hearing, I learned that there is overwhelming evidence showing that marijuana is not a medicine and that its use by those suffering from cancer and other diseases is contradicted by the many side effects of the drug use. The testimony given at that hearing proved to me that the growing legalization movement in our States is harmful to the very people they are proposing to help.

As many of you know, I have not been afraid to speak out and to urge that this administration do more to stem the rising tide against teenage drug abuse in our country. Illegal drug use by teenagers is one of the most serious domestic problems facing our Nation today: in my mind, it may be the most crucial issue for our Nation's ability to craft productive and law-abiding citizens. The worsening problem of drug abuse among our children and teens wreaks havoc on the lives and potential of thousands of young people each year. Legalization movements send a confusing message to the Nation's youth and threaten to increase the already alarming rise in drug use among teenagers. If we do not act decisively, we will pay a heavy price.

For example, the results of the latest National Household Survey on Drug Abuse found that drug use among our children is climbing at an alarming rate. The number of children ages 12 to 17 using illicit drugs has more than doubled since 1992. Between 1996 and 1997 alone, drug use among 12- and 13-year-olds increased almost 75 percent.

The abuse of marijuana, a drug many widely consider a gateway drug to more serious substance abuse, more than doubled among children between 1992 and 1997, increasing 75 percent between 1996 and 1997 alone. Not surprisingly, the rate of minors first trying heroin is at its highest level in 30 years, and the rate of minors trying cocaine and hallucinogens has more than doubled in the 90's.

Although deeply troubling, this disturbing trend should come as no surprise to this administration. I warned this administration as early as 1993 that its failure to take the issue seriously and take strong action to fight drug abuse would prove disastrous to our children. Unfortunately, the evidence is now in and my predictions were all too prophetic to the great detriment of our children and future generations.

Our country's laws prohibiting narcotic and dangerous drug use are not arbitrary. These laws are designed to protect our children and to protect mature adults from harmful chemicals. These laws should be fully enforced because they help prevent drug experimentation and drug addiction.

Promoting the use of marijuana for so-called medical purposes is nothing more than a sham effort to legalize drugs through the back door. If we do not act decisively, we will pay a heavy price.

In the words of General McCaffrey, our Drug Czar, ''[additive drugs were criminalized because they are harmful; they are not harmful because they were criminalized.]'' The more a product is available and legitimized, the greater will be its use. If drugs were legalized in the U.S., the cost to the individual and society would grow astronomically.

The Federal Food, Drug, and Cosmetic Act is the key law by which legitimate drug products are evaluated and regulated in this country. A central precept of this law is that all drugs be proven safe and effective under their labeled indications. Proponents of medicinal uses of marijuana should not be exempt from this basic public health requirement. Anecdotal reports that marijuana may be beneficial should not cloud the fact that only controlled clinical trials can meet the exacting licensure requirements of the Federal Food, Drug, and Cosmetic Act. If there is, in fact, a medical benefit from marijuana then it is imperative that the necessary scientific studies be conducted to assess and confirm such benefit. To date, proponents of medical uses of marijuana have been unwilling or unable to come through the front door of the FDA with evidence of its safety and efficacy. The pharmacological armamentarium contains many proven drugs to treat pain. It is poor public policy to acquiesce in back door mechanisms that permit unsafe and unproven products like marijuana to reach the bedsides of American patients.

I believe this to be an important resolution and urge my colleagues to join me and Senators GRASSLEY and KYL in sending a clear message to those who advocate the legalization of marijuana and other Schedule I drugs for medical use in our States. I ask for their support when this joint resolution comes to the floor.

INAUGURAL ADDRESS OF HIS EXCELLENCY ANDRES PASTRANA ARANGO, PRESIDENT OF COLOMBIA

Mr. DODD. Mr. President, on August 7, 1998, Andres Pastrana Arango was sworn in as the 60th President of Colombia, 28 years after his father, Misael Pastrana, took the same oath of office. A former journalist, mayor of Bogota, and Senator, president candidate Andres Pastrana swept into office with the largest electoral margin in his country's history.

With the election of President Pastrana I believe that a new opportunity has been created for the United

States and Colombia to work closely together to deal with issues of mutual concern to our two countries. I very much hope that both of our governments will take advantage of this opening because it is in the interests of both countries that we do so.

In his inaugural speech of August 7, President Pastrana set forth his agenda for his term of office. Breaking the stranglehold of major narcotrafficking organizations and bringing peace to Colombia are among President Pastrana's highest priorities. During the course of his address, he laid out his plans to end the 34 year old civil war and to counter drug trafficking and the violence and corruption it brings with it. In order to tackle the financial, political and social problems of his country, he also pledged to undertake a complete turnaround in Colombia's Government during his administration.

I believe that President Pastrana has been very quick in shaping the outline of policies and programs that should help to strengthen democratic institutions in Colombia and respect for human rights. His inaugural address gives me hope that the United States working together with the Government of Colombia can make that a reality. I would urge my colleagues to take the opportunity to read for themselves President Pastrana's Inaugural address. I ask unanimous consent that his address be printed in full at the conclusion of my remarks.

THE PRESIDING OFFICER. Without objection; it is so ordered. (See Exhibit 1.)

Mr. DODD. Mr. President, President Pastrana is visiting the United States this week, and the Committee on Foreign Relations will have the honor of receiving him on September 24. At that time we will have an opportunity to discuss at length President Pastrana's vision for his country. I look forward to the opportunity to do so.

EXHIBIT 1

INAUGURAL SPEECH AS PRESIDENT OF THE REPUBLIC BY MR. ANDRÉS PASTRANA ARANGO

This day is not only mine, but of all of us Colombians. The solemn oath that I have taken today before almighty God and before you is a sacrament of our democracy. It is an oath pronounced throughout our history that, in this case, acquires a greater dimension since it requires that we likewise succeed in the fulfillment of our obligations and not repeat the errors of the past. Proud of our heritage, we are now going to seek the best for our future.

We are not only conferring the presidency upon me today; we are also inaugurating a new era for Colombia on the right path. I make a commitment to myself and to you to govern without privileges nor discriminations, but for all Colombians. Those who hold the highest positions in government shall have the greatest obligations under the law, and those who think that power gives one the right to break the law shall not govern. Put simply, there shall be no room for corruption in my administration and it shall not be tolerated nor forgiven. I want—and I shall accept nothing less—this administration to go down in history as the cleanest of all administrations.

Within the immense margin of our challenges, let us risk facing the big changes that we need. Let us again trust that our cities and our countryside become safe and peaceful. Let us believe that once again our industry and our agriculture will prosper, that our children will receive a good education, that their health will be protected, and that their parents will be safe from the scourge of unemployment.

Fulfilling these expectations implies serious and sustained efforts, a common cause and the uncommon courage to gather new ideas and be willing to never quit nor give up.

For change does not happen in a week, a month, or a year. Perhaps, it will not even be complete at the end of this administration. We are at the dawn of a new era, not yet in its splendor. But change begins today.

We have vast natural resources but, more importantly, great human talent. If we prepare ourselves conscientiously, we should not fear the economy's globalization. On the contrary, we shall welcome it and we shall compete and prosper within it.

I see a Colombia proudly acknwoeldged in our hemisphere and in the entire world, for navigating through the prodigies of cyberspace and not in the artificial paradises of cocaine. I see a proud Colombia, with enough authority to challenge other nations to control their own drug demand, because we were able to combat our own country's supply and demand.

As President, I shall not surrender even a bit of our sovereighnty, but I shall appeal to the entire country to comply with the law and to build the prosperity that shall make Colombia a magnet for investment with its modern economy.

We shall look for prosperity not only in industry and enterprise, but also in agriculture, which has been abused of for many years without being paid its due. We are going to invest more in the countryside. Let us not forget that the land is the soul of Colombia and that those who cultivate it are the soul of the land.

Colombians, during my campaign I proposed ten great changes. Each one of them is equally important and they shall all be promoted. We must try again, and trust once again, that we can change and attain a better country. I ask for your help, for, more than the decisions of a President, it is your hands that shall mold the final substance of our efforts.

To the people of Colombia, I owe the privilege of being the leader that shall close the doors of the 20th century and open those of the 21st century, towards the vast horizon of the Third Millenium. I have been given the responsibility of continuing and improving, wherever possible, the accomplishments of other leaders. But more than six million Colombians, and a broad consensus of the country, have chosen me to find the road to this Promised Land that Colombia should be.

A COLOMBIA IN PEACE

A very wise Spanish saying says, ''Without peace, there is no bread''. Therefore, first of all, I want peace, which means peace and bread. And it is the Promised Land that we yearn for, a Colombia in peace.

But reconciliation requires a government that is able to organize collective leadership for peace. This implies sacrifices, requires renunciation, and demands serious commitments that would be sterile, as long as Cain continues killing Abel.

The President of the Republic assumes the non-renounceable leadership of building peace. Do not expect me to build a bureaucracy for peace. As of now, I invite all Colombians to continue and to work within the ''Agenda for Peace'' that I am going to lead.

It must be clear for every one that I shall recover for the State the monopoly of force for peace, social justice, and the happiness of the Colombian people. Every minute that we save on war is an investment in life. International cooperation in our peace processes should not be viewed as the inability to build it ourselves, but as a new way of making peace.

The call to peace as a necessary condition for the country's project is evident. But peace demands the transformation of the human energy of animosity, which is characteristic of wars, into vital energy for the reconstruction of a new Colombia.

It is precisely this vital energy that should not permit that violent acts, like those of recent days, occur again; acts that fill me, like their families and all my countrymen, with pain. They do not contribute to the atmosphere of understanding that we, myself personally and my entire administration, are ready to propitiate by putting all of our efforts into it.

The first question is that of identity. What is Colombia and what do we want it to be? Historically, the nation looked for its identity in a homogeneity that was excluding, which despised diversity or nullified it. A country demanded a religion, a language, and even a dominant ethnic group. From dictatorial positions or from republican pacts, these conditions of identity were being imposed for an indefinite time to conform other systems of power. A subsequent evolution, particularly the current one, demonstrates that those that have been excluded in any way, usually demand, with great violence, the acknowledgment of their existence and their right to participate. The point is that the identity of the new Colombia that faces the challenges of the 21st century and is handed over to the new generations must be inclusive of Colombian diversity, not exclusive, as it has been until now for a significant number of Colombians. Keeping the nation united must be the origin and the end of this historic determination in favor of peace.

A MODEL FOR DEVELOPMENT AND SOCIAL JUSTICE

I receive a country with seriously affected economic indicators and with its public finances in ruin. I, therefore, intend to do an inventory of the conditions in which I received them. But we shall also promptly present, in the coming weeks, the great guidelines of the measures to be taken in order to bring Colombia out of the situation in which we found it.

A fundamental part of this recovery program is budget adjustments. Our country cannot continue to carelessly spend beyond its possibilities. If we did so, the already serious unemployment situation that we inherited would be even more overwhelming. And the imbalances everywhere would make the economy unmanageable and would commit the development of the country for a long time. Therefore we shall rigorously dedicate ourselves, from the very first days of this administration, to putting the fiscal house in order.

But we shall not only organize public finances. We also have to reactivate an equitable economic growth. The development plan that the administration must submit to Congress within the first six months, as stated by the Constitution, shall be the opportunity to draft the navigational chart that shall permit us to open the doors of the 21st century to a society with better and more equal growth. In this purpose, the search for peace is not only a common yearning but also an intelligent strategy for economic development. Peace is the most urgent task on our country's agenda and the best social contract that we can make towards the future.

DRUG TRAFFICKING

We must take advantage of the closing of the century to do an inventory of the serious

damage caused to society by drug trafficking. Ecologically, there is no doubt that it is the main predator of large areas of Colombian territory, which is valued in the world for the diversity of its environmental treasures.

Not to mention, the increase in corruption, whose effect on institutions has become one of the most fatal aggressors that the Colombian State has confronted in all its history. Or the increase in violence, due to easy money for the attainment of objectives that used to be the fruit of years and years of honest labor. Or the increase in drug use.

If Colombia survives in spite of so many misfortunes, it is only because of the moral fortitude of a people that has known how to face them. But let us not ask it for more miracles.

THE ''PEACE FUND'' WITH TRI-PARTITE CONTRIBUTIONS

In order to reach this national objective, besides the political initiatives that we are implementing, peace shall be the common thread of the next development plan. It shall be funded by tri-partite contributions from different sources. Firstly, the government itself, which, as a consequence of the austerity program to be undertaken, shall free significant resources to be earmarked for strategic investments for peace. Secondly, contributions from the international community that has demonstrated its interest in collaborating financially to acclimatize peace in Colombia. And thirdly, monies that wealthy Colombians shall contribute, through a ''Peace Bond of Compulsory Subscription'', whose authorization we shall request from Congress, and through which the valuable demonstrations of so many goodwilled Colombians may become concrete.

As I said in my campaign, we shall submit a bill before Congress that shall permit the gradual reduction of the Aggregated Value Tax while simultaneously and forcefully combating current tax evasion. Moreover, once the fiscal adjustment program yields results, we shall propose a reduction of income tax rates for those companies generating new employment.

OUR FOREIGN POLICY

The transparent and categorical mandate that I have received from the Colombian people must also transform our international position in order to carry out a foreign policy with a broad consensus, that is coherent and systematic, that overcomes the exclusivism of any group, region, or party. Our diplomacy shall be efficient, able to work without disadvantages, respectful of commitments and aware of its nonrenounceable dignity and its well-earned rights.

I am convinced that the irreversible purpose of globalization demands a more equitable international order. We do not want to be simple spectators but, rather, diligent actors in this new world commitment.

I am aware that our international agenda demands a different way of looking at it. We do not reject responsibility. We assume it. Our foreign policy shall be aimed at strengthening our negotiating power with regards to fundamental issues on the global agenda. We shall reaffirm our commitment to the promotion and defense of human rights and International Humanitarian Law, with acts and effective actions.

As President of the Republic, I shall fully exercise the constitutional duty of leading foreign relations, aware that the leadership of the Head of State in a regime like ours is irreplaceable.

Our foreign policy shall be guided by the protection of Colombia's essential rights. We share the great principles contained in the United Nations Charter and in the instruments of the Inter American system. Colombia's international word is sacred to us. We defend the sanctity of treaties and the good faith in relations among States. We have always supported the pacific and negotiated solution to conflicts. National heritage is the product of law, never of force or of arbitrary imposition. We believe in the force of multilateralism, in the collective action organized to confront problems and to prevent and resolve divergences and conflicts.

Venezuela is the country with which Colombia has made more progress in economic integration. The strong historic and cultural ties that unite us shall permit us to foster understanding in all areas in order to continue making progress in the process of binational integration and in the consolidation of the Andean Community of Nations in order to project it to the entire continent.

The United States, as hemispheric power and because it is the biggest and most advanced economy in the world, is a fundamental country for Colombia's international relations. We also begin a new era of understanding and trust with them, which will permit the diversification of our common agenda so as to continue on the road of true cooperation, more as brothers than as good neighbors.

Regarding Europe and the Pacific Basin countries, we shall continue strengthening our economic and cultural relations, as well as the ties among the various integration blocks that exist today. In this respect, we shall assign particular importance to the European Union, Latin American and Caribbean Summit that will take place next year, as a result of the dialogue between the European Union and the Rio Group.

Colombia embarks today on search of the international community, to re-assume the leadership that belongs to it in the ''New World'' design.

SOCIAL JUSTICE

This is evident: peace is not possible without social justice. Colombia is a society torn by social distances. It is urgent, therefore, to improve the distribution of national wealth, to make society cohesive and direct it towards peace, through education, health and employment.

The world is changing in giant leaps. Society has discovered that its great source of wealth is no longer mineral but human. To invest in it, as well as in our natural resources, is the change that will make us strong. And this, in turn, compels us to reflect upon the meaning of continued fighting over scarce material resources instead of strengthening our democracy and developing our industry and our trade, based on human resources, education, technology, and science.

Therefore, it is time to break with history and to change our course. Thus, the development model that I propose to you is not dependent upon peace negotiations but, rather, establishes the basis for a transparent, fertile, and lasting peace.

THE ECONOMY AND EMPLOYMENT

The macroeconomic effort shall be aimed at the urgent generation of employment. To generate employment—good employment—is essential if we want to have a real future. Employment is not only the new name for peace but also our first expression of solidarity.

In order to attain the goals of collective improvement, it is necessary to build a strong and solidary economy, which we are lacking today. Correcting the imbalances and channeling the economy towards development and full employment again will initially demand the adoption of severe but essential measures.

Economy and education must go hand in hand to establish the basis for progress. The coming Third Millennium needs new learning. We are going to change education in Colombia so that it may become an open door, where the question will not be how much money the family has but, rather, how much talent the student has. Awakening young people to knowledge is the only way to face the future successfully.

PREFERENTIAL OPTION FOR THE POOR

My administration makes and reaffirms a preferential option for the poor. We do not want a Colombia with excluded persons. The government's task is to foster and consolidate economic growth that will reduce the injustices of poverty and demonstrate, with its results, that it is worthwhile to be just.

For my administration, the poor are a moral commitment, a political commitment, an economic commitment, a cultural commitment, and not just a statistic index. A plan for overcoming poverty convokes, channels, and opens new dimensions for international cooperation and must prevent poverty from being the dangerous ally of those who, with drug trafficking, try to undermine the foundations of the nation and of the international community.

Being solidary in Colombia means helping to create jobs, investing in the creation of jobs, buying at a fair price to create and foster the quality of those jobs. When I think of globalization, I think about its most urgent aspect, which is globalization of solidarity.

RECOVERING VALUES

This is why, together with Gustavo Bell, I would like to invite all of you to recover values. This country must organize itself and become strong against corruption. We cannot continue to tolerate the systematic robbery of goods belonging to the community. It is necessary to end corruption, and the people have taken a first step with their vote. The President and each one of his officials must be a model for others. Their words must be truthful and their example must be clear. There is no greater corruption or lie than good advice followed by bad example.

Let no one be wrong. The government shall persecute the corrupt, shall bring them to light, and shall rescue the institutions from the claws of the corrupt.

THE NEED FOR POLITICAL REFORM

For all these reasons, a thorough political reform must be undertaken. ''We cannot pour new wine into old vessels.'' The recovery of politics for the common good, for social justice, for solidarity, and for development requires the creation of new forms of governing, of controlling, of competing for power, of designing laws, of creating the future.

I thank God for the privilege of having my mother and family here present. I thank Divine Providence for the gift of Nohra's company and leadership and of Santiago, Laura, and Valentina's challenging future.

And I thank the Lord for having given me in Misael Pastrana a living example of values, of loyalty to life, of love of country. He was a patriot who, in light of Colombia's destiny and uncertainties, affirm and warn, ''the promised land is at stake''. It is necessary for ''The New Dawn'' brings us optimism, faith, truth, solidarity, and the commitment required to change history because no one will do for us what we must do for ourselves.

Dear friends: A ''New Dawn'' begins now! Today, it is not only the inauguration of a new President, but also the opening of a new era for the nation. With Gustavo Bell we will make the dream of ''The Great Alliance for Change'' come true for Colombia.

The glory of a leader consists in attaining peace, striving for the citizens' well-being and happiness. Achieving this shall be the

only reward I will aspire to at the end of my mandate. This is no time for hesitation or doubt. This is a moment for decisions and courage. Long and difficult is the road leading to the Colombia we yearn for. Let us begin now! Tomorrow will be another day!

THE VERY BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, at the close of business yesterday, Monday, September 21, 1998, the federal debt stood at $5,510,750,292,549.80 (Five trillion, five hundred ten billion, seven hundred fifty million, two hundred ninety-two thousand, five hundred forty-nine dollars and eighty cents).

Five years ago, September 21, 1993, the federal debt stood at $4,392,902,000,000 (Four trillion, three hundred ninety-two billion, nine hundred two million).

Ten years ago, September 21, 1988, the federal debt stood at $2,596,653,000,000 (Two trillion, five hundred ninety-six billion, six hundred fifty-three million).

Fifteen years ago, September 21, 1983, the federal debt stood at $1,354,377,000,000 (One trillion, three hundred fifty-four billion, three hundred seventy-seven million).

Twenty-five years ago, September 21, 1973, the federal debt stood at $459,603,000,000 (Four hundred fifty-nine billion, six hundred three million) which reflects a debt increase of more than $5 trillion—$5,051,147,292,549.80 (Five trillion, fifty-one billion, one hundred forty-seven million, two hundred ninety-two thousand, five hundred forty-nine dollars and eighty cents) during the past 25 years.

SUPPORT WORKING FAMILIES

Mr. KERRY. Mr. President, in a time of unprecedented economic prosperity, we have seen a reduction in inflation and unemployment yet a full-time minimum wage earner makes almost $3,000 below the poverty level—a mere $10,712 per year. No one who works full time should be poor in this country—it's time to raise the minimum wage.

Republicans say that raising the minimum wage will cause job loss and put undue burdens on business owners. But in a recent study conducted by Princeton economists David Card and Alan Krueger, their analysis of New Jersey's minimum wage increase in 1992 showed that employment in fast food restaurants grew at least as quickly as in neighboring Pennsylvania where the minimum wage stayed the same. Also noted in the study was that higher wages actually benefitted employers—turnover expenses were reduced and productivity improved due to better motivated and more stable employees. Mr. President, it's time to raise the minimum wage.

Additionally, data from the Bureau of Labor Statistics shows that since the 1996–97 wage increases took effect, 4 million new jobs have been created and unemployment is at 4.5%—its lowest level in a generation. In fact, a study by the Economic Policy Institute documents that there was no measurable negative effect on jobs. The only measurable effect was on workers—they received the pay increases they deserved. Mr. President, it's time to raise the minimum wage.

Contrary to what has been said by my colleagues on the opposite side of the aisle, workers who will benefit from this increase are not primarily teenagers from high income families. 70% are adults over the age of 20 and forty percent of minimum wage workers are the sole bread winners in their families. As a matter of fact, the average minimum wage earner brings home half of their family's income. Additionally, 60% of minimum wage earners are women. Mr. President, it's time to raise the minimum wage.

In 1979, minimum wage earners needed to work an average of 40 hours per week to stay out of poverty. Today those same workers must work 52 hours. By raising the minimum wage one dollar by the year 2000 we will restore its purchasing power to its mid-1970's level. With unemployment levels 50% to 75% lower and inflation rates 2 to 3 times lower, we can afford to restore that purchasing power. Mr. President, it's time to raise the minimum wage.

It is time to honor the American working people with a fair wage. As President Franklin D. Roosevelt said, ''Our nation, so richly endowed with natural resources and with a capable and industrious population, should be able to devise ways and means of insuring to all able-bodied working men and women a fair day's pay for a fair day's work.'' I call upon my colleagues in the Senate to begin narrowing the gap between rich and poor in this country. We must help bring economic prosperity to the men and women who feed our families, care for our children and elderly parents, and play by the rules. It's time to help working families and it's time to raise the minimum wage.

CAL RIPKEN'S STREAK OF PLAYING 2,632 CONSECUTIVE GAMES

Ms. MIKULSKI. Mr. President, Sunday, September 20, 1998 marked the end of an era in sports. Cal Ripken, baseball's Iron Man, took a well-deserved day off. As the Baltimore Sun put it, ''The Streak died of natural causes. It was 2,632.''

Cal Ripken sat in the dugout Sunday night not because of injury, or illness, or a manager's decision. Cal voluntarily took himself out of the lineup because he felt he was not playing up to his own standards, and would not contribute enough to the team. Cal's quietly monumental decision exemplifies the dignity and class with which he has conducted himself throughout his career.

When Cal Ripken began his streak in 1982, Ronald Reagan was President, I was a Congresswoman, ''Dallas'' was the most popular TV show, and the movie ''ET'' was setting box office records. A baby born that year is about to be a junior in high school. Ryan Minor, who played in Cal's place Sunday night, was 8 years old.

I was in the stands September 6, 1995, the night that Cal played game number 2,131. I've watched history being made on the Senate floor, but that night I watched history being made on the glorious green field of Camden Yards. I will never forget the joy we all felt as the banners rolled, the light bulbs flashed, and Cal took his victory lap.

Records are made to be broken, but I can't imagine Cal's record being broken in our lifetime. The next closest player, Albert Belle, would have to play in every game for the next 14 years to equal The Streak.

What Cal has accomplished is simple: Every day for the last 16 years, he got up, got dressed, and went to work. He represents the old-fashioned ethic displayed by millions of Marylanders every day as they work hard, play by the rules, and take care of their families. It's not fancy, it's not flashy, but it is the glue that holds our communities, our society, and our nation together.

So to Cal Ripken, I say hats off, thank you for being you, and thank you for showing all of us how it's supposed to be done.''

THE OMNIBUS PATENT ACT OF 1998

Mr. LEAHY. Mr. President, I have been working diligently along with Senators DASCHLE, BINGAMAN, CLELAND, BOXER, HARKIN, and LIEBERMAN to get this measure considered and passed by the Senate. It an important measure to America's future.

Along with all the Democratic cosponsors of the bill, I signed on to offering our patent bill as an amendment to this bankruptcy bill. I helped provide an opportunity for this amendment in the unanimous consent agreement accepted by the Senate on Friday September, 11th. It is long past time for the Senate to consider this patent reform legislation.

Unfortunately, Republican opposition to the bill has prevented Senate consideration for more than a year. This is another example of how secret, anonymous holds on the Republican side are preventing important legislation from being considered by the Senate. I deeply regret that those same Republican objections have now succeeded in preventing our Republican cosponsor, the Chairman of the Senate Judiciary Committee, from even offering this amendment to the bill in the amendment spot that we had reserved for that purpose. I believe that there is strong support for this measure. I cannot guarantee that all 45 Democratic Senators will vote for it, but I do know that no Democrat has prevented or is now preventing its consideration.

I want to thank Secretary Daley and the Administration for their unflagging support of effective patent reform. Our patent bill would be good for Vermont, good for American innovators of all sizes, and good for America. Unfortunately, the Republican majority or some secret minority of that Republican majority will not allow patent reform to proceed.

OVERVIEW OF THE PATENT BILL

The Patent Bill would reform the U.S. patent system in important ways. It would: reduce legal fees that are paid by inventors and companies; eliminate duplication of research efforts and accelerate research into new areas; increase the value of patents to inventors and companies; and facilitate U.S. inventors and companies' research, development, and commercialization of inventions.

In Vermont, we have a number of independent inventors and small companies. It is, therefore, especially important to me that this bill be one that helps them as well as the larger companies in Vermont like IBM. So I talked to independent inventors and representatives of smaller companies to see what reforms they recommended. I have tried to make sure that their recommendations were incorporated into the Patent Bill as the legislation has advanced through Congress.

LEGISLATIVE HISTORY

The reforms that would be implemented with the passage of this legislation have been subject to careful and deliberate consideration by Congress. In fact, over the past several years, Congress has held eight Congressional hearings with over 80 witnesses testifying about the various proposals incorporated in the Patent Bill.

Republican and Democratic Administrations alike, reaching back to the Johnson Administration, have supported these reforms. Last year, five former Patent Commissioners sent a letter to the President and to the members of the Senate supporting the Patent Bill.

In addition to the thorough consideration that has been given these reforms over the years, the Senate has given close scrutiny this Congress to the bill before us today. The Senate Judiciary Committee held a hearing on this legislation on May 7, 1997. The Committee heard testimony of Senator FRANK LAUTENBERG, Representative HENRY HYDE; Representative HOWARD COBLE; Representative DANA ROHRABACHER; Representative MARCY KAPTUR; the Assistant Secretary of Commerce and Commissioner of Patents and Trademarks; the Executive Director of the American Intellectual Property Law Association; the Vice President of the International Trademark Association; the President and CEO of a small business in Utah; and Bill Parker, President of the Vermont Inventors Association.

After the hearing, Senator HATCH and I worked to address the concerns of independent inventors, small businesses, universities, the Administration, and other Senators. We made several changes to the legislation, which I think significantly improved the Patent Bill. Let me give you some examples of the changes that we made to the legislation: (1) any applicant who does not apply for a patent overseas can elect NOT to have early publication of their patent (2) any applicant who diligently prosecutes a patent application will receive a full 17 years of patent protection; (3) non-profit research laboratories or other nonprofit entities such as universities, research centers, or hospitals can petition the Commissioner of Patents and Trademarks for additional patent protection; and (4) the United States Patent and Trademark Office (PTO) must develop statewide computer networks with remote library sites to enhance access to information in state patent and trademark depository libraries for independent inventors and small businesses in rural states.

On May 22, Senator HATCH and I offered a substitute amendment with these changes. Every member of the Committee, save one, voted in favor of the Hatch/Leahy substitute amendment.

After the markup, the White House Conference on Small Businesses, which consists of over 2000 delegates elected from hundreds of thousands of active small businesses nationwide, made additional suggestions on how to improve the bill. Senator HATCH and I agreed to incorporate their suggested changes into a substitute amendment to the Patent Bill, and I am pleased to report that as a result, the White House Conference on Small Businesses, the National Association of Women Business Owners, the National Venture Capital Association, National Small Business United, and the Small Business Technology Coalition has concluded that, if enacted, this bill would be of great benefit to small businesses.

TITLE BY TITLE ANALYSIS

Unfortunately, because of Republican opposition to this bipartisan bill, the Senate will have no opportunity to consider this legislation to assist U.S. inventors small and large. I find this particularly unfortunate since our Patent Bill was geared toward improving the operational efficiency at the PTO and making government smaller and leaner. I would like to provide a title-by-title overview of the substitute amendment to the Patent Bill that Senator HATCH and I were prepared to offer as an amendment to the bankruptcy bill.

Title I of the amendment: PTO reforms

Title I of the amendment would have made some modest, albeit important, reforms to the PTO. It provides that the PTO shall not be subject to any administratively or statutorily imposed limitation on positions or personnel. This should allow the PTO to hire the necessary number of examiners to review the increasing number of applications received by the office. Title I also creates a Patent Management Advisory Board and a Trademark Management Advisory Board. Of the five members of the Patent Management Advisory Board, not more than three shall be members of the same political party, at least one member shall be an independent inventor, and the members shall include individuals who represent small and large entity patent applicants located in the United States in proportion to the number of applications files by such members.

Title II of the amendment: Publication of Patent Applications

Title II of the amendment responds to the concerns of independent inventors and small businesses regarding the matter of 18-month publication. These concerns were articulated at the Senate Judiciary Committee hearing by the President of the Vermont Inventors Association, Bill Parker. Mr. Parker suggested giving applicants who only file in the United States a choice whether or not to publish early. He also recommended that we enhance the protections granted to those who choose 18-month publication if we wish to encourage them to take that course.

Title II does both of these things. In particular, it allows any applicant to avoid publication before the granting of the patent simply by making such a request upon filing the application and by certifying that their application has not—and will not—be published abroad. The substitute also provides for the issuance of patents on individual claims in published applications as they are approved, rather than waiting for the disposition of all claims contained in such an application, as now occurs. This allows applicants to gain full patent protection—including reasonable royalties, damages, and attorneys fees when appropriate—for some of their component inventions earlier than they would have under the original draft of the bill.

This new Title II in our substitute amendment will benefit U.S. researchers and manufacturers who will have early English language access to the applications filed with the PTO that are of foreign origin. This bill measures the 18-month publication period from the earliest patent application date anywhere in the world. Since foreign-origin applications typically are filed abroad 12 months before they are filed here, those applications will be published 6 months after they are filed in the U.S.; that is a year earlier than domestic-origin applications. This will level the playing field with foreign countries that already are publishing our applications in their languages within 6 months after our applications are filed abroad.

Title III of the amendment: Patent Term Restoration

In 1995, GATT changed the U.S. patent term from 17 years from issuance to 20 years from filing. On average, this new term does not result in loss of patent term. It is still possible, however, that an individual patentee would have

less patent term under the post-GATT term than under the pre-GATT term. To remedy this situation, Title II of the substitute amendment restores patent term lost to ''unusual administrative delay'' by the PTO and guarantees all diligent applicants a minimum 17-year term.

More specifically, the 1995 law authorizes patent extensions for only 5 years, and authorizes extensions only for PTO delays occurring in three specific situations: interference proceedings, imposition of secrecy orders, and appellate review. Title II of the substitute amendment makes extensions available to compensate for any type of delay by the PTO—extensions up to 10 years in the case of appellate review or unusual administrative delay, and unlimited extensions for delays caused by secrecy orders and interference proceedings.

Title IV of the amendment: Prior Domestic Commercial Use

Title IV of the amendment will provide protection against an infringement suit for anyone who has commercially used an invention for more than a year before another person files for a patent on an invention. In raising this defense, the burden of proof will be on the person claiming the defense, not the patent holder. This provision will protect the unsophisticated entrepreneur from being ruined. Under current law, an independent entrepreneur who has invested perhaps his or her entire life savings to produce and market an invention can be shut down completely by someone else who comes along much later and gets a patent on the same invention. A prior use right will protect independent entrepreneurs from this financial disaster.

Title V of the amendment: Patent Reexamination Reform

Although the goal of the original reexamination provisions—reducing legal bills for patent applicants—was laudable, I was concerned that the legislation protect against harassment by third parties. Title V of the amendment now requires that everyone who requests reexamination of a patent to identify the real party in interest that they represent. It continues to limit the grounds for patent invalidity that can be raised during a reexamination proceeding to earlier patents and publications. Grounds that require evaluation of live testimony cannot be raised. Parties are prohibited from requesting a second reexamination until the first reexamination is completed. Parties cannot raise issues during reexamination that they raised or could have raised in earlier court litigation. Neither can they raise issues in court litigation that they raised or could have raised in an earlier examination. Furthermore, no reexamination proceeding can ever be started unless the Commissioner makes a determination that a substantial new question of patentability is raised. The Commissioner's determination not to start a reexamination is unappealable. In all of these ways, the re-examination provisions in the substitute amendment will provide an alternative to the current costly and time-consuming process of Federal litigation and at the same time, protect patent applicants against undue harassment.

Title VI of the amendment: Miscellaneous Provisions

The final title of the amendment contains several lower-profile, but nonetheless important and needed changes to American patent law. A matter of special interest to me is the section I suggested be added in this Title to enhance access to patent information. I have long thought that electronic access should be more widespread and want to work with the PTO to ensure the effective implementation of statewide electronic accessibility of patent information in rural states and eventually in all areas to make it easier for inventors to study prior art and make further advances. This should be of particular benefit to Vermont, which just recently established a patent and trademark depository library.

Also important is the section that clarifies the authority of the Copyright Office. It is intended to codify the traditional role of the Copyright Office and to confirm the Register's existing areas of jurisdiction. The new subsection 701(b)(1) reflects the Copyright Office's longstanding role as advisor to Congress on matters within its competence. This includes copyright and all matters within the scope of title 17 of the U.S. Code. The new subsection (b)(2) reflects the Copyright Office's longstanding role in advising federal agencies on matters within its competence. For example, the Copyright Office advises the U.S. Trade Representative and the State Department on an ongoing basis on the adequacy of foreign copyright laws, and serves as a technical consultant to those agencies in bilateral, regional and multilateral consultations or negotiations with other countries on copyright-related issues. The new subsection (b)(3) reflects the Copyright Office's longstanding role as a key participant in international meetings of various kinds, including as part of U.S. delegations as authorized by the Executive Branch, serving as substantive experts on matters within the Copyright Office's competence. Recent examples of the Copyright Office acting in the capacity include its central role on the U.S. delegation that negotiated the two new WIPO treaties at the 1996 Diplomatic Conference in Geneva, and its ongoing contributions of technical assistance in the TRIPS Council of the World Trade Organization and the Register's role as a featured speaker at numerous WIPO conferences. The new subsection (b)(4) describes the studies and programs that the Copyright Office has long carried out as the agency responsible for administering the copyright law and other chapters of title 17. Among the most important of these studies historically was a series of comprehensive reports on various issues produced in the 1960's as the foundation of the last general revision of U.S. copyright law, enacted as the 1976 Copyright Act. Most recently the Copyright Office has completed reports on the cable and satellite compulsory licences, legal protection for databases, and the economic and policy implications of term extension. The reference to ''programs'' includes such projects as the conferences the Copyright Office co-sponsored in 1996–97 on the subject of technology-based intellectual property management, and the International Copyright Institutes that the Copyright Office has conducted for foreign government officials at least annually over the past decade, often in cooperation with WIPO. The new subsection (b)(5) makes clear that the functions and duties set forth in this subsection are illustrative, not exhaustive. The Register of Copyrights would continue to be able to carry out other functions under her general authority under subsection 701(a), or as Congress may direct.

Today's inventors and creators can be much like those of Thomas Jefferson's day—individuals in a shop, garage or home lab. They can also be teams of scientists working in our largest corporations or at our colleges and universities. Our nation's patent laws should be fair to American innovators of all kinds—independent inventors, small businesses, venture capitalists and larger corporations. To maintain America's preeminence in the realm of technology, which dates back to the birth of this republic, we need to modernize our patent system and patent office. Our inventors know this and that is why they support this legislation.

I have received letters of endorsements of S. 507, which I placed into the CONGRESSIONAL RECORD on June 23, July 10 and July 16, from the following coalitions and companies: the White House Conference on Small Businesses, the National Association of Women Business Owners, the Small Business Technology Coalition, National Small Business United, the National Venture Capital Association, the 21st Century Patent Coalition, the Chamber of Commerce of the United States of America; the Pharmaceutical Research and Manufactures of American (Parma), the American Automobile Manufacturers Association, the Software Publishers Association, the Semiconductor Industry Association, the Business Software Alliance, the American Electronics Association, the Institute of Electrical and Electronics Engineers, Inc., the Biotechnology Industry Organization, the International Trademark Association, IBM, 3M, Intel, Caterpillar, AMP, and Hewlett-Packard.

In addition, I have letters of support of the Patent Bill from the National Association of Manufacturers, TSM/Rockwell International, Obsidian, and Allied Signal.

I am deeply disappointed that the Senate is being prevented from considering this important legislation by Republican recalcitrance. American inventors deserve better and America's future is being short changed.

THE REINSTATEMENT OF THE MEDICARE REHABILITATION ACT OF 1998

Ms. MIKULSKI. Mr. President, I rise today in support of the Reinstatement of the Medicare Rehabilitation Act of 1998, introduced by Senators REID and GRASSLEY. I have always been a strong advocate for the senior citizens of our nation and I believe this bill will help provide a safety net for some of our sickest seniors. I was pleased to recently join my colleagues as a cosponsor of this bill for two reasons—it repeals an unnecessary $1,500 cap on Medicare outpatient rehabilitation services and will allow seniors to receive treatment services that are essential to their health.

Every year our elderly are threatened by strokes, multiple injuries, and diseases. Seniors who suffer from strokes and multiple diseases in a given year often have complex health care needs that require costly, comprehensive treatment. One study has estimated that almost 13% of all Medicare beneficiaries or 635,000 seniors who receive rehabilitative services outside of a hospital setting will exceed the $1,500 cap. The treatment that they desperately need would exceed the $1,500 cap and require seniors to pay out of pocket for services or seek treatment in a hospital outpatient department in order for Medicare to cover their treatment.

How could our senior citizens be treated this way? How did this come to be? Well let me tell you, in 1997 Congress passed the Balanced Budget Act. Within that Act we placed a $1,500 cap on outpatient rehabilitation services. Limits on the cap were adopted without adequate committee hearings and a detailed analysis was not conducted by HCFA to determine the likely effects on beneficiaries' ability to obtain medically necessary services.

This was a mistake, but fortunately we can correct it by passing this legislation. The Reinstatement of the Medicare Rehabilitation Act ensures senior citizens the right to receive the medical services they need to recover. Under this bill, senior citizens will no longer be hindered by financial limitations on rehabilitation services and seniors who don't live near a hospital won't be forced to travel there just to have Medicare pay for their treatment services. I don't want an 85-year-old woman who has had a stroke and is trying to regain her ability to speak or eat to have to travel to a hospital 30 minutes away to receive treatment.

I want to let those who depend on Medicare know that we are working to protect their health. While we must continue to work diligently to protect the solvency of Medicare, we can't let seniors who need rehabilitation services fall through the cracks. I salute the sponsors of this bill and urge my colleagues to support this important legislation.

MESSAGES FROM THE PRESIDENT

Messages from President of the United States were communicated to the Senate by Mr. Williams, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE

AT 12:23 p.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the House agrees to the amendments of the Senate to the bill (H.R. 1856) to amend the fish and Wildlife Act of 1956 to direct the Secretary of the Interior to conduct a volunteer pilot project at one national wildlife refuge in each United States Fish and Wildlife Service region, and for other purposes.

The message also announced that the House has agreed to the following concurrent resolution, in which it requests the concurrence of the Senate:

H. Con. Res. 326. Concurrent resolution permitting the use of the rotunda of the Capitol on September 23, 1998, for the presentation of the Congressional Gold Medal to Nelson Rolihlahla Mandela.

The message further announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 3248. An act to provide dollars to the classroom.

H.R. 4569. An act making appropriations for foreign operations, export financing, and related programs for the fiscal year ending September 30, 1999, and for other purposes.

The message also announced that the House has passed the following bill, without amendment:

S. 1695. An act to authorize the Secretary of the Interior to study the suitability and feasibility of designating the Sand Creek Massacre National Historic Site in the State of Colorado as a unit of the National Park System, and for other purposes.

MEASURE PLACED ON THE CALENDAR

The following joint resolution was read the second time and placed on the calendar:

S.J. Res. 56. Joint resolution expressing the sense of Congress in support of the existing Federal legal process for determining the safety and efficacy of drugs, including marijuana and other Schedule I drugs, for medicinal use.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC–7047. A communication from the Secretary of Defense, transmitting, pursuant to law, a report entitled ''Second Half FY 1997 Semi-Annual Report on Program Activities to Facilitate Weapons Destruction and Nonproliferation in the Former Soviet Union''; transmitted jointly, pursuant to section 1208 of Public Law 103–160, to the Committee on Appropriations, to the Committee on Armed Services, and to the Committee on Foreign Relations.

EC–7048. A communication from the Director of the Administrative Office of the United States Courts, transmitting, pursuant to law, a report on state compliance with terms of the Antiterrorism and Effective Death Penalty Act of 1996; to the Committee on the Judiciary.

EC–7049. A communication from the Chairman of the Good Neighbor Environmental Board transmitting the Board's annual report for 1997; to the Committee on Environment and Public Works.

EC–7050. A communication from the Acting Director of the Financial Crimes Enforcement Network, transmitting, pursuant to law, the report of a rule entitled ''Exemptions from the Requirement to Report Large Currency Transactions Pursuant to the Bank Secrecy Act—Phase II'' (RIN1506–AA12) received on September 17, 1998; to the Committee on Banking, Housing, and Urban Affairs.

EC–7051. A communication from the Members of the Railroad Retirement Board, transmitting, pursuant to law, the Board's budget request for fiscal year 2000; to the Committee on Labor and Human Resources.

EC–7052. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, the annual report of the United States-Japan Cooperative Medical Science Program for the period July 1996 through July 1997; to the Committee on Labor and Human Resources.

EC–7053. A communication from the Deputy General Counsel of the Small Business Administration, transmitting, pursuant to law, the report of a rule entitled ''Small Business Size Regulations and Government Contracting Assistance Regulations; Very Small Business Concern'' received on September 16, 1998; to the Committee on Small Business.

EC–7054. A communication from the Deputy General Counsel of the Small Business Administration, transmitting, pursuant to law, the report of a rule entitled ''Disaster Loan Program (Agricultural Enterprises)'' received on September 16, 1998; to the Committee on Small Business.

EC–7055. A communication from the Deputy General Counsel of the Small Business Administration, transmitting, pursuant to law, the report of a rule entitled ''Disaster Loan Program (Eligibility Criteria)'' received on September 16, 1998; to the Committee on Small Business.

EC–7056. A communication from the Deputy General Counsel of the Small Business Administration, transmitting, pursuant to law, the report of a rule entitled ''Small Business Size Regulations and Government Contracting Assistance Regulations; Very Small Business Concern'' received on September 16, 1998; to the Committee on Small Business.

EC–7057. A communication from the Chief of the Regulations Unit, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule

entitled ''Rulings and Determination Letters'' (Rev. Proc. 98–53) received on September 17, 1998; to the Committee on Finance.

EC–7058. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, the report of a rule entitled ''Automated Data Processing Funding Limitation for Child Support Enforcement System'' (RIN0970–AB71) received on September 16, 1998; to the Committee on Finance.

EC–7059. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, the report of a rule entitled ''Computerized Support Enforcement Systems'' (RIN0970–AB70) received on September 16, 1998; to the Committee on Finance.

EC–7060. A communication from the Assistant Secretary for Legislative Affairs, Department of State, transmitting notice of a proposed Technical Assistance Agreement with Japan for the retrofit of certain radars; to the Committee on Foreign Relations.

EC–7061. A communication from the Assistant Secretary for Legislative Affairs, Department of State, transmitting notice of a proposed Manufacturing License Agreement with Canada for the overhaul of T700 helicopter engines; to the Committee on Foreign Relations.

EC–7062. A communication from the Assistant Secretary for Legislative Affairs, Department of State, transmitting notice of a proposed drawdown of funds under the Foreign Assistance Act to provide counternarcotics assistance to certain countries; to the Committee on Foreign Relations.

EC–7063. A communication from the Assistant Secretary for Legislative Affairs, Department of State, transmitting notice of technical corrections to the text of the Mutual Legal Assistance Treaty with Estonia; to the Committee on Foreign Relations.

EC–7064. A communication from the Director of the Office of Regulatory Management and Information, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''Approval and Promulgation of Implementation Plans; California State Implementation Plan Revision, Placer County Air Pollution Control District'' (FRL6164–4) received on September 17, 1998; to the Committee on Environment and Public Works.

EC–7065. A communication from the Director of the Office of Regulatory Management and Information, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''Clean Air Act Final Approval of Amendments to Title V Operating Permits Program; Pima County Department of Environmental Quality'' (FRL6165–8) received on September 17, 1998; to the Committee on Environment and Public Works.

EC–7066. A communication from the Director of the Office of Regulatory Management and Information, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''Final Authorization of State Hazardous Waste Management Program Revision'' (FRL6165–3) received on September 17, 1998; to the Committee on Environment and Public Works.

EC–7067. A communication from the Director of the Office of Regulatory Management and Information, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''Approval and Promulgation of Implementation Plans; Alaska'' (FRL6162–9) received on September 17, 1998; to the Committee on Environment and Public Works.

EC–7068. A communication from the Director of the Office of Regulatory Management and Information, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''Approval and Promulgation of Implementation Plans; California State Implementation Plan Revision, San Diego County Air Pollution Control District'' (FRL6164–6) received on September 17, 1998; to the Committee on Environment and Public Works.

EC–7069. A communication from the Director of the Office of Regulatory Management and Information, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''Acid Rain Program; 1998 Reallocation of Allowances'' (FRL6164–1) received on September 17, 1998; to the Committee on Environment and Public Works.

EC–7070. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Transportation and Community and System Preservation Pilot Program—Implementation of the Transportation Equity Act for the 21st Century'' (Docket 09–4370) received on September 17, 1998; to the Committee on Commerce, Science, and Transportation.

EC–7071. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Special Local Regulations: 2nd Annual Hobbs Island Regatta, Tennessee River mile 333.5 to 336.5, Huntsville, Alabama'' (Docket 08–98–060) received on September 17, 1998; to the Committee on Commerce, Science, and Transportation.

EC–7072. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Safety Zone: World Yacht Cruises Fireworks, New York Harbor, Upper Bay'' (Docket 01–98–144) received on September 17, 1998; to the Committee on Commerce, Science, and Transportation.

EC–7073. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Special Local Regulations; Around Alone Sailboat Race, Charleston, SC'' (Docket 07–98–008) received on September 17, 1998; to the Committee on Commerce, Science, and Transportation.

EC–7074. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Drawbridge Operation Regulation; Portage Bayou, Tchoutacabouffa and Wolf Rivers, MS'' (Docket 08–98–055) received on September 17, 1998; to the Committee on Commerce, Science, and Transportation.

EC–7075. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Airworthiness Directives: Aerospatiale Model ATR72–212A Series Airplanes'' (Docket 98–NM–159–AD) received on September 17, 1998; to the Committee on Commerce, Science, and Transportation.

EC–7076. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Airworthiness Directives: Bombardier Model CL–215–6B11 (CL–415 Variant) Series Airplanes'' (Docket 98–NM–03–AD) received on September 17, 1998; to the Committee on Commerce, Science, and Transportation.

EC–7077. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Establishment of Class E Airspace; Crosby, ND'' (Docket 98–AGL–42) received on September 17, 1998; to the Committee on Commerce, Science, and Transportation.

EC–7078. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Establishment of Class E Airspace; Willits, CA'' (Docket 96–AWP–26) received on September 17, 1998; to the Committee on Commerce, Science, and Transportation.

EC–7079. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Realignment of VOR Federal Airway V–485; San Jose, CA'' (Docket 95–AWP–6) received on September 17, 1998; to the Committee on Commerce, Science, and Transportation.

EC–7080. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Standard Instrument Approach Procedures; Miscellaneous Amendments'' (Docket 29328) received on September 17, 1998; to the Committee on Commerce, Science, and Transportation.

EC–7081. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Standard Instrument Approach Procedures; Miscellaneous Amendments'' (Docket 29329) received on September 17, 1998; to the Committee on Commerce, Science, and Transportation.

EC–7082. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Standard Instrument Approach Procedures; Miscellaneous Amendments'' (Docket 29330) received on September 17, 1998; to the Committee on Commerce, Science, and Transportation.

EC–7083. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Amendment of Class E Airspace; Price, UT'' (Docket 98–ANM–12) received on September 17, 1998; to the Committee on Commerce, Science, and Transportation.

EC–7084. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Airworthiness Directives; Construcciones Aeronauticas, S.A. (CASA) Model C–212 Series Airplanes'' (Docket 96–NM–123–AD) received on September 17, 1998; to the Committee on Commerce, Science, and Transportation.

EC–7085. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Airworthiness Directives; Fokker Model F28 Mark 1000, 2000, 3000, and 4000 Series Airplanes'' (Docket 97–NM–290–AD) received on September 17, 1998; to the Committee on Commerce, Science, and Transportation.

EC–7086. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Airworthiness Directives; Airbus Industrie Model A320 Series Airplanes'' (Docket 97–NM–156–AD) received on September 17, 1998; to the Committee on Commerce, Science, and Transportation.

EC–7087. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Airworthiness Directives; Boeing Model 747 Series Airplanes'' (Docket 97–NM–47–AD) received on September 17, 1998; to the Committee on Commerce, Science, and Transportation.

EC–7088. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Airworthiness Directives; McDonnell Douglas Model DC–9–10, –15, and –30 Series Airplanes'' (Docket 96–N–272–AD) received on September 17, 1998; to the Committee on Commerce, Science, and Transportation.

EC–7089. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Airworthiness Directives; S.N. Centrair 101 Series Sailplanes'' (Docket 98–CE–49–AD) received on September 17, 1998; to the Committee on Commerce, Science, and Transportation.

EC–7090. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Airworthiness Directives; CFM International CFM56–7B Series Turbofan Engines'' (Docket 98–ANE–50–AD) received on September 17, 1998; to the Committee on Commerce, Science, and Transportation.

EC–7091. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Airworthiness Directives; Airbus Model A310, A300–600, and A320 Series Airplanes'' (Docket 97–NM–107–AD) received on September 17, 1998; to the Committee on Commerce, Science, and Transportation.

EC–7092. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Airworthiness Directives; Saab Model SAAB 2000 Series Airplanes'' (Docket 98–NM–42–AD) received on September 17, 1998; to the Committee on Commerce, Science, and Transportation.

EC–7093. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Airworthiness Directives; Rolls-Royce Limited, Aero Division—Bristol/S.N.E.C.M.A. Olympus 593 Series Turbojet Engines'' (Docket 98–ANE–07–AD) received on September 17, 1998; to the Committee on Commerce, Science, and Transportation.

EC–7094. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Airworthiness Directives; Rolls-Royce, plc RB211 Trent 700 Series Turbofan Engines'' (Docket 98–ANE–10–AD) received on September 17, 1998; to the Committee on Commerce, Science, and Transportation.

EC–7095. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Airworthiness Directives; Boeing Model 727 and Model 737 Series Airplanes Equipped with J.C. Carter Company Fuel Valve Actuators'' (Docket 96–NM–31–AD) received on September 17, 1998; to the Committee on Commerce, Science, and Transportation.

EC–7096. A communication from the Chief of the Regulations Unit, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled ''Determination of Issue Price in the Case of Certain Debt Instruments Issued for Property'' (Rev. Rul. 98–50) received on September 21, 1998; to the Committee on Finance.

EC–7097. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, the report of a rule entitled ''Revised OIG Exclusion Authorities Resulting From Public Law 104–191'' (RIN0991–AA87) received on September 16, 1998; to the Committee on Labor and Human Resources.

EC–7098. A communication from the Assistant Secretary for Export Administration, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled ''Establishment of 24-month Validity Period for Certain Reexport Authorizations and Revocation of Other Authorizations'' (RIN0694–AB74) received on September 16, 1998; to the Committee on Banking, Housing, and Urban Affairs.

EC–7099. A communication from the Congressional Review Coordinator, Animal and Plant Health Inspection Service, Department of Agriculture, transmitting, pursuant to law, the report of a rule entitled ''Karnal Bunt; Movement From Regulated Areas'' (Docket 96–016–32) received on September 21, 1998; to the Committee on Agriculture, Nutrition, and Forestry.

EC–7100. A communication from the Congressional Review Coordinator, Animal and Plant Health Inspection Service, Department of Agriculture, transmitting, pursuant to law, the report of a rule entitled ''Solid Wood Packing Material From China'' (Docket 98–087–1) received on September 21, 1998; to the Committee on Agriculture, Nutrition, and Forestry.

PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and were referred or ordered to lie on the table as indicated:

POM–544. A resolution adopted by the Council of the City of Cincinnati, Ohio, relative to proposed legislation on children's gun violence; to the Committee on the Judiciary.

POM–545. A resolution adopted by the Legislature of Guam; to the Committee on Commerce, Science, and Transportation.

RESOLUTION NO. 303

Whereas, historically the United States has protected its shipping industry through maritime cabotage laws, including Section 27 of the Merchant Marine Act of 1920, commonly known as the Jones Act, the Passenger Vessel Services Act of 1886 and the statutes referring to towage and dredging; and

Whereas, these maritime cabotage laws strictly limit the carriage of passengers and merchandise between the U.S. mainlaind and the offshore jurisdictions of Guam, Hawaii, Alaska, and Puerto Rico to United States built and flag ships, which are crewed, owned and controlled by United States citizens; and

Whereas, Ninety Percent (90%) of the goods consumed in Guam are imported and virtually all of these goods arrive by sea; and

Whereas, Alaska, Hawaii, and Puerto Rico are similarly dependent on ocean shipping for the operation of their economies; and

Whereas, there are only 122 deep-draft, self-propelled ships of 1,000 gross registered tons and over in the active oceangoing domestic commercial fleet of the United States with an average age of 31 years, of which 89 are tankers. While in the world fleet there are more than 25,000 deep-draft, oceangoing ships with an average age of 18 years. The world fleet includes many kinds of specialist ships not available in the domestic United States fleet yet needed for transportation in the domestic non-contiguous trades and economic development in the offshore jurisdictions of the United States; and

Whereas, due to their geographic isolations, the offshore jurisdictions are uniquely dependent on ocean shipping for surface transportation, unlike the forty-eight contiguous states that have access to alternative forms of interstate surface transportation including rail, road, and inland waterways; and

Whereas, maritime cabotage laws of the United States severely and unfairly limit the access to needed shipping services by artificially restricting the supply of ships, which is translated into higher freight rates and the non-availability of certain kinds of carriage for the offshore jurisdictions; and

Whereas, the U.S. domestic fleet is continuing to decline, only one containership has been built in the United States during the past decade, and just last year, the privately-owned, United States flag, deep-draft fleet decreased by 29 vessels and the fleet carrying capacity decreased by 1,358,000 deadweight tons; and

Whereas, the offshore American jurisdictions need access to efficient, competitive and modern shipping to compete in the global economy, especially as competing countries have ready access to the world's shipping fleet for their transportation requirements; and

Whereas, the highly-competitive Transpacific containership trade offers some of the lowest deep-water ocean freight rate in the world, especially Westbound from the United States West Coast to Asia, while the rates from the U.S. Mainland to Guam are some of the highest. With more that two dozen regularly scheduled lines, there has long been excess capacity available Westbound in the Transpacific container trade to promptly carry all of Guam and Hawaii's cargo requirements at internationally competitive rates; and

Whereas, while there are over 5,000 bulk carriers in the world fleet, there are none in the domestic United States fleet available to carry Alaskan coal to the United States West Coast, Hawaii, and Guam, which impedes the utilization of a potential domestic fuel source; and

Whereas, while there are over 6,000 tankers in the world fleet averaging 16 years of age, there are only 89 in the domestic United States fleet averaging over 30 years. The United States International Trade Commission reports that domestic tanker freight rates are double world rates; and

Whereas, in the trade between Guam and the mainland, over 96 percent of all liner and neo-bulk cargoes are carried by self-propelled oceangoing ships of over 1,000 gross registered tons, and all interstate petroleum cargoes in the Guam trade are carried by deep-draft tanker ships; and

Whereas, an important driver of the high costs of living and doing business in Guam is the artificial domestic shortage of deep-draft oceangoing ships and the higher cost of domestic shipping imposed by maritime cabotage laws; and

Whereas, such costs and non-availability of deep-draft oceangoing ships impose a significant and unfair burden on the residents of Guam, Alaska, Hawaii, and Puerto Rico; and

Whereas, the offshore jurisdictions suffer a far greater negative impact from the restrictions of the maritime cabotage laws of the United States than do the contiguous states; and

Whereas, an exemption from the cabotage laws allowing foreign ships to participate in the non-contiguous trades would foster competition in ocean shipping services, provide substantial economic benefits to the offshore jurisdictions, increase consumer welfare, and make the offshore economies more globally competitive; and

Whereas, the President and Congress have already recognized the unique aspects of the other offshore American jurisdictions when they exempted American Samoa, the Commonwealth of the Northern Mariana Islands and the U.S. Virgin Islands from the applicability of the maritime cabotage laws; now, therefore, be it

Resolved, That the Twenty-Fourth Guam Legislature respectfully requests the Congress of the United States to pass legislation granting an exemption from the maritime cabotage laws of the United States to benefit Guam, Hawaii, Alaska, and Puerto Rico, to allow:

(1) Foreign flag vessels to engage in the interstate sector only of the noncontiguous

trades under the supervision of the United States Customs service, and, in Guam, in coordination with the Guam Customs and Quarantine Agency; and

(2) Foreign built United States flag vessels to freely engage in the *inter*state and *intra*state sectors of the non-contiguous trades under a coastwise (non-contiguous) endorsement; and be it further

Resolved, That the Twenty-Fourth Guam Legislature respectfully requests the President of the United States and his Administration to support the Congressional request in this Resolution; and be it further

Resolved, That Guam's Congressional Delegate request Congress to exempt Guam, Hawaii, Alaska, and Puerto Rico from maritime cabotage; and be it further

Resolved, That the Speaker certify to, and the Legislative Secretary attests, the adoption hereof and that copies of the same be thereafter transmitted to the President of the United States; to the President of the United States Senate; to the Speaker of the United States House of Representatives; to the Secretary of the United States Department of Transportation; to the Guam Congressional Delegate; and to the Honorable Carl T.C. Gutierrez, *Maga'lahen Guahan*.

Duly and regularly adopted on the 29th day of July, 1998.

POM–546. A resolution adopted by the House of the Legislature of the Commonwealth of the Northern Mariana Islands; to the Committee on Energy and Natural Resources.

HOUSE RESOLUTION NO. 11–87

Whereas, 48 USCS, Section 1694(a) establishes a federal District Court for the Northern Mariana Islands; and

Whereas, 48 USCS, Section 1694(b) directs that the President of the United States with the advice and consent of the United States Senate shall appoint a Judge for the District Court of the Mariana Islands; and

Whereas, the term of office for the Judge appointed to the District Court of the Northern Mariana Islands is ten years; and

Whereas, it is a tradition and practice of the United States that an appointee to a District Court in a state normally comes from that state; and

Whereas, judges who serve in the Northern Mariana Islands need to be familiar with the unique cultures, customs and traditions of the people of the Northern Mariana Islands; now, therefore be it

Resolved, by the House of Representatives, Eleventh Northern Mariana Commonwealth Legislature, That the House calls upon the Governor of the Commonwealth of the Northern Mariana Islands, and the Washington Representative to petition the President and the U.S. Senate so that all future candidates for appointment to the District Court for the Northern Mariana Islands should be nominated from among the qualified people of the Northern Mariana Islands who are familiar with the unique languages, cultures, customs and traditions of the people of the Northern Mariana Islands; and be it further

Resolved, That the Speaker of the House shall certify and the House Clerk shall attest to the adoption of this resolution and thereafter transmit copies to the President of the United States, the President of the U.S. Senate, the Governor of the Northern Mariana Islands, and to the Washington Representative of the Northern Mariana Islands.

Adopted by the House of Representatives on August 26, 1998.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. CAMPBELL, from the Committee on Indian Affairs, with an amendment:

H.R. 3069. A bill to extend the Advisory Council on California Indian Policy to allow the Advisory Council to advise Congress on the implementation of the proposals and recommendations of the Advisory Council (Rept. No. 105–342).

By Mr. SPECTER, from the Committee on Veterans' Affairs, with an amendment in the nature of a substitute:

S. 1385. A bill to amend title 38, United States Code, to expand the list of diseases presumed to be service connected with respect to radiation-exposed veterans (Rept. No. 105–343).

By Mr. SPECTER, from the Committee on Veterans' Affairs, with an amendment in the nature of a substitute and an amendment to the title:

S. 1822. A bill to amend title 38, United States Code, to authorize provision of care to veterans treated with nasopharyngeal radium irradiation (Rept. No. 105–344).

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. WARNER:

S. 2506. A bill to establish a National Commission on Terrorism; to the Committee on the Judiciary.

By Mr. MCCAIN (for himself, Mr. THURMOND, Mr. BURNS, and Mrs. HUTCHISON):

S. 2507. A bill to stimulate increased domestic cruise ship opportunities for the American cruising public by temporarily reducing barriers for entry into the domestic cruise ship trade; to the Committee on Commerce, Science, and Transportation.

By Mr. COCHRAN:

S. 2508. A bill to amend title XVIII of the Social Security Act to impose conditions on the implementation of the interim payment system for home health services furnished by home health agencies under the medicare program and to modify the standards for calculating the per beneficiary payment limits under such payment system, and for other purposes; to the Committee on Finance.

By Mr. WYDEN:

S. 2509. A bill to provide further protections for the watershed of the Little Sandy River as part of the Bull Run Watershed Management Unit, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. STEVENS (for himself, Mr. BYRD, Mr. ABRAHAM, Mr. ALLARD, Mr. BENNETT, Mr. BINGAMAN, Mr. BREAUX, Mr. BUMPERS, Mr. BURNS, Mr. CHAFEE, Mr. CLELAND, Mr. COATS, Mr. COCHRAN, Ms. COLLINS, Mr. CONRAD, Mr. COVERDELL, Mr. CRAIG, Mr. D'AMATO, Mr. DODD, Mr. DOMENICI, Mr. DURBIN, Mr. ENZI, Mr. FAIRCLOTH, Mr. FORD, Mr. FRIST, Mr. GORTON, Mr. GRAMM, Mr. GRAMS, Mr. GRASSLEY, Mr. GREGG, Mr. HAGEL, Mr. HATCH, Mr. HELMS, Mr. HUTCHINSON, Mrs. HUTCHISON, Mr. INHOFE, Mr. KEMPTHORNE, Mr. KERRY, Mr. LAUTENBERG, Mr. LOTT, Mr. LUGAR, Mr. MCCONNELL, Ms. MIKULSKI, Ms. MOSELEY-BRAUN, Mr. MOYNIHAN, Mr. MURKOWSKI, Mr. NICKLES, Mr. REED, Mr. REID, Mr. ROBERTS, Mr. SANTORUM, Mr. SESSIONS, Mr. SHELBY, Mr. SMITH of New Hampshire, Mr. SMITH of Oregon, Ms. SNOWE, Mr. THOMAS, Mr. THOMPSON, Mr. THURMOND, Mr. TORRICELLI, and Mr. WARNER):

S. 2510. A bill to require the Secretary of the Treasury to mint coins in commemoration of the bicentennial of the Library of Congress; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. LUGAR (for himself and Mr. HARKIN) (by request):

S. 2511. A bill to authorize the Secretary of Agriculture to pay employees of the Food Safety and Inspection Service working in establishments subject to the Federal Meat Inspection Act and the Poultry Products Inspection Act for overtime and holiday work performed by the employees; to the Committee on Agriculture, Nutrition, and Forestry.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. FRIST (for himself, Mr. JEFFORDS, Mr. LOTT, Ms. MIKULSKI, Mr. COATS, Mrs. MURRAY, Mr. MCCONNELL, Mr. HARKIN, Ms. COLLINS, Mr. GREGG, and Mr. BINGAMAN):

S. Con. Res. 119. A concurrent resolution recognizing the 50th anniversary of the American Red Cross Blood Services; to the Committee on the Judiciary.

By Mr. SARBANES (for himself, Ms. MIKULSKI, Mr. ROBB, and Mr. WARNER):

S. Con. Res. 120. A concurrent resolution to redesignate the United States Capitol Police headquarters building located at 119 D Street, Northeast, Washington, D.C., as the ''Eney, Chestnut, Gibson Memorial Building''; to the Committee on Rules and Administration.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. WARNER:

S. 2506. A bill to establish a National Commission on Terrorism; to the Committee on the Judiciary.

NATIONAL COMMISSION ON TERRORISM LEGISLATION

Mr. WARNER. Mr. President, terrorism, both domestic and international, will regrettably, continue to be a threat to United States citizens and, indeed, to humanity into the millennium. It is the weapon of choice for those nations, entities, and individuals bent on pursuing myriad aims through the cowardly, cold-blooded sacrifice of innocents.

In his remarks to the opening session of the United Nations General Assembly yesterday, President Clinton focused on the reality of terrorism in the world community. ''This is a threat,'' he said, ''to all humankind.'' At the end of this statement, I include excerpts of the President's speech.

Terrorism is one of the principal threats to global economic and political stability and will continue to be for the foreseeable future. As such, U.S. foreign and economic policies designed to foster peace and prosperity through stability will be weakened.

U.S. policies, citizens and interests continue to be prime targets for international terrorism. The April 1998 Department of State report, ''Patterns of

Global Terrorism,'' noted that approximately 33% of all terrorist incidents worldwide were committed against U.S. citizens or property. These attacks were by and large perpetrated outside of the continental United States.

The Congress will soon be considering appropriations to increase the physical security to United States missions abroad. Of the 260 diplomatic posts overseas, only 40 are determined to be safe against terrorist attack.

While it is clear that the safety and stability of the world community continue to be threatened, terrorist activity and the perpetrators of that activity require leaders to reexamine our understanding of terrorism and develop policy to continue to combat the threat.

The motivation to commit acts of terrorism are no longer viewed as those with simply political ends. No longer are these senseless acts of death and destruction purely the domain of those with a political agenda. Increasingly, terrorists are motivated by religious goals, by the pursuit of financial profit, by long-standing racial, ethnic or tribal divisions and animosities, or by a mix of all of the above.

The age of information technology and proliferation of weapons of mass destruction threaten to increase the potential arsenal for terror. In testimony before the Armed Services Committee, witnesses have explained, as you can well imagine, the possible devastation which could be inflicted through skilled use of modern technologies. What have been violent attacks with rudimentary car bombs, may very well soon be attacks of apocalyptic proportions.

A few days ago, Representative FRANK WOLF, an outstanding Member of the House from just across the Potomac and able member of the Commonwealth's delegation, presented to me this legislation to address the challenges of the terrorism threat. His bill has been accepted by the House of Representatives and will be a conference item by the Appropriations Committee. I present this legislation to my colleagues in the Senate for consideration and deliberation.

The legislation assembles 15 distinguished experts in the field of terrorism, including three Congressmen and three Senators. Their goal will be to review and assess United States policies on terrorism, from basic understanding to appropriate response, and recommend changes as warranted. This initiative is not intended as an attack on existing policy, but a means to enhance our understanding of one of the principal threats to stability in the millennium and focus every available resource to eliminate the threat.

I urge my colleagues to review this important legislation.

Mr. President, I ask unanimous consent that excerpts from President Clinton's address to the United Nations be printed in the RECORD.

There being no objection, the excerpts where ordered to be printed in the RECORD, as follows:

REMARKS BY THE PRESIDENT TO THE OPENING SESSION OF THE 53RD UNITED NATIONS GENERAL ASSEMBLY

The President. * * * We still are bedeviled by ethnic, racial, religious and tribal hatreds; by the spread of weapons of mass destruction; by the almost frantic effort of too many states to acquire such weapons; and, despite all efforts to contain it, terrorism is not fading away with the end of the 20th century. It is a continuing defiance of Article 3 of the Universal Declaration of Human Rights, which says, ''Everyone has the right to life, liberty and security of person.''

* * * * *

Obviously this is a matter of profound concern to us. In the last 15 years our citizens have been targeted over and over again—in Beirut, over Lockerbie, in Saudi Arabia, at home in Oklahoma City by one of our own citizens, and even here in New York in one of our most public buildings, and most recently on August 7th in Nairobi and Dar es Salaam, where Americans who devoted their lives to building bridges between nations, people very much like all of you, died in a campaign of hatred against the United States.

* * * * *

If terrorism is at the top of the American agenda—and should be at the top of the world's agenda—what, then are the concrete steps we can take together to protect our common destiny. What are our common obligations? At least, I believe they are these: to give terrorists no support, no sanctuary, no financial assistance; to bring pressure on states that do; to act together to step up extradition and prosecution; to sign the Global Anti-Terror Conventions; to strengthen the Biological Weapons and Chemical Convention; to enforce the Chemical Weapons Convention; to promote stronger domestic laws and control the manufacture and export of explosives; to raise international standards for airport security, to combat the conditions that spread violence and despair.

* * * * *

By Mr. MCCAIN (for himself, Mr. THURMOND, Mr. BURNS, and Mrs. HUTCHISON):

S. 2507. A bill to stimulate increased domestic cruise ship opportunities for the American cruising public by temporarily reducing barriers for entry into the domestic cruise ship trade; to the Committee on Commerce, Science, and Transportation.

THE UNITED STATES CRUISE SHIP TOURISM ACT OF 1998

● Mr. MCCAIN. Mr. President, today I, with Senators THURMOND, BURNS, and HUTCHISON, introduce the United States Cruise Ship Tourism Act of 1998. The purpose of this bill is to stimulate increased domestic cruise vessel opportunities for the American cruising public by temporarily reducing barriers for entry into the domestic cruise ship trade.

The oceangoing cruise ship industry offers the American cruising public with a multitude of itineraries in international trade. However, due to barriers to entry such as the Passenger Vessel Services Act, large cruise ship domestic trade options are limited to one oceangoing cruise ship in Hawaii. Also, the U.S. port calls of these international itineraries are heavily concentrated in Florida and Alaska due to the proximity of these states to neighboring countries. This means that America's cruising public is denied the opportunity to cruise to many attractive U.S. port destinations, and those ports are denied the economic benefits of those visits, due to these domestic cruise ship trade barriers to entry.

Three separate bills addressing the domestic cruise ship trade have been referred to the Commerce Committee this Congress: S. 668, S. 803, and S. 2290. Each of these bills takes a different approach to removing barriers and stimulating growth in this area. Senator HUTCHISON, the Chairman of the Subcommittee on Surface Transportation and Merchant Marine, held a hearing last year on this subject. I would prefer we take the approach proposed in S. 803, of which I am a cosponsor, but I understand that bill does not address the concerns of some other members. We have been working with representatives of all industries concerned with this legislation for several months in an attempt to reach a consensus on this issue.

While a consensus has not yet been achieved, I believe it is time to take another step forward in the legislative process. My bill would allow the Secretary of Transportation to waive certain current coastwise trade restrictions on a limited basis to stimulate the domestic cruise ship trade. I expect some of my colleagues on the on the Commerce Committee may want to make additional changes to this bill in Committee. I look forward to working these issues out with them in the next week so that we may report this bill to the Senate later this month.

I believe it is important for this Congress to take action on this issue this year. We should maximize the economic growth potential of the domestic cruise ship trade and the cruising opportunities for America's public.●

By Mr. WYDEN:

S. 2509. A bill to provide further protections for the watershed of the Little Sandy River as part of the Bull Run Watershed Management Unit, and for other purposes; to the Committee on Energy and Natural Resources.

LITTLE SANDY WATERSHED PROTECTION

● Mr. WYDEN. Mr. President, I am today, along with Congressman BLUMENAUER in the U.S. House, introducing legislation to make sure that in the next century the children of Portland can go to their kitchen faucet and take a glass of drinking water that is as safe and pure as any that the pioneers found when they got here.

Why protect the Little Sandy? The answer is as clear as the water in that stream. Essentially, what we are proposing is to finish the job begun two years ago with passage of the Oregon Resources and Conservation Act of

1996, which brought statutory protection to the Bull Run Watershed.

Portland's city fathers acted in 1890 to protect Bull Run, and it is fitting that we continue that effort today. More than one-third of the Little Sandy watershed has already been logged; clearly, this drainage has already been pushed, and pushed hard, in terms of past timber harvest.

The protection our bill would offer will not only affect clean drinking water, but salmon recovery as well. I am hopeful that this legislation will become an important part of our region's approach to restoring steelhead habitat.

Finally, I want to commend the leadership of Mayor Vera Katz, Commissioner Erik Sten, and former Commissioner Mike Lindberg, whose vision for Portland's future laid the foundation for the introduction of this bill.

I first introduced legislation to protect the Little Sandy when I was in the House. In passing the Oregon Resource Conservation Act of 1996, I made a compromise with Senator Hatfield in which we would designate the Bull Run Watershed Management Unit as a protected area that is off limits to commercial timber harvest, and designate the Little Sandy as a study area. I am now asking the Congress to approve the addition of the Little Sandy study area to the Bull Run Management Unit, and to be subject to the management prescriptions which were established under the ORCA governing the Bull Run.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2509

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. INCLUSION OF ADDITIONAL PORTION OF THE LITTLE SANDY RIVER WATERSHED IN THE BULL RUN WATERSHED MANAGEMENT UNIT, OREGON.

(a) IN GENERAL.—Public law 95–200 (16 U.S.C. 482b note) is amended by striking section 1 and inserting the following:

''SECTION 1. ESTABLISHMENT OF SPECIAL RESOURCES MANAGEMENT UNIT; DEFINITION OF SECRETARY.

''(a) ESTABLISHMENT.—

''(1) IN GENERAL.—There is established, subject to valid existing rights, a special resources management unit in the State of Oregon comprising approximately 98,272 acres, as depicted on a map dated September, 1998, and entitled 'Bull Run Watershed Management Unit'.

''(2) MAP.—The map described in paragraph (1) shall be on file and available for public inspection in the offices of the Regional Forester-Pacific Northwest Region, Forest Service, Department of Agriculture, and in the offices of the State Director, Bureau of Land Management, Department of the Interior.

''(3) BOUNDARY ADJUSTMENTS.—Minor adjustments in the boundaries of the unit may be made from time to time by the Secretary after consultation with the city and appropriate public notice and hearings.

''(b) DEFINITION OF SECRETARY.—In this Act, the term 'Secretary' means—

''(1) with respect to land administered by the Secretary of Agriculture, the Secretary of Agriculture; and

''(2) with respect to land administered by the Secretary of the Interior, the Secretary of the Interior.''.

(b) CONFORMING AND TECHNICAL AMENDMENTS.—

(1) SECRETARY.—Public Law 95–200 (16 U.S.C. 482b note) is amended by striking ''Secretary of Agriculture'' each place it appears (except subsection (b) of section 1, as added by subsection (a), and except in the amendments made by paragraph (2)) and inserting ''Secretary''.

(A) IN GENERAL.—Section 2(a) of Public Law 95–200 (16 U.S.C. 482b note) is amended by striking ''applicable to National Forest System lands'' and inserting ''applicable to National Forest System land (in the case of land administered by the Secretary of Agriculture) or applicable to land under the administrative jurisdiction of the Bureau of Land Management (in the case of land administered by the Secretary of the Interior)''.

(B) MANAGEMENT PLANS.—The first sentence of section 2(c) of Public Law 95–200 (16 U.S.C. 482b note) is amended—

(i) by striking ''subsection (a) or (b)'' and inserting ''subsections (a) and (b)''; and

(ii) by striking '', through the maintenance'' and inserting ''(in the case of land administered by the Secretary of Agriculture) or section 202 of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1712) (in the case of land administered by the Secretary of the Interior), through the maintenance.''.

SEC. 2. MANAGEMENT.

(a) TIMBER HARVESTING RESTRICTIONS.—Section 2(b) of Public Law 95–200 (16 U.S.C. 482b note) is amended by striking paragraph (1) and inserting the following:

''(1) IN GENERAL.—Subject to paragraph (2), the Secretary shall prohibit the cutting of trees on Federal land in the entire unit, as designated in section 1 and depicted on the map referred to in that section.''.

(b) REPEAL OF MANAGEMENT EXCEPTION.—The Oregon Resource Conservation Act of 1996 (division B of Public Law 104–208) is amended by striking section 606 (110 Stat. 3009–543).

(c) REPEAL OF DUPLICATIVE ENACTMENT.—Section 1026 of division I of the Omnibus Parks and Public Lands Management Act of 1996 (Public Law 104–333, 110 Stat. 4228) and the amendments made by that section are repealed.

(d) WATER RIGHTS.—Nothing in this section strengthens, diminishes, or has any other effect on water rights held by any person or entity.

SEC. 3. LAND EXCHANGE.

(a) LAND EXCHANGE.—Upon application by the city of Portland, Oregon (referred to in this section as the ''city''), the Secretary of Agriculture shall enter into negotiations with the city for the transfer of National Forest System land underlying the city's Bull Run water supply facilities to the city in exchange for city-owned land lying within the boundaries of any unit of the National Forest System in Oregon or Washington.

(b) TIME FOR EXCHANGE.—Subject to subsection (c), the Secretary shall expedite the negotiations, if the city applies for a land exchange under subsection (a), and shall complete such a land exchange not later than September 30, 2001.

(c) APPLICABILITY OF OTHER LAWS.—Except as provided in subsection (d), any land exchange under this section shall be carried out in accordance with section 206 of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1716) and other applicable law.

(d) EXCEPTION TO SINGLE STATE LIMITATION ON EXCHANGE.—The requirement that Federal and non-Federal parcels of land exchanged for each other must be located within the same State, as specified in the Act entitled ''An Act to Consolidate National Forest Lands'', approved March 20, 1922 (16 U.S.C. 485), and the first sentence of section 206(b) of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1716(b)), shall not apply to the land exchange authorized by this section.●

By Mr. LUGAR (for himself and Mr. HARKIN) (by request):

S. 2511. A bill to authorize the Secretary of Agriculture to pay employees of the Food Safety and Inspection Service working in establishments subject to the Federal Meat Inspection Act and the Poultry Products Inspection Act for overtime and holiday work performed by the employees; to the Committee on Agriculture, Nutrition, and Forestry.

FEDERAL MEAT AND POULTRY EMPLOYEES PAY ACT OF 1998

● Mr. LUGAR. Mr. President, today I introduce legislation, by request, to modify the overtime pay for meat inspectors who are veterinarians. Senator HARKIN, the ranking minority member of the Senate Agriculture Committee, has joined as a cosponsor.

This legislation was transmitted to Congress by the U.S. Department of Agriculture earlier this year. As drafted, the bill would provide the Secretary of Agriculture with the authority to pay Food Safety and Inspection Service employees, working in plants subject to federal meat or poultry inspection, for overtime and holiday work at rates determined by the Secretary.

Due to an anomaly in current law, meat inspectors who are veterinarians receive lower pay for overtime hours than they receive for regular hours. These veterinarians are seeking true overtime pay of 1½ times their hourly rate without a cap on the rate.

While the Federal Meat Inspection Act allows the U.S. Department of Agriculture (USDA) to provide overtime pay at rates determined by USDA, the Poultry Products Inspection Act does not provide this authority. The legislation introduced today would allow USDA to pay overtime for veterinarians at rates determined by USDA. Clearly an inequity exists for veterinarians who work overtime.

I am pleased to introduce this legislation at the request of the U.S. Department of Agriculture. I look forward to hearing the views of my colleagues about this legislation and will seek opportunities to move this bill through the legislative process.

Mr. President, I ask unanimous consent to include in the RECORD a copy of the transmittal letter from the Secretary of Agriculture.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY,
Washington, DC, March 23, 1998.

Hon. ALBERT GORE, Jr.,
President of the Senate,
Washington, DC.

DEAR MR. PRESIDENT: This letter transmits, for the consideration of the Congress, a draft bill ''To provide the Secretary of Agriculture with the authority to pay employees of the Food Safety and Inspection Service (FSIS) working in establishments subject to the Federal Meat Inspection Act and the Poultry Products Inspection Act for overtime and holiday work performed by such employees at rates the Secretary deems appropriate'' that the Department of Agriculture (USDA) recommends be enacted.

The proposed legislation would provide the Secretary of Agriculture with the discretion to pay employees of FSIS, working in establishments subject to the Federal Meat Inspection Act (FMIA) and the Poultry Products Inspection Act (PPIA), for overtime and holiday work at rates determined by the Secretary.

Under current authorities, the Secretary is authorized to pay employees performing inspection under the FMIA for overtime work at rates the Secretary determines. However, no similar authority exists for employees performing inspection under the PPIA. Further, because current law caps overtime rates for Federal veterinarians working in poultry establishments, those at the higher steps of the Federal pay scale receive an hourly overtime rate less than their hourly rate of basic pay.

The draft bill will eliminate the potential inequity between FSIS veterinarians providing inspection services under the FMIA and the PPIA and will provide the Secretary with the authority to compensate appropriately FSIS veterinarians performing inspections in meat and poultry establishments.

Enactment of the legislation would cost FSIS approximately $300,000 per year to cover situations when the veterinarian is on overtime but the establishment is not. The Department believes that it will be able to absorb these additional costs within current budgetary levels. When an establishment is in an overtime status, it must reimburse USDA for the overtime at rates determined by the Secretary.

Enactment of this proposed legislation would have no significant effect on the quality of the human environment.

The Office of Management and Budget advises that there is no objection to the presentation to Congress of this proposed legislation from the standpoint of the Administration's program.

A similar letter is being sent to the Speaker of the House.

Sincerely,

DAN GLICKMAN, *Secretary.*●

By Mr. COCHRAN:

S. 2508. A bill to amend title XVIII of the Social Security Act to impose conditions on the implementation of the interim payment system for home health services furnished by home health agencies under the Medicare Program and to modify the standards for calculating the per beneficiary payment limits under such payment system, and for other purposes; to the Committee on Finance.

HOMEBOUND ELDERLY RELIEF OPPORTUNITY ACT OF 1998

Mr. COCHRAN. Mr. President, today I am introducing the ''Homebound Elderly Relief Opportunity Act of 1998'' (HERO). This measure addresses a very serious concern: the future of home care within the Medicare system.

For Mississippians, home health has had a two-fold benefit: Home care serves to reduce costly hospitalization stays while enhancing the patient's quality of life through continued stay in the familiar home setting.

Additionally, in a rural state like Mississippi, home health has enabled health care to be delivered to the immobile and elderly who are often miles and hours from the nearest hospital or clinic.

Despite these obvious benefits, home health is very expensive, however. With Medicare and government expenditures, it is not always a question of ''What we should afford?'' but ''What we can afford?''

Congress answered these questions with the Balanced Budget Act of 1997, which has brought fiscal responsibility back to government. BBA 97 dealt with among other issues, Medicare, and in turn home health, probably the fastest growing expenditure within the program. The work of Senator ROTH and the Finance Committee has helped insure some stability in home health expenditures, so that a good thing does not quickly become a bad thing and bankrupt the trust fund. However, instead of saving this vital Medicare benefit, HCFA's application of the Balanced Budget Act to home health—through the use of the Interim Payment System—has threatened its very existence. In so doing, HCFA has ignored both equity and the elderly, particularly in rural America.

The Senate has not completely ignored the home health crisis: Sixty-eight of my colleagues have made statements which appear with their photographs on a recent industry poster proclaiming the ills of HCFA's interim payment system and its threat to the continuation of home health services.

Five of my colleagues—Senators GRASSLEY and BREAUX; Senator BOND; Senator COLLINS; and Senator KENNEDY have each introduced bills to adjust or eliminate IPS. Senator BOND has been the Senate champion of saving home health. His Senate Bill 2354, of which I am cosponsor, provides a direct, honest response to the HCFA-created nightmare. His bill would impose a moratorium on IPS from fiscal year 1998 forward until HCFA develops the prospective payment system, the only sure way to solve the home health expenditure issue in a fair manner. However, the Moratorium Bill's cost has been scored by CBO to be in the many many billions. While we must save home health, we cannot do so in a way that jeopardizes all of Medicare. We must find a compromise. That is the purpose of introducing HERO today.

The HERO Bill is an effort to correct the essential problems with the interim payment system and to create a better bridge to the prospective payment system which we all hope will be developed and implemented soon. I believe it provides the best opportunity for success with respect to Government spending, Medicare reimbursement, and protecting beneficiaries.

It establishes budget limits for Medicare home health expenditures for 1999–2002 with the same savings levels currently projected by the Congressional Budget Office under the Balanced Budget Act of 1997 provisions. If expenditure estimates exceed the budget limits, payments to providers will be limited to regional levels on an equitable basis. Finally, it insures access to home care for all qualified Medicare beneficiaries.

Overall, this bill provides one last opportunity in this session for all home health beneficiaries to receive the Medicare benefit to which they are entitled and for the providers of those services to be fairly reimbursed. It corrects the essential flaw in the original payment reform which rewarded the inefficient and punished the efficient providers and failed to account for the variation in the types of patients served by home health agencies. However, this bill operates with budgetary and operational safeguards to insure that the home health benefit stays on its steady course.

Mr. President, Congress must reform IPS immediately before even more reputable home health agencies are forced out of business and more seniors are forced to go without care or leave their homes for more expensive hospital or nursing home care. I urge Senators to support this bill.

ADDITIONAL COSPONSORS

S. 38

At the request of Mr. FEINGOLD, the name of the Senator from Oregon (Mr. WYDEN) was added as a cosponsor of S. 38, a bill to reduce the number of executive branch political appointees.

S. 1081

At the request of Mr. LEAHY, the name of the Senator from Massachusetts (Mr. KERRY) was added as a cosponsor of S. 1081, a bill to enhance the rights and protections for victims of crime.

S. 1147

At the request of Mr. WELLSTONE, the names of the Senator from Georgia (Mr. CLELAND) and the Senator from Pennsylvania (Mr. SPECTER) were added as cosponsors of S. 1147, a bill to amend the Public Health Service Act, Employee Retirement Income Security Act of 1974, and the Internal Revenue Code of 1986 to provide for nondiscriminatory coverage for substance abuse treatment services under private group and individual health coverage.

S. 1301

At the request of Mr. GRAMS, his name was added as a cosponsor of S. 1301, a bill to amend title 11, United States Code, to provide for consumer bankruptcy protection, and for other purposes.

S. 2125

At the request of Mr. D'AMATO, the names of the Senator from Illinois (Ms. MOSELEY-BRAUN) and the Senator from Illinois (Mr. DURBIN) were added as cosponsors of S. 2125, a bill to amend the Internal Revenue Code of 1986 to provide for the tax treatment of section 42 housing cooperatives and the shareholders of such cooperatives, and for other purposes.

S. 2162

At the request of Mr. MACK, the name of the Senator from South Dakota (Mr. JOHNSON) was added as a cosponsor of S. 2162, a bill to amend the Internal Revenue Code of 1986 to more accurately codify the depreciable life of printed wiring board and printed wiring assembly equipment.

S. 2217

At the request of Mr. FRIST, the names of the Senator from Tennessee (Mr. THOMPSON) and the Senator from Hawaii (Mr. AKAKA) were added as cosponsors of S. 2217, a bill to provide for continuation of the Federal research investment in a fiscally sustainable way, and for other purposes.

S. 2263

At the request of Mr. GORTON, the name of the Senator from Texas (Mr. GRAMM) was added as a cosponsor of S. 2263, a bill to amend the Public Health Service Act to provide for the expansion, intensification, and coordination of the activities of the National Institutes of Health with respect to research on autism.

S. 2281

At the request of Mr. DEWINE, the name of the Senator from Pennsylvania (Mr. SANTORUM) was added as a cosponsor of S. 2281, a bill to amend the Tariff Act of 1930 to eliminate disincentives to fair trade conditions.

S. 2296

At the request of Mr. MACK, the name of the Senator from Georgia (Mr. CLELAND) was added as a cosponsor of S. 2296, a bill to amend the Internal Revenue Code of 1986 to repeal the limitation on the amount of receipts attributable to military property which may be treated as exempt foreign trade income.

S. 2318

At the request of Mr. CAMPBELL, the name of the Senator from Florida (Mr. MACK) was added as a cosponsor of S. 2318, a bill to amend the Internal Revenue Code of 1986 to phase out the estate and gift taxes over a 10-year period.

S. 2364

At the request of Mr. CHAFEE, the names of the Senator from Alaska (Mr. STEVENS), the Senator from Nebraska (Mr. KERREY), and the Senator from South Carolina (Mr. THURMOND) were added as cosponsors of S. 2364, a bill to reauthorize and make reforms to programs authorized by the Public Works and Economic Development Act of 1965.

S. 2418

At the request of Mr. JEFFORDS, the names of the Senator from Minnesota (Mr. WELLSTONE), the Senator from Massachusetts (Mr. KENNEDY), and the Senator from Nebraska (Mr. KERREY) were added as cosponsors of S. 2418, a bill to establish rural opportunity communities, and for other purposes.

S. 2432

At the request of Mr. JEFFORDS, the name of the Senator from Maryland (Mr. SARBANES) was added as a cosponsor of S. 2432, a bill to support programs of grants to States to address the assistive technology needs of individuals with disabilities, and for other purposes.

SENATE JOINT RESOLUTION 55

At the request of Mr. ROTH, the name of the Senator from New York (Mr. D'AMATO) was added as a cosponsor of Senate Joint Resolution 55, a joint resolution requesting the President to advance the late Rear Admiral Husband E. Kimmel on the retired list of the Navy to the highest grade held as Commander in Chief, United States Fleet, during World War II, and to advance the late Major General Walter C. Short on the retired list of the Army to the highest grade held as Commanding General, Hawaiian Department, during World War II, as was done under the Officer Personnel Act of 1947 for all other senior officers who served inpositions of command during World War II, and for other purposes.

SENATE CONCURRENT RESOLUTION 108

At the request of Mr. DORGAN, the names of the Senator from New York (Mr. D'AMATO) and the Senator from Maine (Ms. COLLINS) were added as cosponsors of Senate Concurrent Resolution 108, a concurrent resolution recognizing the 50th anniversary of the National Heart, Lung, and Blood Institute, and for other purposes.

SENATE RESOLUTION 259

At the request of Mr. FRIST, his name was added as a cosponsor of Senate Resolution 259, a resolution designating the week beginning September 20, 1998, as ''National Historically Black Colleges and Universities Week,'' and for other purposes.

SENATE CONCURRENT RESOLUTION 119—RECOGNIZING THE 50TH ANNIVERSARY OF THE AMERICAN RED CROSS BLOOD SERVICES

Mr. FRIST (for himself, Mr. JEFFORDS, Mr. LOTT, Ms. MIKULSKI, Mr. COATS, Mrs. MURRAY, Mr. MCCONNELL, Mr. HARKIN, Ms. COLLINS, Mr. GREGG, and Mr. BINGAMAN) submitted the following concurrent resolution; which was referred to the Committee on the Judiciary:

S. CON. RES. 119

Whereas the American Red Cross is a nonprofit humanitarian organization of 32,000 paid staff, 1,300,000 volunteers, and 4,300,000 blood donors which considers its role in the provision of blood services to be a public trust;

Whereas the American Red Cross Blood Services began by collecting and distributing blood to help save the lives of soldiers on the battlefields of World War II, and has evolved to become a leader in the healthcare industry;

Whereas following World War II the American Red Cross created the first national civilian blood program, opening its first blood center in 1948;

Whereas through the generosity of over 4,300,000 voluntary blood donors the American Red Cross is able to provide half the Nation's blood supply, and every day, in communities throughout this country, many thousands of people receive lifesaving blood in the 3,000 hospitals served by the 38 American Red Cross Blood Regions;

Whereas in May 1991, the American Red Cross announced its ambitious ''Transformation'' program, a 7-year, $287,000,000 comprehensive modernization of every aspect of the American Red Cross Blood Services blood collection, testing, processing, and distribution systems;

Whereas one of the most massive undertakings of Transformation was the Manufacturing and Computer Standardization (MACS) initiative which integrated 28 different computer systems into a single, national system linking American Red Cross Blood Regions nationwide to the world's largest blood information database for transfusion medicine research, and standardized manufacturing processes;

Whereas under Transformation the more than 50 individual, nonstandardized laboratories operated by local American Red Cross Blood Regions were replaced by 8 state-of-the-art National Testing Laboratories, which effectively implement the latest medical technology to perform the testing of approximately 6,000,000 units of blood annually, serving both American Red Cross blood centers and several non-American Red Cross blood centers as well, and are located in Atlanta, Georgia; Charlotte, North Carolina; Dedham, Massachusetts; Detroit, Michigan; Philadelphia, Pennsylvania; Portland, Oregon; St. Louis, Missouri; and St. Paul, Minnesota;

Whereas the American Red Cross Blood Services has created a Quality Assurance program recognized throughout the world as a leader in assuring quality in the manufacture of blood products;

Whereas the creation of the Charles Drew Biomedical Institute has allowed the American Red Cross to provide training and other educational resources to American Red Cross Blood Services' personnel through ''One Touch'' which is an interactive, distance learning system that allows instructors to train personnel across the country from the institute's location at American Red Cross Biomedical Headquarters in Rosslyn, Virginia;

Whereas Transformation saw the development of a centrally managed blood inventory system to ensure the consistent availability of blood and blood components in every American Red Cross Blood Services Region throughout the country, and the creation of the new centralized organizational structure within American Red Cross Blood Services;

Whereas the American Red Cross Jerome H. Holland Laboratory in Rockville, Maryland, is the world's premiere blood research facility, consistently contributing to the progress of biomedical science, especially transfusion safety and new blood products, and shares its expertise with a number of countries around the world;

Whereass the American Red Cross manages an almost $30,000,000 investment in research and development, which includes $8,000,000 in Federal research grants, and is committed to working with others in the biotechnology field to ensure that this pioneering research is translated into lifesaving products available for patient use as quickly as possible;

Whereas the American Red Cross is investigating and implementing the newest technologies to ensure blood safety, including Genome Amplification Technology to test for the human immunodeficiency virus (HIV) and for hepatitis C virus (HCV), solvent detergent treated fresh frozen plasma, virus inactivated plasma for transfusion, use of iodine in plasma filtration, and inactivation of viruses in cellular products (such as red blood cells) through a light-activated dye called 491;

Whereas the American Red Cross is in the constant process of modernization and improvement and at the forefront of new product development, and is prepared to enter the 21st century as a cutting-edge organization providing safe, high quality blood and blood products to the hundreds of thousands of patients in need;

Whereas Congress and the American Red Cross join in celebrating the phenomenal success in the reduction of HIV infection through the use of blood and blood products as evidenced by the fact that in 1991 an American's risk of HIV transmission through a blood transfusion was 1 in 220,000 and today the risk is 1 in 676,000, nearly non-existent; and

Whereas Congress and the American Red Cross encourage healthy Americans to donate blood by calling the American Red Cross: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That Congress—

(1) joins with the American Red Cross in celebration of the 50th anniversary of American Red Cross Blood Services and the impact of their efforts on modern medicine; and

(2) looks forward to the tremendous possibilities and potential for discovery and innovation as the American Red Cross Blood Services enters the next 50 years of providing the Nation with a safe blood supply.

● Mr. FRIST. Mr. President, I rise today to recognize the 50th anniversary of the American Red Cross Blood Services. The Red Cross Blood Services has been saving lives since its inception during World War II. Today, in a rapidly changing health care environment, with ever increasing challenges, the Red Cross continues to serve patients throughout our country.

The Red Cross is America's first nationwide, volunteer blood collection and distribution system. During World War II, the Red Cross saved soldiers' lives by collecting and distributing blood. This led to the first National Civilian Blood Program, with the opening of the first blood center in 1948. Today, the Red Cross serves over 3,000 hospitals nationwide by supplying almost half of the nation's blood for transfusion. This life-giving service is made possible by volunteers who generously donate nearly six million units of blood each year.

In 1991, the Red Cross began a comprehensive technology and systems review, to ensure the organization entered the next century with state-of-the-art programs, systems, and facilities. This program, entitled, ''Transformation,'' is a $287 million modernization of every aspect of blood collection, processing, and distributing. According to Red Cross President Elizabeth Dole, it is the most ambitious project that the Red Cross has ever undertaken. Transformation's goals included the creation of a new centralized management structure, a new information system, and a program of the highest quality. Without objection, I'd like to submit a copy of Mrs. Dole's remarks at the 50th Anniversary Bicentennial Celebration of the Red Cross, which includes comments on Transformation, for the RECORD.

Transformation successfully consolidated 50 individual, non-standardized labs operated by local Blood Regions into eight state-of-the-art National Testing Laboratories that perform 70 million laboratory tests each year. These new labs serve the Red Cross as well as several non-Red Cross blood centers. As part of this Transformation, the American Red Cross has undertaken a Manufacturing and Computer Standardization initiative. This program has integrated 28 different computer systems into one national system, linking Red Cross Blood Regions across the nation to the world's largest information database for transfusion medical research.

In addition, Transformation has led to standardized manufacturing processes throughout the Red Cross system, thereby promoting a consistent standard of high quality blood services. A centrally managed blood inventory system operated by the Red Cross was designed to facilitate consistent availability of blood in every region of the country. Transformation has also created the Quality Assurance Program and a new Charles Drew Biomedical Institute which provides training and other education to personnel, using state of the art technology which does not require staff and volunteers to travel for training. Instructors can now train personnel in a wide range of fields across the country.

Through the American Red Cross Jerome H. Holland Laboratory, a premiere blood research facility, significant progress has been made in improving transfusion safety, and fostering the development of new blood products. Red Cross has shared the knowledge and expertise gained through studies conducted by Holland Laboratory scientists and physicians with the transfusion services of countries throughout the world. The Red Cross translates research into life-saving products for patients because of its tremendous investment in research and development. Let me just note that the risk of becoming infected with HIV through a blood transfusion has been reduced from one in 220,000 in 1991, to one in 676,000 today—a tremendous improvement in the safety of the blood supply.

I congratulate the 32,000 paid staff and 1.3 million volunteers on their first fifty years of providing blood services, and especially want to recognize Mrs. Elizabeth Dole and her tremendous management team for their vision in the implementation of the Transformation program.

In recognition of their accomplishments, I am submitting the following concurrent resolution, with ten of my colleagues, Mr. JEFFORDS, Mr. LOTT, Ms. MIKULSKI, Mr. COATS, Mrs. MURRAY, Mr. MCCONNELL, Mr. HARKIN, Ms. COLLINS, Mr. GREGG, and Mr. BINGAMAN, to commemorate the 50th anniversary of the American Red Cross Blood Services.●

SENATE CONCURRENT RESOLUTION 120—TO REDESIGNATE THE UNITED STATES CAPITOL POLICE HEADQUARTERS AS THE ''ENEY, CHESTNUT, GIBSON MEMORIAL BUILDING''

Mr. SARBANES (for himself, Ms. MIKULSKI, Mr. ROBB, and Mr. WARNER) submitted the following concurrent resolution; which was referred to the Committee on Rules and Administration:

S. CON. RES. 120

Whereas the United States Capitol Police force has protected the Capitol and upheld the beacon of democracy in America;

Whereas 3 officers of the United States Capitol Police have lost their lives in the line of duty;

Whereas Sgt. Christopher Eney was killed on August 24, 1984, during a training exercise;

Whereas officer Jacob ''J.J.'' Chestnut was killed on July 24, 1998, while guarding his post at the Capitol; and

Whereas Detective John Gibson was killed on July 24, 1998, while protecting the lives of visitors, staff, and the Office of the Majority Whip of the House of Representatives: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That the United States Capitol Police headquarters building located at 119 D Street, Northeast, Washington, D.C., shall be known and designated as the ''Eney, Chestnut, Gibson Memorial Building''.

● Mr. SARBANES. Mr. President, today I am submitting a concurrent resolution to redesignate the United States Capitol Police Headquarters as the ''Eney, Chestnut, Gibson Memorial Building'' in honor of the three brave United States Capitol Police Officers who have been killed in the line of duty since the inception of the Capitol Police.

The United States Capitol Police are a very special breed. They have a very special duty and a special trust. They guard our nation's Capitol and keep it safe and secure for the citizens of the world. When Officers Gibson and Chestnut were killed on July 24, 1998, I joined my colleagues on the floor to express my profound shock, and to express my very heartfelt sympathies to their families. I quoted an editorial in Roll Call then and I want to read from it again because I think it sums up the nature of our Capitol Police Force:

Sometimes, given the comparative low level of violence around the Capitol complex and given that Capitol Police Officers are usually seen cheerfully directing traffic or gently herding tourists, it's forgotten that ours—meaning the Capitol Hill Police Force—is a real police force. We who live and work around the Capitol know—but others don't—that our police also fight crime in the neighborhood as well as watch the Capitol. But now all America understands that the Capitol Police do not just stand guard, but

also stand ready to be heroes. That knowledge was derived last week at a heartrending cost.

So Mr. President, the purpose of this concurrent resolution is not just to memorialize these three officers, but to honor in perpetuity the bravery, and acknowledge the sacrifice of the men and women who put their lives on the line daily to protect this symbol of democracy. I urge my colleagues to join me in support of this measure.●

AMENDMENTS SUBMITTED

CONSUMER BANKRUPTCY REFORM ACT OF 1998

REED AMENDMENT NO. 3610

Mr. REED proposed an amendment to amendment No. 3559 proposed by Mr. GRASSLEY to the bill (S. 1301) to amend title 11, United States Code, to provide for consumer bankruptcy protection, and for other purposes; as follows:

On page 5, line 10, insert ''(i)'' after ''(A)''.

On page 5, line 15, strike ''or'' and insert ''and''.

On page 5, between lines 15 and 16, insert the following:

''(ii) when any party in interest moves for dismissal or conversion, whether the party in interest dealt in good faith with the debtor; or''.

CHILD CUSTODY PROTECTION ACT

TORRICELLI AMENDMENT NO. 3611

(Ordered to lie on the table.)

Mr. TORRICELLI submitted an amendment intended to be proposed by him to the bill (S. 1645) to amend title 18, United States Code, to prohibit taking minors across State lines to avoid laws requiring the involvement of parents in abortion decisions; as follows:

At the appropriate place, insert the following:

SEC. . PROHIBITED INTERSTATE FIREARMS TRANSFERS.

Section 922(a)(3) of title 18, United States Code, is amended—

(1) by redesignating subparagraphs (A) and (B) as clauses (i) and (ii), respectively;

(2) by striking ''or licensed collector to transport'' and inserting the following: ''or licensed collector—

''(A) to transport'';

(e) by striking ''this paragraph'' and inserting ''this subparagraph'';

(4) by adding ''and'' after the semicolon at the end; and

(5) by adding at the end the following:

''(B) to—

''(i) travel across a State line for the purpose of inducing any other person to transfer a firearm in violation of any applicable Federal or State law; and

''(ii) thereby obtain a firearm in violation of any applicable Federal or State law;''.

FEINSTEIN AMENDMENT NO. 3612

(Ordered to lie on the table.)

Mrs. FEINSTEIN submitted an amendment intended to be proposed by her to the bill, S. 1645, supra; as follows:

At the appropriate place insert the following:

''Exceptions: The prohibition of subsection (a) does not apply—

''(A) to any individual who is an adult member of the family of the minor who obtained the abortion, as the term 'adult' is defined for purposes of the State law requiring parental involvement in a minor's abortion decision; or

''(B) if the abortion was necessary to save the life of''.

CENTENNIAL OF FLIGHT COMMEMORATION ACT

HELMS (AND GLENN) AMENDMENT NO. 3613

Mr. GRASSLEY (for Mr. HELMS for himself and Mr. GLENN) proposed an amendment to the bill (S. 1397) to establish a commission to assist in commemoration of the centennial of powered flight and the achievements of the Wright brothers; as follows:

In the Committee Amendment on page 38 strike lines 17 through 19 and insert the following: ''There is authorized to be appropriated to carry out this Act $250,000 for fiscal year 1999, $600,000 for fiscal year 2000, $750,000 for fiscal year 2001, $900,000 for fiscal year 2002, $900,000 for fiscal year 2003, and $600,000 for fiscal year 2004.''

NOTICES OF HEARINGS

COMMITTEE ON INDIAN AFFAIRS

Mr. CAMPBELL. Mr. President, I would like to announce that the Senate Committee on Indian Affairs will meet during the session of the Senate on Thursday, September 24, 1998, at 2 p.m. to conduct a hearing on H.R. 1805, the Auburn Indian Restoration Act. The hearing will be held in room 485 of the Russell Senate Office Building.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. CRAIG. Mr. President, I would like to announce for the public that S. 2503, a bill to establish a Presidential Commission to determine the validity of certain land claims arising out of the Treaty of Guadalupe-Hidalgo of 1848, has been added to the agenda of the Subcommittee on Forests and Public Land Management field hearing scheduled in Espanola, New Mexico on September 26, 1998.

For further information, please call Mike Menge at (202) 224–6170.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON ARMED SERVICES

Mr. HATCH. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet on Tuesday, September 22, 1998, at 10:00 a.m. in open session, to consider the nominations of Richard J. Danzig to be Secretary of the Navy; Bernard D. Rostker to be Under Secretary of the Army; Stephen W. Preston to be General Counsel of the Department of the Navy; Herbert L. Buchanan III to be Assistant Secretary of the Navy for Research, Development and Acquisition; and Jeh C. Johnson to be General Counsel of the Department of the Air Force.

The PRESIDING OFFICER. Without objection it is so ordered.

COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

Mr. HATCH. Mr. President, I ask unanimous consent that the Senate Committee on Commerce, Science, and Transportation be authorized to meet on Tuesday, September 22, 1998, at 10:00 am on nominations of Amtrak Reform Board nominees.

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

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

Mr. HATCH. Mr. President, I ask unanimous consent that the full Committee on Environment and Public Works be granted permission to conduct a hearing on S. 2470, a bill to direct the Secretary of the Interior to make technical corrections to a map relating to the Coastal Barrier Resources System, Tuesday, September 22, 9:00 a.m., Hearing Room (SD–406).

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

COMMITTEE ON VETERANS' AFFAIRS

Mr. HATCH. Mr. President, the Committee on Veterans' Affairs would like to request unanimous consent to hold a hearing on quality of care in the Department of Veterans Affairs health care system.

The hearing will take place on Tuesday, September 22, 1998, at 10:00 a.m., in room 418 of the Russell Senate Office Building.

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

SUBCOMMITTEE ON ANTITRUST, BUSINESS RIGHTS, AND COMPETITION

Mr. HATCH. Mr. President, I ask unanimous consent that the Subcommittee on Antitrust, Business Rights, and Competition, of the Senate Judiciary Committee, be authorized to meet during the session of the Senate on Tuesday, September 22, 1998, at 1 p.m. to hold a hearing in room 226, Senate Dirksen Office Building, on: ''The BP/Amoco Merger: A Competitive Review.''

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

ADDITIONAL STATEMENTS

POW/MIA RECOGNITION DAY IN WYOMING

● Mr. THOMAS. Mr. President, I rise today with my good friend and colleague, Senator ENZI, to recognize the Proclamation of the Governor of Wyoming declaring September 18 as ''POW/MIA Recognition Day'' in Wyoming.

I have come to this floor several times in my Senate career to extol the

great sacrifices that our fighting men and women have made to protect this country and the ideals of freedom and democracy that we hold so dear. We owe these men and women a huge debt of gratitude. And I believe, Mr. President, that debt continues until we have brought home, or accounted for, all our missing service men.

Mr. President, I ask that the text of the proclamation be printed in the RECORD.

The proclamation follows.

GOVERNOR'S PROCLAMATION

Two thousand eighty-six Americans are still missing and unaccounted for from the Vietnam War, including 6 from the State of Wyoming, and their families, friends, and fellow veterans still endure uncertainty concerning their fate.

United States Government intelligence and other evidence confirm that Vietnam could unilaterally account for hundred of missing Americans, including many of the 446 still missing in Laos and the 75 still unaccounted for in Cambodia, by locating and returning identifiable remains and providing archival records to answer other discrepancies.

The President has normalized relations with Vietnam, believing such action would generate increased unilateral account for Americans still missing from the Vietnam War, and such increased results have not yet been provided by the Government of Vietnam.

Now, therefore, be it resolved that the State of Wyoming calls on the President to reinvigorate United States efforts to press Vietnam for unilateral actions to locate and return to our nation remains that would account for hundreds of America's POW/MIA's and records to help obtain answers on many more.

For these significant reasons, I, Jim Geringer, Governor of the State of Wyoming, do hereby proclaim September 18th, 1998, to be ''POW/MIA RECOGNITION DAY'' in Wyoming, and encourage all citizens to observe this day with appropriate ceremonies.

In witness whereof, I have hereunto set my hand and caused the Great Seal of the State of Wyoming to be affixed this 29th day of July, 1998.

JIM GERINGER,
Governor.

Mr ENZI. Mr. President, I rise today to recognize the action of my State's Governor in proclaiming September 18, 1998, as Wyoming's POW/MIA Recognition Day. Over 2,000 Americans are still missing in Vietnam, Cambodia, and Laos, and over 8,000 on the Korean peninsula. Those heart rending facts make this a most fitting gesture indeed. These men gave everything they had to give in causes whose worthiness can be empirically verified: By comparing the prosperity of South Korea with the evil devastation to its North; By comparing the poverty and tyranny of Vietnam, Laos, and Cambodia with what might have been as evidenced in Thailand, Malaysia, and Singapore. We must never forget the sacrifice of those who have no headstones in our national cemeteries. Hence the importance of efforts such as Governor Geringer's, which remind the Nation of our continuing and unfulfilled responsibility to account for the remains of these men for the sake of their families and our national conscience. I commend Governor Geringer for his proclamation and I urge the President to intensify his efforts at retrieving the remains of America's missing-in-action. In comparison with their sacrifice, this gesture is humble indeed, but sincere and important nonetheless. Surely a grateful America can perform this small task.●

TRIBUTE TO GOODLOE AND JEAN SUTTON

● Mr. SHELBY. Mr. President I rise today to pay tribute to an Alabama couple who, in their persistent pursuit of justice, successfully raised awareness of illegal activities taking place in Marengo County in some of the highest levels of county government. Goodloe and Jean Sutton, who together head The Democrat-Reporter—Goodloe serves as editor and publisher and Jean as chief reporter—remind us of what the Fourth Estate is all about. Through their thorough and diligent coverage of questionable activities in the Marengo County Sheriff's office, former Sheriff Roger Davis was convicted on federal extortion charges; Sonny Breckenridge, who had been appointed by Sheriff Davis to lead the county's drug enforcement unit, was sentenced to life without parole for conspiring to protect drug dealers. Another deputy was also arrested. All are serving jail time for the deeds the Suttons helped to uncover.

Goodloe and Jean Sutton are to be commended. Not only have they helped to rid the Marengo County Sheriff's office of misdeeds and rampant corruption, but they have helped to restore the public faith in local government. They have also set an exemplary standard for others in the profession of journalism where truth should always be the highest and most important pursuit and consideration.

In addition to my statement, Mr. President, I believe it is fitting to include the following article about the Suttons, entitled ''Paper Tigers,'' that appeared in the September 28, 1998 edition of People Magazine.

I ask that the article be printed in the RECORD.

The article follows.

[From People Magazine, Sept. 28, 1998]

PAPER TIGERS—NEWSHOUNDS GOODLOE AND JEAN SUTTON GET THE GOODS ON A LAWBREAKING SHERIFF

(By Peter Ames Carlin and Grace Lim)

From where they sat in the tiny newsroom of The Democrat-Reporter in rural Linden, Ala., Goodloe and Jean Sutton sensed there was something wrong about Roger Davis. Not only did the sheriff of Alabama's rural Marengo County (pop. 25,000) sell jewelry out of the trunk of his police car but he seemed to enjoy throwing his weight around. ''Davis thought being sheriff made him all-powerful,'' says Jean. ''He was impressed with himself.''

But the Suttons were not, so when they learned that Davis had skimmed money from the county, they featured the story in their family-owned weekly newspaper. Ignoring threats and boycotts by the sheriff's cronies for more than three years, the couple kept on writing until Davis and two of his deputies had earned jail terms and the modest, six-employee paper had earned Pulitzer Prize consideration and a wall full of journalism trophies. ''To take on the sheriff, the most powerful political leader in a rural county, is beyond gutsy,'' says Alabama Attorney General Bill Pryor, who investigated the crooked sheriff.

Sheriff Davis, now 57, started dipping into the county till in 1991, a year after the retired Alabama state trooper was elected to his $35,000-a-year post. First he used public money to buy his teenage daughter a $3,000 all-terrain vehicle for Christmas, only later returning to the dealer to pay with his own money. Davis funneled county dollars into his account for several years, then extorted more than $20,000 from bail bondsmen who had been operating illegally without the required financial reserves. He wasn't subtle about it. ''If he could control you by fear, he'd do it,'' says Goodloe. ''Or if he could do you a favor, he'd expect you to repay him. And he charmed people too.''

Operating on a tip in early 1994, Jean Sutton first dug into the county financial records and discovered that $9,000 in public funds delivered to Davis had never made it to the office account. The Suttons ran the story as front-page news, eliciting a denial from the sheriff. ''He told people he was a good Christian,'' says Jean. ''When they asked why he didn't sue us for libel, he'd say, 'I prayed over it, and it wasn't the right thing to do.' ''

Although Davis (who declined People's request for an interview) dodged those first editorial bullets, battle lines were drawn. Many of his supporters canceled their subscriptions to The Democrat-Reporter, cutting its circulation 20 percent from 7,500 to 6,000, and some local businesses pulled their advertisements. ''As far as I know, he did a good job sheriffing while he was in office,'' says retired store owner Gaines Williamson, who once backed the sheriff. ''Everybody knew him. We'd chitchat over a couple of coffee.'' Some Davis partisans felt so strongly they even phoned the Suttons, threatening to blow up the family van. ''Remember,'' one letter assured them, ''your day will come.''

For Goodloe, 59, the chance to take down a crooked sheriff was worth the tension. The youngest of three kids born to publisher Robert Sutton, who bought The Democrat-Reporter in 1917, and his wife, Lorie, Goodloe first set type at the family newspaper when he was 12. He met aspiring writer Jean Rodgers, daughter of Will and Mary, while studying journalism at the University of Southern Mississippi, and the couple married after graduating in 1964.

Moving home to Linden, Sutton succeeded his father as editor and publisher of The Democrat-Reporter and installed Jean, now 57, as chief reporter. The couple—who have two sons, Goodloe Jr., 27, who works for the state Republican Party, and William, 14, a high school freshman—gained a reputation as uncompromising journalists. ''Goodloe can sell a paper, that's for sure,'' says cement-company foreman Jerry Stewart. ''There's a lot of controversy, which makes for interesting reading.''

The Democrat-Reporter became even more interesting in May 1997, when two sheriff's deputies were arrested by federal and state agents for conspiring to protect drug dealers—one, Sonny Breckenridge, who was sentenced to life without parole, had been appointed by Davis to lead the county's drug enforcement unit. Meanwhile, with the Suttons' articles pointing the way, the state and federal authorities began closing in on the sheriff. By August of last year, Davis too

was behind bars, caught in a joint state and FBI sting while squeezing a $975 payoff from an illegal bondsman. Two months later, he pleaded guilty to federal extortion charges; he was assessed $30,000 in fines and restitution. ''I would like to apologize to my family, my friends and my church and to the people of Marengo County,'' the sheriff said en route to prison, where he'll serve 27 months. ''I'm sorry.''

Although their circulation has yet to rebound fully, the Suttons vow to continue in Marengo County whether their future holds trophies or threats. ''We're just humble scribes,'' says Goodloe, who is also running to represent the region in Alabama's House of Representatives. ''And we have the best turkey hunting, the best deer hunting and the best-looking women in the country. Why would anybody want to go anywhere else?''●

HONORING ILANA G. POSSNER

● Mr. D'AMATO. Mr. President, I rise today to honor Ilana G. Possner, a young woman who has dedicated her life to the betterment of her community through her undying commitment to community service and leadership activities. She is a shining example of an American youth who has made a deep impact on the lives of her fellow citizens.

This young Staten Island resident has not only graced her immediate community with her good deeds, but the New York City area as a whole. She is an active participant at Project Hospitality, a Staten Island shelter that works with the area's homeless, hungry and sick. Each week, Ilana prepares and serves dinner to the homeless population this program services. Yet, her role is not just that of a server; Ilana takes it upon herself to befriend these people in need, readily lending a supportive ear and establishing relationships with them. Ms. Possner also devotes her time to entertaining Staten Island senior citizens through volunteer signing for the hearing impaired. Ilana has performed at fifteen different nursing homes and senior citizen centers throughout the past two years. Aside from these very demanding activities, she is also an active and enthusiastic volunteer worker for the American Cancer Society and the Multiple Sclerosis Society.

Ms. Possner has put her leadership skills to work to help the community, as well. She organizes numerous food and clothing drives for the homeless, which provide people with the basic necessities of life that otherwise would not have been available to them. Moreover, Ilana presides over youth groups which bring together Staten Island youth from different racial, socioeconomic, religious and ethnic backgrounds. Through these groups, she works to promote harmony among the citizens of Staten Island.

Ilana's hard work has brought her great recognition and awards over the past few years. She currently attends St. John's University on an academic scholarship, where she wishes to pursue studies in Communications and Education. Furthermore, she has received the National Service Scholarship and the MCS/Canon New York Knicks Team Up Community Service Scholarship. The New York State Assembly has also commended Ms. Possner for her work and achievement through a citation, as well.

As we all know, today's youth is the future of America. In order to solve the problems America is facing now and in the future, it is imperative that we have leaders dedicated to the American people. Ilana Possner is an excellent example of a person who has put forth her leadership skills and time to the American public. It is through people such as Ilana Possner that the future problems and issues facing Americans will be confronted. Thus, I wish to commend Ilana for her selfless acts that have helped to make her community a better place.●

BISHOP LEE'S SERMON ON ''FAITH, FREEDOM, AND VIRTUE''

● Mr. WARNER. Mr. President, on Sunday, September 20, I joined Members of the Virginia Congressional delegation—Senator ROBB, Congressman BLILEY, Congressman SCOTT, and Virginia's Lieutenant Governor Hager, and many other Virginians at ''Virginia Day'' at the Washington National Cathedral. I was privileged, together with Senator ROBB, to read the scripture lessons.

My family and I have had a long association with this great Cathedral which stands on the highest promontory in the Nation's Capital and serves as living symbol of religious freedom the world over. Over 70 years ago, I was baptized, later confirmed, and then served on the governing chapter of the Cathedral. My uncle, the Reverend Charles T. Warner started his career in the ministry here with Bishop Freeman and then worked with the Cathedral in his capacity as Rector of nearby St. Alban's Parish for 40 years.

The Right Reverend Peter James Lee, the 12th Episcopal Bishop of Virginia, delivered an inspiring sermon. As the Senate, and indeed all Americans, look to the difficult decisions facing us, we should examine Bishop Lee's important reflections on ''Faith, Freedom, and Virtue.'' I ask that it be printed in the RECORD.

The sermon follows:

FAITH, FREEDOM AND VIRTUE

(A sermon preached by the Rt. Rev. Peter James Lee, Bishop of Virginia, on Virginia Day at the Washington National Cathedral, Sunday, September 20, 1998)

It takes less than a minute, except during rush hour, to cross from Washington into Virginia. The Potomac River is not much of a barrier. But over the centuries, the distance between the national capital and the Commonwealth of Virginia has varied dramatically. In the earliest days, there was hardly any distance at all since Virginia was a primary leader of the intellectual and political ferment that led to the birth of the nation. But contemporary with the establishment of the capital on the Potomac, the tension between Virginia and the nation began to increase, until it led to open rebellion in the Civil War. The Potomac became a hostile boundary. Virginia has shaped our nation's history, rebelled against national authority, in this century resisted the movement for racial justice, and yet has contributed so very much to the making of America. Today, Virginia is a beneficiary of many federal dollars, thanks in no small measure to the energy and leadership of our two lay readers today, the distinguished United States Senators from Virginia.

Virginia's ambivalent relationship with the nation, sometimes formative and leading, sometimes hostile and resistant, has been matched on occasion by Washington's dismissal of its historic neighbor across the river.

I experienced that shortsighted Washington view not many years ago. My first assignment as a new priest was on the staff of St. John's Church, Lafayette Square, across from the White House. Twenty years later, as the Bishop of Virginia, I was asked back to St. John's to speak to a dinner of former lay leaders. A distinguished Washington lawyer whom I had known when I was a young priest came up to me, and with generosity and unintended Washington arrogance, said, ''Peter, we are very proud of you. You are a bishop somewhere now, aren't you?''

When the Potomac is a great divide, from Virginia—and the rest of the nation—everyone suffers.

In just a few years, Virginia will mark 400 years since the first English settlers brought to these shores their version of the Christian faith. The religious life of Virginia across these centuries has been dominated by a tension between faith and freedom, a tension defined in the decades of the eighteenth century when a few well-educated Virginians were influenced by the European enlightenment and thousands of Virginians were swayed by evangelical revivals across the Commonwealth. In the 1730's, the majority Christian group in Virginia was Episcopalian. By the 1790's, the majority was Baptist. Ever since, Virginia Christian life has been marked by a tension between the spiritual descendants of Thomas Jefferson and the spiritual descendants of the great evangelical revivals of the same era. Thomas Jefferson was derided by his opponents as godless and dangerous. Evangelical preachers were dismissed by the followers of Jefferson as ignorant and prejudiced.

Today, in this well-ordered cathedral that speaks eloquently of rationality and mystery both joined in the service of God, it is difficult for us to grasp the significance of the break between the Jeffersonian and the evangelical traditions. And yet, the failure of Virginia to bridge the gap between the two traditions is one of the great and tragic might-have-beens of history. In England, in about those same years, the late eighteenth and early nineteenth centuries, personal, evangelical piety, stirred by John and Charles Wesley, contributed mightily to the movement for the abolition of slavery. In Virginia at the time, voices against slavery were rare. Thomas Jefferson wrote persuasively about inalienable human rights, but he held on to his slaves. What might have happened in Virginia if the humanist sense of enlightenment had been nourished by a Christian conversion experience that led to a passion against slavery? It didn't happen, or at least it happened among so few that it made little difference in Virginia. What might have been.

Even to this day, two communities exist side-by-side in Virginia—one of independent, Bible-centered congregations with inherited suspicion of cities, universities, and contemporary culture. And the Jeffersonian tradition in Virginia, while admirably zealous for

the separation of church and state, often treats religion as so much a private matter that it should have little to say in the public realm. It is an overstatement, but not much of one, to say that one community, the Jeffersonian tradition, holds as an unexamined doctrine that religion is entirely a private matter, while the other tradition of evangelical piety, affirms that America is a Christian nation whose values should be those of the Bible, interpreted in the most conservative light.

Both traditions have held on to one dimension of personal values shaped by Judeo-Christian standards. Virginia has a powerful and priceless tradition of expecting high standards of personal honor among its leaders. When Robert E. Lee was President of Washington College in Lexington, the institution that now bears his name along with Washington's, General Lee was asked by a student for a book of rules. He responded, famously, ''We have but one rule: our students are gentlemen and a gentleman does not lie, cheat or steal.'' That rule, adapted to the happy reality of coeducation, and spread from a 19th Century elite to the whole of the Commonwealth, reflects the heritage of personal honor that is still a cherished value of all Virginians.

Contemporary Virginia needs to offer the rest of the nation an example of joining its twin legacies of faith and freedom, which includes its respect for personal honor and public virtue.

Faith is nurtured in a climate of freedom. We have learned that faith imposed by state authority is corrupting and oppressive. The French philosopher Pascal once wrote that ''people never do evil so completely and cheerfully as when they do it from religious conviction.'' Religious zealots from the great religions of the world who deny the freedom of others betray the highest values of their own creeds. Faith and freedom may be in tension but they need not be in conflict.

We are in danger in America, and even across the world, of dismissing serious commitment to religious faith as irrelevant to public virtue or even dangerous to civic peace. The crisis surrounding the President of the United States is in part the inevitable result of the rupture between personal faith and public life, between faith and freedom, the break between personal honor and political values.

As this most violent century draws to an end, as race and ethnicity and religion continue to divide people and to lead to their slaughter, the world needs people of faith who honor freedom; people committed to freedom who respect the integrity of faith, people who can build societies that value personal honor and public virtue.

The great religions of the world have much to say about our life together. They cannot be relegated simply to the realm of private preference. In the lesson from the Hebrew scriptures today,[1] the prophet Amos condemns those who take shortcuts with the law that forbids commerce on the Sabbath. The behavior condemned by the prophet may be ''legally accurate,'' but those who engage in behavior that oppresses the poor are corrupt. Paul, in his first letter to Timothy,[1] insists that the Christians hold their rulers in their prayers—assuming that the public good requires leaders of personal honor but since they are flawed human beings like the rest of us, they need the support of our prayers. And in the parable of the dishonest steward,[1] Jesus warns that the distinction between private and public virtue is artificial. The one who is dishonest in very little things will also be dishonest in much. The ancient Bible stories are right on target for the issues of today.

This cathedral stands on the highest hill in the District of Columbia. Its towers dominate the Washington skyline, not with the power to oppress, but with the powers to inspire and to call a people to personal integrity and public virtue. That does not mean our leaders must be saints. Many of us know our senators, other leaders, and our bishops well enough to know that sainthood has eluded all of us. We are all flawed, fallible persons, but that does not suggest that our quest for private and public virtue is in vain. We need to reaffirm the integrity of faith, faith in God who empowers each one of us to become the person God intends us to be; the God who lifts us up when we fall, and who redeems our failures with new hope. We need to recover a personal faith that sustains both private honor and public virtue. We need to bridge the gap between the sacred and the secular, not by a diminution of freedom, but with an expansion of faith that respects freedom and the freedom that protects the nurture of faith and the privacy of individuals.

This nation is engaged in a great public conversation about the crisis in the Presidency. President Clinton's moral authority is severely compromised. Whether this crisis ends with resignation, impeachment, or censure and a crippled presidency for the remaining two years of the term, it is important for the well being of the nation to consider what we can learn about ourselves in this crisis. That in no way absolves the President from his responsibility. But have we separated personal, private morality from public life so extensively that this was a crisis waiting to happen? Do we have a system of raising up leaders in public life that encourages and rewards honor, integrity, and personal commitment to our shared values? Or, do we separate faith and freedom, personal honor and public virtue, so extensively that our moral life together is imperiled? Our moral life is now endangered by excessive public intrusion into private life and dishonorable private behavior that erodes public trust. With our traditions, Virginians can make a difference in the national conversation.

Virginia is a Commonwealth where faith and freedom have competed but have flourished; we are a commonwealth that demands of our leaders personal honor and service to public virtue. Let those great traditions come together again in a new and mutually respectfully union so that our people may be strengthened.

In his farewell address in 1796, our first President, George Washington, said, ''Of all the dispositions and habits which lead to political prosperity, religion and morality are indispensable supports . . . a volume could not trace all their connections with private and public felicity . . . let us with caution indulge the supposition that morality can be maintained without religion . . . reason and experience both forbid us to expect that national morality can prevail in exclusion of religious principle.''

Virginia is the birthplace of English speaking Christian faith in America. Virginia is the birthplace of Thomas Jefferson's statute for religious freedom. We are a community that offers to a nation the union of personal honor serving public virtue, of personal faith in a climate of freedom that restricts intrusive government.

In New Testament Greek, the word ''crisis'' means a time of judgment, a time of separation, a time of clarification. A crisis in the view of the Bible is often created by the word of God, proclaimed by the prophets, exposing the gap between where people are and where they ought to be. We are living at such a time and that time, the Bible teaches us, can be one of hope and of new beginning. May the traditions of Virginia, of faith and freedom, of private piety and public virtue, of personal honor and public service, come together again in this great nation so that future generations will look back on our day as a time of moral renewal and refreshing new hope, a time when God called this nation to a rebirth of our spiritual strength.●

[1] Amos 8:4–7, I Timothy 2:1–8, and Luke 16:1–13.

ACC'S NEW DETROIT HEADQUARTERS AND OFFICIAL DEDICATION

● Mr. ABRAHAM. Mr. President, I rise today to recognize an important event which is taking place in the state of Michigan. On September 25, 1998, the Arab-American Chaldean Council and Henry Ford Health System will celebrate the official dedication of the ACC and Henry Ford Medical/Social Services Center.

The Center will create a fully comprehensive Medical/Social Services facility and will become the ACC's new Detroit Headquarters. With an organization as successful as the ACC, supported by the excellent reputation and resources of the Henry Ford Health System, the future looks bright.

I extend my best wishes and congratulations to Dr. Haifa Fakhouri, the President and CEO, and everyone involved with making the ACC and Henry Ford Medical/Social Services Center possible. I am confident their partnership will be a success.●

TRIBUTE TO GUIDE DOGS AND WORKING DOGS

● Mr. SANTORUM. Mr. President, I rise today to recognize the fine work of Guide Dogs and Working Dogs who, through demonstrated intelligence and dependability, have made life so much easier for their owners.

Today Guide Dogs and Working Dogs assist not only individuals suffering vision loss, but also those suffering hearing loss and those with orthopedic problems. The intense training program that Guide Dogs and Working Dogs endure enables them to assist their owners with courtesy and confidence.

These well-trained dogs have not only won the respect of their owners but the public as well. They have allowed countless individuals to enjoy freedom and independence and lead richer lives.

I would like to mention that the City of Philadelphia and the Pennsylvania Legislature have also recognized these exceptional animals.

Mr. President, I ask my colleagues to join with me in paying tribute to these remarkable dogs who have afforded their owners a better life in their community.●

TRIBUTE TO JAMES MAITLAND ''JIMMY'' STEWART

● Mr. SHELBY. Mr. President, I rise today to pay tribute to an award-winning Alabama journalist and author

who has written the definitive history of the World War II military career of Hollywood-great Jimmy Stewart. Mr. Smith, who served with Stewart in WWII, wrote ''A Retrospective of the World War II Military Career of Hollywood's James M. (Jimmy) Stewart'' for the James M. Stewart Museum Foundation, located in Stewart's hometown—Indiana, PA. I believe excerpts from this article are a fitting tribute to both the life and legacy of a true American hero: Jimmy Stewart, as well as to one of Alabama's fine authors: Starr Smith. In compliance with the CONGRESSIONAL RECORD text-length rules, only excerpts of Mr. Smith's article could be placed in the RECORD; however, I encourage my colleagues and the American people to obtain a complete copy of this important article from either the James M. Stewart Museum or the September 1998 edition of The Retired Officers Magazine.

In addition to his many accomplishments, Smith is a travel columnist for the Montgomery Advertiser and is a retired Air Force Reserve colonel. He lives in Montgomery, AL.

Mr. President, the following are excerpts from ''A Retrospective of the World War II Military Career of Hollywood's James M. (Jimmy) Stewart'' by Starr Smith:

When the melancholy news came of Jimmy Stewart's death I was in Montreal, Canada. I thought it singular that I was out of my own country at the time because my relationship with this remarkable American had taken place on foreign soil—wartime England. Much has been said and written since Stewart's death about his extraordinary life and career as a film actor of the first rank, but little has been said about Stewart's brilliant and brave record as an Army Air Force combat pilot and commander in World War II.

I served with Stewart on a windswept and cold bomber station, called Old Buckingham, near the North Sea between Cambridge and Norwich in England's East Anglia in 1943–1944. Our outfit was the 453rd Bomb Group. The commander, Colonel Ramsay Potts, was a battle-tested B–24 specialist who had been on the historic and pivotal Ploesti mission and earned the Distinguished Service Cross. Stewart, then a major, was the group's operations officer and I was an intelligence officer who handled much of the briefings for the air crews prior to their mission over Nazi Germany. It was in this capacity that I worked with Stewart, night after night, preparing the details of the mission. I have never known a more intelligent, knowledgeable, hardworking, conscientious and dedicated officer.

In my book, ''Only the Days Are Long: Reports of a Journalist and World Traveler,'' I wrote of Stewart: ''At night, working with me preparing the mission, Stewart was crisp and business-like; reserved, but he knew his job and was a keen student of daylight precision bombing. (The Americans bombed in daylight, the RAF at night). It was interesting to see Stewart at the bar of the Officer's Club after a tough day and hear his discussion of the mission with the returning pilots. But even then he was always slightly aloof. He was never one of the boys. This is not to say Stewart was unfriendly. Rather, he went about his work with a cool professional detachment—a single purpose approach that did not allow for personal involvement. This, I think, was the reason for this success in the war. He was determined to prove that he was more than an actor, more than a Hollywood star. He was determined to prove that now he could measure up as a man doing a really important job in the military crucible and not just a celluloid hero.

Almost a year before Pearl Harbor, Jimmy Stewart had a deep feeling that his country would soon be at war. Stewart also knew that if war came he wanted to be in uniform and overseas on combat duty.

At the beginning of the new year of 1941, Stewart was at the top of his career as a movie actor and international star. His 1939 picture, ''Mr. Smith Goes to Washington,'' has made him a folk hero throughout America and he was destined for an Academy Award for his role as the reporter in ''Philadelphia Story'' later in the year. His life was blissful, romantic, flawless, and ahead was the golden promise of infinite stardom as one of the premier movie players of all time.

. . . but with England fighting Hitler since 1939, Edward R. Murrow's bleak broadcasts from London, the Pacific war against the Japanese going badly for the British . . . Jimmy Stewart decided to join the fight. But, he faced two major roadblocks: his boss and his country. Louis B. Mayer, the forceful and dictatorial head of MGM used every persuasive tactic at his command—choice roles, contract revisions, free time to help with the war effort as a civilian. The other matter was different.

In September of 1940, the Selective Service Act became law, and men between the ages of 21 and 36 were required to register. Being 32, Stewart registered . . . when he was called up for a physical in late 1940, he was turned down: underweight. That could have ended the whole affair. . . . perhaps thinking of his father's fierce patriotism and his service in two wars, plus his own fervent love of country, Stewart favored the volunteer route. He appealed the Army's underweight decision, embarked on an eating binge, made the weight requirements and reported for induction on March 22, 1941 at Fort McArthur, California.

Stewart was among the very few officers in American military history to rise from private to full colonel in slightly over four years. Moreover, Stewart was actually on combat duty all the time he was overseas, performing vital, demanding and dangerous jobs: squadron operations officer, squadron commander, group operations officer, wing operations officer, and later at the end—Second Bomb Wing Commander. And, all the while, he was flying combat missions as a B–24 pilot and command pilot.

. . . Stewart spent all of his service in England assigned to the 2nd Combat Wing. . . . in late August of 1945, he returned to New York on the *Queen Elizabeth*. And on September 29th of that year, Stewart was discharged at Andrews Air Force Base in Washington. He was immediately appointed a full colonel in the Air Force Reserve. In his war years, Stewart had flown 20 combat missions, among them the tough ones: Brunswick, Bremen, Frankfort, Schweinfut, and I recall that he was on Berlin twice—once leading the entire 1,000 plane 8th Air Force. His wartime decorations include: Distinguished Flying Cross, with Oak Leaf Cluster; four Air Medals, and the French Croix de Guerre with Palm. He was promoted to Brigadier General in the Air Force Reserve in 1959 and retired in 1968. After Stewart died in July of 1997, Air Power History published a memoriam . . . (which) contained this little-known fact: ''In 1966, during his annual two weeks of active duty, Stewart requested a combat assignment and participated in a bombing strike over Vietnam.''

. . . With all the myriad honors of a celebrated and eclectic career, including the highest in his profession—the Academy Award—it is not too much to believe that Jimmy Stewart reached the blue lawn of his life in those eventful and dangerous years of World War II. A small town boy who grew up with strong family values and a bed-rock foundation in honesty and integrity, intertwined with a fervent patriotism—Stewart served his country with dedication and distinction, and, like F. Scott Fitzgerald, his fellow Princetonian—he lived his life with an unbending determination, subtle style and a certain mystique.●

150TH ANNIVERSARY OF LA SALLE ACADEMY

● Mr. D'AMATO. Mr. President, I am honored to be invited to such a landmark event and I rise to offer my congratulations to the La Salle Academy in celebrating its 150th anniversary of educating New York City's youth. Founded in 1848, the Catholic, college-preparatory school of La Salle Academy currently serves more than 540 young men who represent over 60 nationalities. La Salle Academy seeks to educate young men of New York City from different cultural, racial, and social groups with special outreach programs for those most in need. This enables students to grow intellectually, morally, and physically in a racially diverse setting while encouraging them to contribute to their communities. This fine Academy consistently molds young men into valuable members of society and sends over 90% of its students to pursue higher education. Institutions, such as La Salle, are key assets for introducing our young adults to the many different aspects of our diverse society. Both the graduates and students of La Salle Academy act as model citizens for others to emulate and I praise this institution and other organizations of its kind for its countless contributions to society. We are fortunate to have such a valuable institution reside in New York State. I sincerely hope that La Salle Academy will continue to serve its students and the members of this community in such an important fashion.●

USE OF THE ROTUNDA FOR THE NELSON MANDELA CEREMONY

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of H. Con. Res. 326, which is at the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A resolution (H. Con. Res. 326) permitting the use of the rotunda of the Capitol on September 23, 1998, for the presentation of the Congressional Gold Medal to Nelson Rohihlahia Mandela.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the concurrent resolution?

There being no objection, the Senate proceeded to consider the concurrent resolution.

Mr. GRASSLEY. I ask unanimous consent that the resolution be agreed

to, and the motion to reconsider be laid upon the table.

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

The resolution (H. Con. Res. 326) was agreed to.

NATIONAL HISTORICALLY BLACK COLLEGES AND UNIVERSITIES WEEK

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the Judiciary Committee be discharged from further consideration of S. Res. 259, and the Senate proceed to its consideration.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will report.

The legislative clerk read as follows:

A resolution (S. Res. 259) designating the week beginning September 20, 1998, as ''National Historically Black Colleges and Universities Week,'' and for other purposes.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mr. GRASSLEY. I ask unanimous consent that the resolution be agreed to, the preamble be agreed to, the motion to reconsider be laid upon the table, and that any statements relating to the resolution be printed at the appropriate place in the RECORD.

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

The resolution (S. Res. 259) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. RES. 259

Whereas there are 104 historically black colleges and universities in the United States;

Whereas black colleges and universities provide the quality education so essential to full participation in a complex, highly technological society;

Whereas black colleges and universities have a rich heritage and have played a prominent role in American history;

Whereas black colleges and universities have allowed many underprivileged students to attain their full potential through higher education; and

Whereas the achievements and goals of historically black colleges and universities are deserving of national recognition: Now, therefore, be it

Resolved, That the Senate—

(1) designates the week beginning September 20, 1998, as ''National Historically Black Colleges and Universities Week''; and

(2) requests that the President of the United States issue a proclamation calling on the people of the United States and interested groups to observe the week with appropriate ceremonies, activities, and programs to demonstrate support for historically black colleges and universities in the United States.

CENTENNIAL OF FLIGHT COMMEMORATION ACT

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the Senate now proceed to the consideration of calendar No. 532, S. 1397.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A bill (S. 1397) to establish a commission to assist in commemoration of the centennial of powered flight and the achievements of the Wright brothers.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Governmental Affairs, with an amendment to strike all after the enacting clause and inserting in lieu thereof the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Centennial of Flight Commemoration Act''

SEC. 2. FINDINGS.

Congress finds that—

(1) December 17, 2003, is the 100th anniversary of the first successful manned, free, controlled, and sustained flight by a power-driven, heavier-than-air machine;

(2) the first flight by Orville and Wilbur Wright represents the fulfillment of the age-old dream of flying;

(3) the airplane has dramatically changed the course of transportation, commerce, communication, and warfare throughout the world;

(4) the achievement by the Wright brothers stands as a triumph of American ingenuity, inventiveness, and diligence in developing new technologies, and remains an inspiration for all Americans;

(5) it is appropriate to remember and renew the legacy of the Wright brothers at a time when the values of creativity and daring represented by the Wright brothers are critical to the future of the Nation; and

(6) as the Nation approaches the 100th anniversary of powered flight, it is appropriate to celebrate and commemorate the centennial year through local, national, and international observances and activities.

SEC. 3. ESTABLISHMENT.

There is established a commission to be known as the Centennial of Flight Commission.

SEC. 4. MEMBERSHIP.

(a) NUMBER AND APPOINTMENT.—The Commission shall be composed of 6 members, as follows:

(1) The Director of the National Air and Space Museum of the Smithsonian Institution or his designee.

(2) The Administrator of the National Aeronautics and Space Administration or his designee.

(3) The chairman of the First Flight Centennial Foundation of North Carolina, or his designee.

(4) The chairman of the 2003 Committee of Ohio, or his designee.

(5) As chosen by the Commission, the president or head of a United States aeronautical society, foundation, or organization of national stature or prominence who will be a person from a State other than Ohio or North Carolina.

(6) The Administrator of the Federal Aviation Administration, or his designee.

(b) VACANCIES.—Any vacancy in the Commission shall be filled in the same manner in which the original designation was made.

(c) COMPENSATION.—

(1) PROHIBITION OF PAY.—Except as provided in paragraph (2), members of the Commission shall serve without pay or compensation.

(2) TRAVEL EXPENSES.—The Commission may adopt a policy, only by unanimous vote, for members of the Commission and related advisory panels to receive travel expenses, including per diem in lieu of subsistence. The policy may not exceed the levels established under sections 5702 and 5703 of title 5, United States Code. Members who are Federal employees shall not receive travel expenses if otherwise reimbursed by the Federal Government.

(d) QUORUM.—Three members of the Commission shall constitute a quorum.

(e) CHAIRPERSON.—The Commission shall select a Chairperson of the Commission from the members designated under subsection (a) (1), (2), or (5). The Chairperson may not vote on matters before the Commission except in the case of a tie vote. The Chairperson may be removed by a vote of a majority of the Commission's members.

(f) ORGANIZATION.—No later than 90 days after the date of enactment of this Act, the Commission shall meet and select a Chairperson, Vice Chairperson, and Executive Director.

SEC. 5. DUTIES.

(a) IN GENERAL.—The Commission shall—

(1) represent the United States and take a leadership role with other nations in recognizing the importance of aviation history in general and the centennial of powered flight in particular, and promote participation by the United States in such activities;

(2) encourage and promote national and international participation and sponsorships in commemoration of the centennial of powered flight by persons and entities such as—

(A) aerospace manufacturing companies;

(B) aerospace-related military organizations;

(C) workers employed in aerospace-related industries;

(D) commercial aviation companies;

(E) general aviation owners and pilots;

(F) aerospace researchers, instructors, and enthusiasts;

(G) elementary, secondary, and higher educational institutions;

(H) civil, patriotic, educational, sporting, arts, cultural, and historical organizations and technical societies;

(I) aerospace-related museums; and

(J) State and local governments;

(3) plan and develop, in coordination with the First Flight Centennial Commission, the First Flight Centennial Foundation of North Carolina, and the 2003 Committee of Ohio, programs and activities that are appropriate to commemorate the 100th anniversary of powered flight;

(4) maintain, publish, and distribute a calendar or register of national and international programs and projects concerning, and provide a central clearinghouse for, information and coordination regarding, dates, events, and places of historical and commemorative significance regarding aviation history in general and the centennial of powered flight in particular;

(5) provide national coordination for celebration dates to take place throughout the United States during the centennial year;

(6) assist in conducting educational, civic, and commemorative activities relating to the centennial of powered flight throughout the United States, especially activities that occur in the States of North Carolina and Ohio and that highlight the activities of the Wright brothers in such States; and

(7) encourage the publication of popular and scholarly works related to the history of aviation or the anniversary of the centennial of powered flight.

(b) NONDUPLICATION OF ACTIVITIES.—The Commission shall attempt to plan and conduct its activities in such a manner that activities conducted pursuant to this Act enhance, but do not duplicate, traditional and established activities of Ohio's 2003 Committee, North Carolina's First Flight Centennial Commission, the First Flight Centennial Foundation, or any other organization of national stature or prominence.

SEC. 6. POWERS.

(a) ADVISORY COMMITTEES AND TASK FORCES.—

(1) IN GENERAL.—The Commission may appoint any advisory committee or task force from among the membership of the Advisory Board in section 12.

(2) FEDERAL COOPERATION.—To ensure the overall success of the Commission's efforts, the Commission may call upon various Federal departments and agencies to assist in and give support to the programs of the Commission. The head of the Federal department or agency, where appropriate, shall furnish the information or assistance requested by the Commission, unless prohibited by law.

(3) PROHIBITION OF PAY OTHER THAN TRAVEL EXPENSES.—Members of an advisory committee or task force authorized under paragraph (1) shall not receive pay, but may receive travel expenses pursuant to the policy adopted by the Commission under section 4(c)(2).

(b) POWERS OF MEMBERS AND AGENTS.—Any member or agent of the Commission may, if authorized by the Commission, take any action that the Commission is authorized to take under this Act.

(c) AUTHORITY TO PROCURE AND TO MAKE LEGAL AGREEMENTS.—

(1) IN GENERAL.—Notwithstanding any other provision in this Act, only the Commission may procure supplies, services, and property, and make or enter into leases and other legal agreements in order to carry out this Act.

(2) RESTRICTION.—

(A) IN GENERAL.—A contract, lease, or other legal agreement made or entered into by the Commission may not extend beyond the date of the termination of the Commission.

(B) FEDERAL SUPPORT.—The Commission shall obtain property, equipment, and office space from the General Services Administration or the Smithsonian Institution, unless other office space, property, or equipment is less costly.

(3) SUPPLIES AND PROPERTY POSSESSED BY COMMISSION AT TERMINATION.—Any supplies and property, except historically significant items, that are acquired by the Commission under this Act and remain in the possession of the Commission on the date of the termination of the Commission shall become the property of the General Services Administration upon the date of termination.

(d) MAILS.—The Commission may use the United States mails in the same manner and under the same conditions as any other Federal agency.

SEC. 7. STAFF AND SUPPORT SERVICES.

(a) EXECUTIVE DIRECTOR.—There shall be an Executive Director appointed by the Commission and chosen from among detailees from the agencies and organizations represented on the Commission. The Executive Director may be paid at a rate not to exceed the maximum rate of basic pay payable for the Senior Executive Service.

(b) STAFF.—The Commission may appoint and fix the pay of any additional personnel that it considers appropriate, except that an individual appointed under this subsection may not receive pay in excess of the maximum rate of basic pay payable for GS–14 of the General Schedule.

(c) INAPPLICABILITY OF CERTAIN CIVIL SERVICE LAWS.—The Executive Director and staff of the Commission may be appointed without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and may be paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title, relating to classification and General Schedule pay rates, except as provided under subsections (a) and (b) of this section.

(d) MERIT SYSTEM PRINCIPLES.—The appointment of the Executive Director or any personnel of the Commission under subsection (a) or (b) shall be made consistent with the merit system principles under section 2301 of title 5, United States Code.

(e) STAFF OF FEDERAL AGENCIES.—Upon request by the Chairperson of the Commission, the head of any Federal department or agency may detail, on either a nonreimbursable or reimbursable basis, any of the personnel of the department or agency to the Commission to assist the Commission to carry out its duties under this Act.

(f) ADMINISTRATIVE SUPPORT SERVICES.—

(1) REIMBURSABLE SERVICES.—The Secretary of the Smithsonian Institution may provide to the Commission on a reimbursable basis any administrative support services that are necessary to enable the Commission to carry out this Act.

(2) NONREIMBURSABLE SERVICES.—The Secretary may provide administrative support services to the Commission on a nonreimbursable basis when, in the opinion of the Secretary, the value of such services is insignificant or not practical to determine.

(g) COOPERATIVE AGREEMENTS.—The Commission may enter into cooperative agreements with other Federal agencies, State and local governments, and private interests and organizations that will contribute to public awareness of and interest in the centennial of powered flight and toward furthering the goals and purposes of this Act.

(h) PROGRAM SUPPORT.—The Commission may receive program support from the non-profit sector.

SEC. 8. CONTRIBUTIONS.

(a) DONATIONS.—The Commission may accept donations of personal services and historic materials relating to the implementation of its responsibilities under the provisions of this Act.

(b) VOLUNTEER SERVICES.—Notwithstanding section 1342 of title 31, United States Code, the Commission may accept and use voluntary and uncompensated services as the Commission determines necessary.

(c) REMAINING FUNDS.—Any funds (including funds received from licensing royalties) remaining with the Commission on the date of the termination of the Commission may be used to ensure proper disposition, as specified in the final report required under section 10(b), of historically significant property which was donated to or acquired by the Commission. Any funds remaining after such disposition shall be transferred to the Secretary of the Treasury for deposit into the general fund of the Treasury of the United States.

SEC. 9. EXCLUSIVE RIGHT TO NAME, LOGOS, EMBLEMS, SEALS, AND MARKS.

(a) IN GENERAL.—The Commission may devise any logo, emblem, seal, or descriptive or designating mark that is required to carry out its duties or that it determines is appropriate for use in connection with the commemoration of the centennial of powered flight.

(b) LICENSING.—The Commission shall have the sole and exclusive right to use, or to allow or refuse the use of, the name ''Centennial of Flight Commission'' on any logo, emblem, seal, or descriptive or designating mark that the Commission lawfully adopts.

(c) EFFECT ON OTHER RIGHTS.—No provision of this section may be construed to conflict or interfere with established or vested rights.

(d) USE OF FUNDS.—Funds from licensing royalties received pursuant to this section shall be used by the Commission to carry out the duties of the Commission specified by this Act.

(e) LICENSING RIGHTS.—All exclusive licensing rights, unless otherwise specified, shall revert to the Air and Space Museum of the Smithsonian Institution upon termination of the Commission.

SEC. 10. REPORTS.

(a) ANNUAL REPORT.—In each fiscal year in which the Commission is in existence, the Commission shall prepare and submit to Congress a report describing the activities of the Commission during the fiscal year. Each annual report shall also include—

(1) recommendations regarding appropriate activities to commemorate the centennial of powered flight, including—

(A) the production, publication, and distribution of books, pamphlets, films, and other educational materials;

(B) bibliographical and documentary projects and publications;

(C) conferences, convocations, lectures, seminars, and other similar programs;

(D) the development of exhibits for libraries, museums, and other appropriate institutions;

(E) ceremonies and celebrations commemorating specific events that relate to the history of aviation;

(F) programs focusing on the history of aviation and its benefits to the United States and humankind; and

(G) competitions, commissions, and awards regarding historical, scholarly, artistic, literary, musical, and other works, programs, and projects related to the centennial of powered flight;

(2) recommendations to appropriate agencies or advisory bodies regarding the issuance of commemorative coins, medals, and stamps by the United States relating to aviation or the centennial of powered flight;

(3) recommendations for any legislation or administrative action that the Commission determines to be appropriate regarding the commemoration of the centennial of powered flight;

(4) an accounting of funds received and expended by the Commission in the fiscal year that the report concerns, including a detailed description of the source and amount of any funds donated to the Commission in the fiscal year; and

(5) an accounting of any cooperative agreements and contract agreements entered into by the Commission.

(b) FINAL REPORT.—Not later than June 30, 2004, the Commission shall submit to the President and Congress a final report. The final report shall contain—

(1) a summary of the activities of the Commission;

(2) a final accounting of funds received and expended by the Commission;

(3) any findings and conclusions of the Commission; and

(4) specific recommendations concerning the final disposition of any historically significant items acquired by the Commission, including items donated to the Commission under section 8(a)(1).

SEC. 11. AUDIT OF FINANCIAL TRANSACTIONS.

(a) IN GENERAL.—

(1) AUDIT.—The Comptroller General of the United States shall audit on an annual basis the financial transactions of the Commission, including financial transactions involving donated funds, in accordance with generally accepted auditing standards.

(2) ACCESS.—In conducting an audit under this section, the Comptroller General—

(A) shall have access to all books, accounts, financial records, reports, files, and other papers, items, or property in use by the Commission, as necessary to facilitate the audit; and

(B) shall be afforded full facilities for verifying the financial transactions of the Commission, including access to any financial records or securities held for the Commission by depositories, fiscal agents, or custodians.

(b) FINAL REPORT.—Not later than September 30, 2004, the Comptroller General of the United States shall submit to the President and to Congress a report detailing the results of any audit of the financial transactions of the Commission conducted by the Comptroller General.

SEC. 12. ADVISORY BOARD.

(a) ESTABLISHMENT.—There is established a First Flight Centennial Federal Advisory Board.

(b) NUMBER AND APPOINTMENT.—

(1) IN GENERAL.—The Board shall be composed of 19 members as follows:

(A) The Secretary of the Interior, or the designee of the Secretary.

(B) The Librarian of Congress, or the designee of the Librarian.

(C) The Secretary of the Air Force, or the designee of the Secretary.

(D) The Secretary of the Navy, or the designee of the Secretary.

(E) The Secretary of Transportation, or the designee of the Secretary.

(F) Six citizens of the United States, appointed by the President, who—

(i) are not officers or employees of any government (except membership on the Board shall not be construed to apply to the limitation under this clause); and

(ii) shall be selected based on their experience in the fields of aerospace history, science, or education, or their ability to represent the entities enumerated under section 5(a)(2).

(G) Four citizens of the United States, appointed by the majority leader of the Senate in consultation with the minority leader of the Senate.

(H) Four citizens of the United States, appointed by the Speaker of the House of Representatives in consultation with the minority leader of the House of Representatives. Of the individuals appointed under this subparagraph—

(i) one shall be selected from among individuals recommended by the representative whose district encompasses the Wright Brothers National Memorial; and

(ii) one shall be selected from among individuals recommended by the representatives whose districts encompass any part of the Dayton Aviation Heritage National Historical Park.

(c) VACANCIES.—Any vacancy in the Advisory Board shall be filled in the same manner in which the original designation was made.

(d) MEETINGS.—Seven members of the Advisory Board shall constitute a quorum for a meeting. All meetings shall be open to the public.

(e) CHAIRPERSON.—The President shall designate 1 member appointed under subsection (b)(1)(F) as chairperson of the Advisory Board.

(f) MAILS.—The Advisory Board may use the United States mails in the same manner and under the same conditions as a Federal agency.

(g) DUTIES.—The Advisory Board shall advise the Commission on matters related to this Act.

(h) PROHIBITION OF COMPENSATION OTHER THAN TRAVEL EXPENSES.—Members of the Advisory Board shall not receive pay, but may receive travel expenses pursuant to the policy adopted by the Commission under section 4(e).

(i) TERMINATION.—The Advisory Board shall terminate upon the termination of the Commission.

SEC. 13. DEFINITIONS.

For purposes of this Act:

(1) The term ''Advisory Board'' means the Centennial of Flight Federal Advisory Board.

(2) The term ''centennial of powered flight'' means the anniversary year, from December 2002 to December 2003, commemorating the 100-year history of aviation beginning with the First Flight and highlighting the achievements of the Wright brothers in developing the technologies which have led to the development of aviation as it is known today.

(3) The term ''Commission'' means the Centennial of Flight Commission.

(4) The term ''designee'' means a person from the respective entity of each entity represented on the Commission or Advisory Board.

(5) The term ''First Flight'' means the first four successful manned, free, controlled, and sustained flights by a power-driven, heavier-than-air machine, which were accomplished by Orville and Wilbur Wright of Dayton, Ohio on December 17, 1903 at Kitty Hawk, North Carolina.

SEC. 14. TERMINATION.

The Commission shall terminate not later than 60 days after the submission of the final report required by section 10(b) and shall transfer all documents and material to the National Archives or other appropriate Federal entity.

SEC. 15. AUTHORIZATION OF APPROPRIATIONS.

There is authorized to be appropriated to carry out this Act $2,000,000 for each of the fiscal years 1999 through 2004.

AMENDMENT NO. 3613

(Purpose: To amend the Committee Amendment to S. 1397, The Centennial of Flight Commemoration Act)

Mr. GRASSLEY. Mr. President, Senator HELMS has an amendment at the desk, and I ask for its consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Iowa [Mr. GRASSLEY] for Mr. HELMS, for himself and Mr. GLENN, proposes an amendment numbered 3613.

Mr. GRASSLEY. I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

In the Committee Amendment on page 38 strike lines 17 through 19 and insert the following: ''There is authorized to be appropriated to carry out this Act $250,000 for fiscal year 1999, $600,000 for fiscal year 2000, $750,000 for fiscal year 2001, $900,000 for fiscal year 2002, $900,000 for fiscal year 2003, and $600,000 for fiscal year 2004.''

Mr. GRASSLEY. Mr. President, I ask unanimous consent the amendment be agreed to.

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

The amendment (No. 3613) was agreed to.

Mr. GRASSLEY. I ask unanimous consent that the committee substitute be agreed to, the bill be considered read a third time and passed, the motion to reconsider be laid upon the table, and that any statements relating to the bill be printed at the appropriate place in the RECORD.

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

The committee substitute amendment, as amended, was agreed to.

The bill (S. 1397), as amended, was considered read the third time and passed as follows:

S. 1397

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Centennial of Flight Commemoration Act''.

SEC. 2. FINDINGS.

Congress finds that—

(1) December 17, 2003, is the 100th anniversary of the first successful manned, free, controlled, and sustained flight by a power-driven, heavier-than-air machine;

(2) the first flight by Orville and Wilbur Wright represents the fulfillment of the age-old dream of flying;

(3) the airplane has dramatically changed the course of transportation, commerce, communication, and warfare throughout the world;

(4) the achievement by the Wright brothers stands as a triumph of American ingenuity, inventiveness, and diligence in developing new technologies, and remains an inspiration for all Americans;

(5) it is appropriate to remember and renew the legacy of the Wright brothers at a time when the values of creativity and daring represented by the Wright brothers are critical to the future of the Nation; and

(6) as the Nation approaches the 100th anniversary of powered flight, it is appropriate to celebrate and commemorate the centennial year through local, national, and international observances and activities.

SEC. 3. ESTABLISHMENT.

There is established a commission to be known as the Centennial of Flight Commission.

SEC. 4. MEMBERSHIP.

(a) NUMBER AND APPOINTMENT.—The Commission shall be composed of 6 members, as follows:

(1) The Director of the National Air and Space Museum of the Smithsonian Institution or his designee.

(2) The Administrator of the National Aeronautics and Space Administration or his designee.

(3) The chairman of the First Flight Centennial Foundation of North Carolina, or his designee.

(4) The chairman of the 2003 Committee of Ohio, or his designee.

(5) As chosen by the Commission, the president or head of a United States aeronautical society, foundation, or organization of national stature or prominence who will be a person from a State other than Ohio or North Carolina.

(6) The Administrator of the Federal Aviation Administration, or his designee.

(b) VACANCIES.—Any vacancy in the Commission shall be filled in the same manner in which the original designation was made.

(c) COMPENSATION.—

(1) PROHIBITION OF PAY.—Except as provided in paragraph (2), members of the Commission shall serve without pay or compensation.

(2) TRAVEL EXPENSES.—The Commission may adopt a policy, only by unanimous vote, for members of the Commission and related advisory panels to receive travel expenses, including per diem in lieu of subsistence. The policy may not exceed the levels established under sections 5702 and 5703 of title 5, United States Code. Members who are Federal employees shall not receive travel expenses if otherwise reimbursed by the Federal Government.

(d) QUORUM.—Three members of the Commission shall constitute a quorum.

(e) CHAIRPERSON.—The Commission shall select a Chairperson of the Commission from the members designated under subsection (a)(1), (2), or (5). The Chairperson may not vote on matters before the Commission except in the case of a tie vote. The Chairperson may be removed by a vote of a majority of the Commission's members.

(f) ORGANIZATION.—No later than 90 days after the date of enactment of this Act, the Commission shall meet and select a Chairperson, Vice Chairperson, and Executive Director.

SEC. 5. DUTIES.

(a) IN GENERAL.—The Commission shall—

(1) represent the United States and take a leadership role with other nations in recognizing the importance of aviation history in general and the centennial of powered flight in particular, and promote participation by the United States in such activities;

(2) encourage and promote national and international participation and sponsorships in commemoration of the centennial of powered flight by persons and entities such as—

(A) aerospace manufacturing companies;

(B) aerospace-related military organizations;

(C) workers employed in aerospace-related industries;

(D) commercial aviation companies;

(E) general aviation owners and pilots;

(F) aerospace researchers, instructors, and enthusiasts;

(G) elementary, secondary, and higher educational institutions;

(H) civil, patriotic, educational, sporting, arts, cultural, and historical organizations and technical societies;

(I) aerospace-related museums; and

(J) State and local governments;

(3) plan and develop, in coordination with the First Flight Centennial Commission, the First Flight Centennial Foundation of North Carolina, and the 2003 Committee of Ohio, programs and activities that are appropriate to commemorate the 100th anniversary of powered flight;

(4) maintain, publish, and distribute a calendar or register of national and international programs and projects concerning, and provide a central clearinghouse for, information and coordination regarding, dates, events, and places of historical and commemorative significance regarding aviation history in general and the centennial of powered flight in particular;

(5) provide national coordination for celebration dates to take place throughout the United States during the centennial year;

(6) assist in conducting educational, civic, and commemorative activities relating to the centennial of powered flight throughout the United States, especially activities that occur in the States of North Carolina and Ohio and that highlight the activities of the Wright brothers in such States; and

(7) encourage the publication of popular and scholarly works related to the history of aviation or the anniversary of the centennial of powered flight.

(b) NONDUPLICATION OF ACTIVITIES.—The Commission shall attempt to plan and conduct its activities in such a manner that activities conducted pursuant to this Act enhance, but do not duplicate, traditional and established activities of Ohio's 2003 Committee, North Carolina's First Flight Centennial Commission, the First Flight Centennial Foundation, or any other organization of national stature or prominence.

SEC. 6. POWERS.

(a) ADVISORY COMMITTEES AND TASK FORCES.—

(1) IN GENERAL.—The Commission may appoint any advisory committee or task force from among the membership of the Advisory Board in section 12.

(2) FEDERAL COOPERATION.—To ensure the overall success of the Commission's efforts, the Commission may call upon various Federal departments and agencies to assist in and give support to the programs of the Commission. The head of the Federal department or agency, where appropriate, shall furnish the information or assistance requested by the Commission, unless prohibited by law.

(3) PROHIBITION OF PAY OTHER THAN TRAVEL EXPENSES.—Members of an advisory committee or task force authorized under paragraph (1) shall not receive pay, but may receive travel expenses pursuant to the policy adopted by the Commission under section 4(c)(2).

(b) POWERS OF MEMBERS AND AGENTS.—Any member or agent of the Commission may, if authorized by the Commission, take any action that the Commission is authorized to take under this Act.

(c) AUTHORITY TO PROCURE AND TO MAKE LEGAL AGREEMENTS.—

(1) IN GENERAL.—Notwithstanding any other provision in this Act, only the Commission may procure supplies, services, and property, and make or enter into leases and other legal agreements in order to carry out this Act.

(2) RESTRICTION.—

(A) IN GENERAL.—A contract, lease, or other legal agreement made or entered into by the Commission may not extend beyond the date of the termination of the Commission.

(B) FEDERAL SUPPORT.—The Commission shall obtain property, equipment, and office space from the General Services Administration or the Smithsonian Institution, unless other office space, property, or equipment is less costly.

(3) SUPPLIES AND PROPERTY POSSESSED BY COMMISSION AT TERMINATION.—Any supplies and property, except historically significant items, that are acquired by the Commission under this Act and remain in the possession of the Commission on the date of the termination of the Commission shall become the property of the General Services Administration upon the date of termination.

(d) MAILS.—The Commission may use the United States mails in the same manner and under the same conditions as any other Federal agency.

SEC. 7. STAFF AND SUPPORT SERVICES.

(a) EXECUTIVE DIRECTOR.—There shall be an Executive Director appointed by the Commission and chosen from among detailees from the agencies and organizations represented on the Commission. The Executive Director may be paid at a rate not to exceed the maximum rate of basic pay payable for the Senior Executive Service.

(b) STAFF.—The Commission may appoint and fix the pay of any additional personnel that it considers appropriate, except that an individual appointed under this subsection may not receive pay in excess of the maximum rate of basic pay payable for GS–14 of the General Schedule.

(c) INAPPLICABILITY OF CERTAIN CIVIL SERVICE LAWS.—The Executive Director and staff of the Commission may be appointed without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and may be paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title, relating to classification and General Schedule pay rates, except as provided under subsections (a) and (b) of this section.

(d) MERIT SYSTEM PRINCIPLES.—The appointment of the Executive Director or any personnel of the Commission under subsection (a) or (b) shall be made consistent with the merit system principles under section 2301 of title 5, United States Code.

(e) STAFF OF FEDERAL AGENCIES.—Upon request by the Chairperson of the Commission, the head of any Federal department or agency may detail, on either a nonreimbursable or reimbursable basis, any of the personnel of the department or agency to the Commission to assist the Commission to carry out its duties under this Act.

(f) ADMINISTRATIVE SUPPORT SERVICES.—

(1) REIMBURSABLE SERVICES.—The Secretary of the Smithsonian Institution may provide to the Commission on a reimbursable basis any administrative support services that are necessary to enable the Commission to carry out this Act.

(2) NONREIMBURSABLE SERVICES.—The Secretary may provide administrative support services to the Commission on a nonreimbursable basis when, in the opinion of the Secretary, the value of such services is insignificant or not practical to determine.

(g) COOPERATIVE AGREEMENTS.—The Commission may enter into cooperative agreements with other Federal agencies, State and local governments, and private interests and organizations that will contribute to public awareness of and interest in the centennial of powered flight and toward furthering the goals and purposes of this Act.

(h) PROGRAM SUPPORT.—The Commission may receive program support from the nonprofit sector.

SEC. 8. CONTRIBUTIONS.

(a) DONATIONS.—The Commission may accept donations of personal services and historic materials relating to the implementation of its responsibilities under the provisions of this Act.

(b) VOLUNTEER SERVICES.—Notwithstanding section 1342 of title 31, United States Code, the Commission may accept and use voluntary and uncompensated services as the Commission determines necessary.

(c) REMAINING FUNDS.—Any funds (including funds received from licensing royalties) remaining with the Commission on the date of the termination of the Commission may be used to ensure proper disposition, as specified in the final report required under section 10(b), of historically significant property which was donated to or acquired by the Commission. Any funds remaining after such disposition shall be transferred to the Secretary of the Treasury for deposit into the general fund of the Treasury of the United States.

SEC. 9. EXCLUSIVE RIGHT TO NAME, LOGOS, EMBLEMS, SEALS, AND MARKS.

(a) IN GENERAL.—The Commission may devise any logo, emblem, seal, or descriptive or designating mark that is required to carry out its duties or that it determines is appropriate for use in connection with the commemoration of the centennial of powered flight.

(b) LICENSING.—The Commission shall have the sole and exclusive right to use, or to allow or refuse the use of, the name ''Centennial of Flight Commission'' on any logo, emblem, seal, or descriptive or designating mark that the Commission lawfully adopts.

(c) EFFECT ON OTHER RIGHTS.—No provision of this section may be construed to conflict or interfere with established or vested rights.

(d) USE OF FUNDS.—Funds from licensing royalties received pursuant to this section shall be used by the Commission to carry out the duties of the Commission specified by this Act.

(e) LICENSING RIGHTS.—All exclusive licensing rights, unless otherwise specified, shall revert to the Air and Space Museum of the Smithsonian Institution upon termination of the Commission.

SEC. 10. REPORTS.

(a) ANNUAL REPORT.—In each fiscal year in which the Commission is in existence, the Commission shall prepare and submit to Congress a report describing the activities of the Commission during the fiscal year. Each annual report shall also include—

(1) recommendations regarding appropriate activities to commemorate the centennial of powered flight, including—

(A) the production, publication, and distribution of books, pamphlets, films, and other educational materials;

(B) bibliographical and documentary projects and publications;

(C) conferences, convocations, lectures, seminars, and other similar programs;

(D) the development of exhibits for libraries, museums, and other appropriate institutions;

(E) ceremonies and celebrations commemorating specific events that relate to the history of aviation;

(F) programs focusing on the history of aviation and its benefits to the United States and humankind; and

(G) competitions, commissions, and awards regarding historical, scholarly, artistic, literary, musical, and other works, programs, and projects related to the centennial of powered flight;

(2) recommendations to appropriate agencies or advisory bodies regarding the issuance of commemorative coins, medals, and stamps by the United States relating to aviation or the centennial of powered flight;

(3) recommendations for any legislation or administrative action that the Commission determines to be appropriate regarding the commemoration of the centennial of powered flight;

(4) an accounting of funds received and expended by the Commission in the fiscal year that the report concerns, including a detailed description of the source and amount of any funds donated to the Commission in the fiscal year; and

(5) an accounting of any cooperative agreements and contract agreements entered into by the Commission.

(b) FINAL REPORT.—Not later than June 30, 2004, the Commission shall submit to the President and Congress a final report. The final report shall contain—

(1) a summary of the activities of the Commission;

(2) a final accounting of funds received and expended by the Commission;

(3) any findings and conclusions of the Commission; and

(4) specific recommendations concerning the final disposition of any historically significant items acquired by the Commission, including items donated to the Commission under section 8(a)(1).

SEC. 11. AUDIT OF FINANCIAL TRANSACTIONS.

(a) IN GENERAL.—

(1) AUDIT.—The Comptroller General of the United States shall audit on an annual basis the financial transactions of the Commission, including financial transactions involving donated funds, in accordance with generally accepted auditing standards.

(2) ACCESS.—In conducting an audit under this section, the Comptroller General—

(A) shall have access to all books, accounts, financial records, reports, files, and other papers, items, or property in use by the Commission, as necessary to facilitate the audit; and

(B) shall be afforded full facilities for verifying the financial transactions of the Commission, including access to any financial records or securities held for the Commission by depositories, fiscal agents, or custodians.

(b) FINAL REPORT.—Not later than September 30, 2004, the Comptroller General of the United States shall submit to the President and to Congress a report detailing the results of any audit of the financial transactions of the Commission conducted by the Comptroller General.

SEC. 12. ADVISORY BOARD.

(a) ESTABLISHMENT.—There is established a First Flight Centennial Federal Advisory Board.

(b) NUMBER AND APPOINTMENT.—

(1) IN GENERAL.—The Board shall be composed of 19 members as follows:

(A) The Secretary of the Interior, or the designee of the Secretary.

(B) The Librarian of Congress, or the designee of the Librarian.

(C) The Secretary of the Air Force, or the designee of the Secretary.

(D) The Secretary of the Navy, or the designee of the Secretary.

(E) The Secretary of Transportation, or the designee of the Secretary.

(F) Six citizens of the United States, appointed by the President, who—

(i) are not officers or employees of any government (except membership on the Board shall not be construed to apply to the limitation under this clause); and

(ii) shall be selected based on their experience in the fields of aerospace history, science, or education, or their ability to represent the entities enumerated under section 5(a)(2).

(G) Four citizens of the United States, appointed by the majority leader of the Senate in consultation with the minority leader of the Senate.

(H) Four citizens of the United States, appointed by the Speaker of the House of Representatives in consultation with the minority leader of the House of Representatives. Of the individuals appointed under this subparagraph—

(i) one shall be selected from among individuals recommended by the representative whose district encompasses the Wright Brothers National Memorial; and

(ii) one shall be selected from among individuals recommended by the representatives whose districts encompass any part of the Dayton Aviation Heritage National Historical Park.

(c) VACANCIES.—Any vacancy in the Advisory Board shall be filled in the same manner in which the original designation was made.

(d) MEETINGS.—Seven members of the Advisory Board shall constitute a quorum for a meeting. All meetings shall be open to the public.

(e) CHAIRPERSON.—The President shall designate 1 member appointed under subsection (b)(1)(F) as chairperson of the Advisory Board.

(f) MAILS.—The Advisory Board may use the United States mails in the same manner and under the same conditions as a Federal agency.

(g) DUTIES.—The Advisory Board shall advise the Commission on matters related to this Act.

(h) PROHIBITION OF COMPENSATION OTHER THAN TRAVEL EXPENSES.—Members of the Advisory Board shall not receive pay, but may receive travel expenses pursuant to the policy adopted by the Commission under section 4(e).

(i) TERMINATION.—The Advisory Board shall terminate upon the termination of the Commission.

SEC. 13. DEFINITIONS.

For purposes of this Act:

(1) The term ''Advisory Board'' means the Centennial of Flight Federal Advisory Board.

(2) The term ''centennial of powered flight'' means the anniversary year, from December 2002 to December 2003, commemorating the 100-year history of aviation beginning with the First Flight and highlighting the achievements of the Wright brothers in developing the technologies which have led to the development of aviation as it is known today.

(3) The term ''Commission'' means the Centennial of Flight Commission.

(4) The term ''designee'' means a person from the respective entity of each entity represented on the Commission or Advisory Board.

(5) The term ''First Flight'' means the first four successful manned, free, controlled, and sustained flights by a power-driven, heavier-than-air machine, which were accomplished by Orville and Wilbur Wright of Dayton, Ohio on December 17, 1903 at Kitty Hawk, North Carolina.

SEC. 14. TERMINATION.

The Commission shall terminate not later than 60 days after the submission of the final report required by section 10(b) and shall transfer all documents and material to the National Archives or other appropriate Federal entity.

SEC. 15. AUTHORIZATION OF APPROPRIATIONS.

There is authorized to be appropriated to carry out this Act $250,000 for fiscal year 1999, $600,000 for fiscal year 2000, $750,000 for fiscal year 2001, $900,000 for fiscal year 2002, $900,000 for fiscal year 2003, and $600,000 for fiscal year 2004.

ORDERS FOR WEDNESDAY, SEPTEMBER 23, 1998

Mr. GRASSLEY. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in adjournment until 9:30 a.m. on Wednesday, September 23. I further ask that when the Senate reconvenes on Wednesday, immediately following the prayer, the Journal of proceedings be approved, no resolutions come over under the rule, the call of the calendar be waived, the morning hour be deemed to have expired, the time for the two leaders be reserved, and the Senate then resume consideration of S. 1301, the bankruptcy bill.

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

Mr. GRASSLEY. I further ask unanimous consent that at 9:30 a.m., Senator DODD be recognized to offer his amendment relative to student loans and there be 15 minutes for debate, 10 minutes under the control of Senator DODD, 5 minutes under the control of Senator GRASSLEY, and following the conclusion or yielding back of time, the amendment be agreed to, and the motion to reconsider be laid upon the table.

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

Mr. GRASSLEY. I also ask unanimous consent that following the disposition of the Dodd amendment, Senator KOHL be recognized to offer an amendment under a time limit of 10 minutes under his control and 5 minutes under the control of Senator GRASSLEY, and following the conclusion of the debate, the amendment be agreed to, and the motion to reconsider be laid upon the table.

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

Mr. GRASSLEY. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. GRASSLEY. Mr. President, I ask that at 10 a.m. tomorrow Senator FEINSTEIN be recognized to speak for up to 10 minutes, to be followed at 11 o'clock by Senator HARKIN to be recognized to offer his amendment regarding interest rates, and that there be 45 minutes for debate, 40 minutes under the control of Senator HARKIN, 5 minutes under the control of Senator DOMENICI, and at 11:45, Senator DOMENICI or his designee be recognized to move to table.

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

Mr. GRASSLEY. I further ask that following the disposition of the Harkin amendment the Senator from Iowa, myself, be recognized to offer the managers' amendment.

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

Mr. GRASSLEY. Therefore, Members should expect a series of votes to occur at approximately 11:45 tomorrow, the last in the series being passage of the bankruptcy bill. The Senate may also

consider the Interior appropriations bill and any other calendar items. Therefore, votes will occur throughout the day on Wednesday.

ADJOURNMENT UNTIL 9:30 A.M. TOMORROW

Mr. GRASSLEY. If there is no further business to come before the Senate, I now ask unanimous consent the Senate stand in adjournment under the previous order.

There being no objection, the Senate, at 6:44 p.m., adjourned until Wednesday, September 23, 1998, at 9:30 a.m.

NOMINATIONS

Executive nominations received by the Senate September 22, 1998:

DEPARTMENT OF THE INTERIOR

ELJAY B. BOWRON, OF MICHIGAN, TO BE INSPECTOR GENERAL, DEPARTMENT OF THE INTERIOR, VICE WILMA A. LEWIS, RESIGNED.

DEPARTMENT OF ENERGY

ROSE EILENE GOTTEMOELLER, OF VIRGINIA, TO BE AN ASSISTANT SECRETARY OF ENERGY (NON-PROLIFERATION AND NATIONAL SECURITY), VICE ARCHER L. DURHAM,RESIGNED.

DAVID MICHAELS, OF NEW YORK, TO BE AN ASSISTANT SECRETARY OF ENERGY (ENVIRONMENT, SAFETY AND HEALTH), VICE TARA JEANNE O'TOOLE, RESIGNED.

UNITED STATES INFORMATION AGENCY

WILLIAM B. BADER, OF NEW JERSEY, TO BE AN ASSOCIATE DIRECTOR OF THE UNITED STATES INFORMATION AGENCY, VICE JOHN P. LOIELLO.

U.S. INTERNATIONAL DEVELOPMENT COOPERATION AGENCY

VIVIAN LOWERY DERRYCK, AN ASSISTANT ADMINISTRATOR OF THE AGENCY FOR INTERNATIONAL DEVELOPMENT, TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE AFRICAN DEVELOPMENT FOUNDATION FOR A TERM EXPIRING SEPTEMBER 27, 2003, VICE JOHN F. HICKS, SR., TERM EXPIRED.

AFRICAN DEVELOPMENT FOUNDATION

SUSAN E. RICE, AN ASSISTANT SECRETARY OF STATE, TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE AFRICAN DEVELOPMENT FOUNDATION FOR A TERM EXPIRING SEPTEMBER 27, 2003, VICE GEORGE EDWARD MOOSE, TERM EXPIRED.

DEPARTMENT OF STATE

MICHAEL J. SULLIVAN, OF WYOMING, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO IRELAND.

NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES

GORDON DAVIDSON, OF CALIFORNIA, TO BE A MEMBER OF THE NATIONAL COUNCIL ON THE ARTS FOR A TERM EXPIRING SEPTEMBER 3, 2004, VICE KENNETH MALERMAN JARIN, TERM EXPIRED.

CLEO PARKER ROBINSON, OF COLORADO, TO BE A MEMBER OF THE NATIONAL COUNCIL ON THE ARTS FOR A TERM EXPIRING SEPTEMBER 3, 2004, VICE IRA RONALD FELDMAN, TERM EXPIRED.

THE JUDICIARY

ALETA A. TRAUGER, OF TENNESSEE, TO BE UNITED STATES DISTRICT JUDGE FOR THE MIDDLE DISTRICT OF TENNESSEE VICE JOHN T. NIXON, RETIRED.

IN THE AIR FORCE

THE FOLLOWING AIR NATIONAL GUARD OF THE UNITED STATES OFFICER FOR APPOINTMENT IN THE RESERVE OF THE AIR FORCE, TO THE GRADE INDICATED UNDER TITLE 10, U.S.C., SECTION 12203:

To be brigadier general

COL. JAMES C. BURDICK, 0000.

IN THE ARMY

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES ARMY TO THE GRADE INDICATED WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, U.S.C., SECTION 601:

To be lieutenant general

MAJ. GEN. EDWIN P. SMITH, 0000.

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES ARMY TO THE GRADE INDICATED UNDER TITLE 10, U.S.C., SECTION 624:

To be major general

BRIG. GEN. ANTHONY R. JONES, 0000.