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

Mr. SESSIONS. Madam President, the Marriage Tax Relief Act that passed in the Senate previously and that has now come back to us from conference is a piece of legislation of historic importance. I would like to share a few thoughts with this body concerning why I think it is so important.

Not long ago a Harvard president wrote a book about the beginning of our Republic—the first 150 years. He said every piece of legislation that was considered and passed was debated on the principle of whether or not it would make the American people better as individual people, as human beings. It would encourage their self-reliance, their discipline, and their work ethic. It would encourage them to educate themselves and their families. It would make them more law abiding.

We know that public policy does, indeed, affect social policy and that actions have consequences. We know that a tax is a penalty. A tax is a detriment. When you tax something, you get less of it. In fact, that is why we tax cigarettes and beer more than we do food and medicine. We believe you can reduce certain activities to some degree by a tax. We now know if you subsidize an event, you get more of it.

Those are principles that I think are undisputed. How much I don't know. How much it affects any one single event in the life of a nation I don't know. But when you have over 200 million people making thousands and thousands and hundreds of thousands of decisions every day, every week, and every month of the year, penalties on one type of decisionmaking and a subsidy on another type of decisionmaking can affect what happens.

We are in the position that this great Nation through inadvertence, I suppose, has created a system that actually penalizes marriage. It, indeed, can be said to subsidize divorce.

I know a friend who got a divorce in January. I was told had they divorced in December it would have saved them $1,600 in tax dollars; the Federal Government would be prepared to subsidize that divorce. But had they married in December, it would have cost them on their tax return an additional $1,600; $1,600 is a lot of money.

The average family who pays this marriage tax penalty according to the best estimates pays around $1,400 more per year in taxes. That is $100 a month. That is real money for American families.

I want to say how excited I am that I believe we are on the verge of passing and sending to the President a bill that I trust he will feel quite comfortable signing—a bill to eliminate this bizarre penalty.

How much has it impacted marriage and families in America? I don't know. But we know this: Marriage and family is a good institution. It strengthens America through families. Traditions, stability, and education are ways of getting along in the world and transmitted partnerships occur. People live longer who are married, for the most part. It is a good institution. It is the institution that raises our next generation, trains them, and prepares them for the world.

It is such a delight and a thrill to know that we will, tomorrow, I am quite confident, vote to eliminate this penalty on one of America's most valuable institutions, the family. What a good day that is going to be. I look forward to it. I am going to celebrate it when it is signed, as I am confident the President will do. We will have made a major step in this body to strengthening one of America's greatest institutions, and that is the family.

HONORABLE NANCY EKSTRUM, MAYOR OF PHILIP

Mr. DASCHLE. Mr. President, on July 10, 2000, one of South Dakota's finest mayors stepped down after two decades of public service. Nancy Ekstrum, former city council member and mayor of the town of Philip for 12 years, provided thoughtful and decisive leadership for her community during a time of considerable change.

The first woman to lead Philip, Mayor Ekstrum began her service as mayor facing difficult issues that would be familiar to anyone who lives in a rural community. Poor quality water supplies made treatment expensive and difficult. An aging sewer system needed repair and road projects awaited completion. Meeting these challenges with a shrinking tax base and during a time of hardship for area ranchers required a sense of vision and tenacity. Most of all, it required a mayor who was willing to roll up her sleeves and put her heart and soul into finding creative solutions to difficult problems.

Nancy Ekstrum was just that kind of mayor. Under her leadership, the city built long-needed roads and made great strides toward providing its citizens with clean, healthy drinking water. When it became clear that the Mni Wiconi Rural Water System was still several years from reaching the community, Mayor Ekstrum rallied area residents to work with the congressional delegation to find an affordable interim solution to the city's water crisis. It is my hope that this project will be funded this year so that clean water will be Mayor Ekstrum's lasting legacy to the city.

On a more personal level, I will miss working with Mayor Ekstrum. Her advice on issues facing western South Dakota is always thoughtful and on target. I suspect that I will continue to turn to her long into the future for her thoughts and input as South Dakota faces the challenges of adapting a rural state to a global economy. I look forward to maintaining our strong friendship.

In conclusion, I simply would like to extend my congratulations to Mayor Ekstrum on her 23 years of service to her community. I am delighted that she plans to stay involved in education and will continue to make a difference for the youth of Philip. I wish her the best as she enters this new phase of her life.

LEAVE OF ABSENCE

Mr. REID. Mr. President, I ask unanimous consent that Senator MURRAY be granted leave from the business of the Senate from on today, July 20, and Friday, July 21. She is attending a funeral in Washington.

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

UNILATERAL ECONOMIC SANCTIONS: LESSONS LEARNED

Mr. LUGAR. Mr. President, the role of unilateral economic sanctions in the conduct of American foreign policy has been part of our debate in the Congress and in the executive branch for the past three years. Attempts to modify or reform the way the United States utilizes unilateral economic sanctions in the conduct of our foreign policy have consumed the attention of several committees, spawned numerous sanctions reform bills—including my own efforts—resolutions and amendments, generated a number of floor debates, stimulated countless discussions within this body and with the administration and prompted many press conferences and news releases. It even moved the distinguished Majority Leader to appoint an ad hoc bipartisan Senate task force to sort through the issue in the hopes of finding a policy path or sanctions that best promotes our national interest.

Outside the United States Government, virtually every think tank, university, trade association, and foreign policy association has invested time and resources to studying, analyzing and making recommendations on the subject of unilateral economic sanctions. This is as it should be. The subject is integral to our approach on foreign policy, national security and international trade.

I have been pleased that our debate and the large volume of literature have led to considerable re-thinking about the efficacy of unilateral economic sanctions. I have noted that the frequent resort to use of unilateral sanctions to achieve foreign policy goals has declined and that our sophistication about the inter-relationship between unilateral economic sanctions and policy has grown dramatically. One of the most important players in our debate over the past few years has been the unique coalition of some 675 export-oriented companies in the United States called USA*ENGAGE. They have been critical in helping to shape the debate on unilateral economic sanctions, a debate which continues virtually as I speak.

I recently read a short speech by Mr. William Lane who serves as the Chairman of the USA*ENGAGE trade association and the Washington Director of Caterpillar corporation titled ''USA*ENGAGE: Lessons Learned: The Cost of Conducting Foreign Policy on the Cheap.'' The remarks were offered at the French Institute on International Relations last month.

I believe my colleagues will find Mr. Lane's remarks insightful and informed so I ask unanimous consent that the full speech be printed in the RECORD.

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

REMARKS OF WILLIAM LANE: USA*ENGAGE: LESSONS LEARNED

THE COST OF CONDUCTING FOREIGN POLICY ON THE CHEAP

I very much appreciate the opportunity to discuss the issue of economic sanctions before such an influential audience. For the past four years I've been closely associated with the public policy effort known as USA*ENGAGE. Today, I'd like to talk about that effort—with specific focus on the lessons we've learned during what has turned into a rather remarkable campaign.

USA*ENGAGE was organized in reaction to a disturbing development: for much of this decade the United States has embraced an outdated policy tool—unilateral sanctions—to influence foreign governments. In fact, the U.S. has imposed sanctions with such vigor that by 1997 over half the world's population was the target of some form of economic punishment at the hands of the United States.

Recognizing that such sanction policies rarely work, are often counterproductive and almost always costly to other national objectives, U.S. business and agriculture felt compelled to challenge the wisdom of a sanctions-based foreign policy. Organized as USA*ENGAGE, the four-year-old effort has had a definite impact on how America's policymakers now view sanctions.

To appreciate the lessons learned, it is best to recall the scope of the problem. Put bluntly, with the end of the Cold War, many U.S. policymakers embraced the simplistic view that sanctions were the perfect compromise between doing nothing and taking military action.

So the United States sanctioned. It sanctioned South Korea and Saudi Arabia over labor rights; India and Pakistan for nuclear testing; Colombia for narcotics; and China for human rights abuses and environmental concerns. Citizens of Canada and Israel were sanctioned for doing business in Cuba. Egypt and Germany were threatened with sanctions because of concerns about religious persecution, as were companies in Russia, Malaysia and France for investing in Iran's petroleum sector.

How many sanctions were imposed? In 1997, the President's Export Council found that the U.S. was targeting unilateral sanctions against 73 countries, while the Congressional Research Service cited 125 measures authorizing unilateral sanctions.

Did the sanctions work? The Institute for International Economic concluded that less than one in five unilateral sanctions resulted in anything close to the desired result. However, the one thing unilateral sanctions have clearly done is to hurt U.S. interest—annually costing as many as 250,000 high-paying American jobs and reducing U.S. exports by about $19 billion.

From our perspective, sanctions also ran counter to the reality that in many developing countries American business represents one of the most progressive elements of society. By encouraging trade and investment abroad, America not only helps create jobs and higher living standards; if also promotes values that encourage political freedom, the rule of law, and respect for human rights. From better schools and health care to improved infrastructure and housing, commercial engagement can make a positive difference in the lives of millions.

At the same time, the positive contribution made by the many non-governmental organizations (NGOs) cannot be underestimated. While we recognize there are no guarantees in foreign policy, we've learned that for engagement to work, it needs to be pursued at many levels—political, diplomatic, economic, charitable, religious, educational, and cultural. Rather than view each other as adversaries, business and the NGO communities would be well served to be supportive of common objectives.

So, the strategy of USA*ENGAGE was to engage friend and foe alike in the sanctions debate. Our original hope was that 100 companies would join us. Clearly, this was an issue of great concern for the business community, as our membership quickly swelled to 675 companies.

Moreover, we engaged the academic community and think tanks. We engaged non-traditional business allies ranging from religious and humanitarian organizations to human rights groups. We engaged the Congress and Clinton Administration. We worked with the media and aggressively used the Internet to engage the public—building a web outreach program that was receiving 140,000 hits per month at its peak. With our encouragement, the sanctions issue even became the national college-debating topic.

To be frank, our message evolved with time. Initially we stressed what our experience told us was true:

(1) Unilateral sanctions don't work and can be costly;

(2) Engagement—when pursued at all levels—can be a strong force for positive change;

(3) Isolating a country from positive values and means of influence rarely gets results;

(4) Multilateral actions are almost always more effective than unilateral ones.

As the public debate continued, our views coalesced around one overriding theme: the United States cannot conduct an effective foreign policy on the cheap. Unilateral sanctions are not only the lazy man's foreign policy, but a symptom of a larger problem: a lack of recognition of the broad array of foreign policy tools—ranging from carrots to sticks—that are available.

Sanctions—even unilateral ones—at times may be necessary, but other foreign policy tools must be part of the equation. These include the Foreign Service. USAID, military and intelligence agencies, as well as multilateral institutions like the UN, World Bank, IMF and WTO. But for these tools to work, U.S. leadership, commitment, and funding is essential.

The problem with unilateral sanctions is that they often cut off American influence and hurt the very people the U.S. is trying to help. We don't think it is an accident that the countries the United States has attempted to isolate the most—Cuba and North Korea—have changed the least over the past 40 years.

The efforts of USA*ENGAGE have prompted a reexamination of many U.S. sanction policies. Sanctions have been lifted against Colombia, Vietnam, and both South and North Korea. The U.S. has rejected sanctions against Mexico, Indonesia, Russia, Malaysia and France and waived sanctions against India and Pakistan. Earlier this week, the U.S. Supreme Court, in a rare unanimous vote, ruled that state and local sanctions are unconstitutional. There has even been movement toward engaging Cuba, with legislation now moving in the Congress that would open the door to U.S. shipments of food and medicine.

While a few new sanctions—Burma and Sudan—have been imposed in recent years, it is clear that policymakers view unilateral sanctions in a more critical light. It is important to note that last year, and so far this year, the United States has not imposed any unilateral sanctions of note. This is a far cry from 1996, when USA*ENGAGE was organized. In that year alone, according to the National Association of Manufacturers, the U.S. imposed 23 unilateral sanctions, including two measures—the Helms-Burton Act and the Iran-Libya Sanctions Act—that were unusually onerous in that extraterritorial sanctions were authorized.

For our part, business now sees value in supporting issues that it previously ignored—such as encouraging America to pay its UN arrears and ensuring that the IMF and Foreign Service are adequately funded.

Under the leadership of foreign policy and trade experts like Senators LUGAR, KERREY and HAGEL and Representatives CRANE, DOOLEY and MANZULLO, there is a serious effort in Congress to enact legislation that would put in place a more deliberate process to use when the U.S. considers new unilateral sanction proposals. Known as The Sanctions Process Reform Act, this common sense legislation is a good bill and should be enacted.

While this legislation is important, it won't be new laws that stop policymakers from adopting new unilateral sanctions rather than pursuing more effective multilateral actions. Nor will new laws ensure that our leaders recognize the full power of engagement and the risks associated with isolation. That is why we must continue to be vigilant and keep U.S. foreign policymakers on a path that included multilateral solutions to international problems.

What will ultimately change America's sanctions-base foreign policy will be Americans who—armed with the facts—demand a more effective foreign policy. To that end, the ultimate success of USA*ENGAGE will depend on whether the lessons learned are reinforced by a commitment from our leaders to refrain from conducting foreign policy on the cheap.

As a conclusion, I'd like you to note that perhaps the most telling event to illustrate the evolution of U.S. sanctions policy took place earlier this week. The decision this week by President Clinton to drop many of the U.S. sanctions that have been in place against North Korea for nearly a half a century was indeed profound. What better way to mark the 50th anniversary of the Korean War than to finally make significant progress towards ending the Cold War on the Korean Peninsula?

The United States should now further follow the lead of South Korea, as we too face an opportunity to ease tensions with a hostile neighbor. America can learn from the Koreans by opening a dialogue with the government of Cuba. Engagement is working throughout the world—it can work in our backyard too. Perhaps that will be the greatest lesson we have yet to learn.

Thank you.

BANKRUPTCY REFORM

Mr. HATCH. Mr. President, I want to take a brief moment to speak on bankruptcy reform legislation, which in my view, our Nation desperately needs. We