test as a tool for seeking revenge and not for logically distinguishing exempt from nonexempt employees. They do this by claiming that anyone subject to a pay reduction for taking partial day leave is not paid on a salary basis and is therefore entitled to overtime pay, including retroactively. The problem would not be so bad if it were limited to a few individual overtime awards; but it is not. Instead, seizing upon a two-word phrase in the regulations, employees and their attorneys have argued that everyone theoretically subject to a technically flawed payroll policy is entitled to the same windfall—regardless of whether the flaw affected any particular employee's pay. Employers, of course, rarely issue separate payroll policies for different groups of exempt employees; thus, every employee, up to the top levels of the corporate boardroom, becomes an equally viable candidate for a large windfall. The potential overtime liability is as enormous as it is irrational.

Furthermore, the FLSA's duties test is being applied on an increasingly arbitrary basis. Concepts like ''discretion and independent judgment'' have always been difficult to define. These ideas seemed manageable in the era of assembly lines and hierarchical management structures, but this has radically changed. Instead, technology has diversified job duties, service-based employment has proliferated, and even old-line manufacturing operations have moved to team management concepts. In this environment, employers can no longer rely on cookie-cutter paradigms in making duties judgments. Employers often have to guess—and too many are guessing wrong. Even the courts struggle to achieve consistency, reaching irreconcilable results in cases involving the growing ranks of quasi-professionals such as accountants, engineers, insurance adjusters, and journalists.

The legislation I have introduced addresses these problems in three separate ways. First, it restores original understandings of the salary basis test by requiring the Department of Labor and the courts to focus on actual pay reductions rather than speculation as to potential deductions under some nebulous policy. The FLSA still will protect exempt employees from inappropriate practices, since regulatory provisions denying exempt status for employees experiencing actual salary deductions for taking partial day leave would remain unchanged. My legislation, however, will prevent employees from using a policy's theoretical application to extort huge overtime windfalls for company-wide classes of highly paid employees who never could have imagined themselves as nonexempt laborers.

Second, my proposal will address perhaps the most confusing and indefensible requirement among the FLSA's duties tests: the attempted distinction between ''production'' and ''management'' workers. Under current regulations, for example, an administrative assistant might meet exemption standards simply by opening a management executive's mail and deciding who should handle it, because such a job is ''directly related to management policies or general business operations of the employer or the employer's customers.'' On the other hand, employees with far more sophisticated, challenging, and lucrative jobs may be nonexempt simply because they work on production tasks. The regulations reasonably expect an administrative employee to exercise a certain level of discretion and independent judgment, and my legislation would not alter that requirement. There is no reason to think, however, that a production or management label on the object of an employee's discretion or judgment has anything to do with that employee's professionalism, or the need for FLSA protections. Therefore, my bill eliminates the requirement that the employee's exercise of discretion and judgment be ''directly related to management policies or general business operations of the employer or the employer's customers.''

Finally, my legislation would create an income threshold that automatically exempts from FLSA scrutiny the highest paid strata of the workforce. This would directly reverse the trend toward questionable and irrational overtime awards for highly compensated employees. There is no reason that the FLSA, which was passed to protect laborers who ''toil in factory and on farm,'' and who are ''helpless victims of their own bargaining weakness,'' should ever be interpreted to protect workers making high five-figure or six-figure incomes. Yet, without considering the policy implications, courts are reaching such conclusions on an alarmingly frequent basis.

A worker drawing a large salary must perform some valuable services for an employer. Why, then, should that employer have to satisfy a complex set of artificial and archaic duties tests to prove that the employee is valuable? A worker drawing a large salary also must possess considerable bargaining leverage. Why then, should employers be forced, regardless of the employee's needs or preferences, to calculate paychecks only in the inflexible manner dictated by Government salary basis regulations?

The FLSA, in nearly six decades, has strayed from its laudable goal of protecting the poorest and weakest laborers from workplace abuses. The Department of Labor and the courts need to refocus their efforts. By directly exempting highly paid employees and by making long overdue adjustments to the salary and duties tests, my proposal goes a long way toward providing this new direction.

THE 1998 BUDGET

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 26, 1997

Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington report for Wednesday, February 19, 1997, into the CONGRESSIONAL RECORD.

THE PRESIDENT'S 1998 BUDGET

The most important document in the government is the budget. It is a plan of how the government spends your money, how it pays for its activities, and how it borrows money to pay the bills. It affects the nation's economy, and it is affected by that economy. This month President Clinton sent his 1998 budget to Congress.

The President submitted a $1.687 trillion budget. With revenues projected at $1.567 trillion, that leaves a $120 billion deficit, down slightly from $126 billion in 1997. The President lays out a plan to eliminate the deficit by 2002, while protecting Medicare and Social Security without raising costs to beneficiaries. Unlike previous years, congressional leaders in both parties say the President's plan is not ''dead on arrival,'' and they will use his proposal as a starting point for budget negotiations.

The biggest spending in the President's budget goes for Social Security ($381 billion), Medicare and Medicaid ($310 billion), defense ($260 billion), and interest on the national debt ($250 billion). Non-defense discretionary programs, including education, training, research, housing, infrastructure, and law enforcement, receive a total of $287 billion. The downsizing of the federal workforce continues, with a 14% reduction on track for 1999. More than 250,000 positions have already been eliminated.

Over the next five years, the President would cut back discretionary spending by $137 billion and Medicare and Medicaid by $122 billion. The plan would raise $88 billion by closing tax loopholes, imposing new user fees, and auctioning new television broadcast spectrum rights. The President would restore $18 billion for nutrition programs cut in last year's welfare reform law, and cut taxes for middle-income individuals and certain small business by $98 billion.

The President projects a continuation of a good economic growth and no acceleration of inflation. He believes interest rates will fall markedly as a result of balancing the budget. The President's budget further reduces the deficit and provides middle class tax relief, but it does not do enough to boost investment in the future.

New Priorities: Within his plan, the President has proposed a significant realignment in government priorities. First, the President would increase our emphasis on education by expanding everything from the Head Start program for pre-schoolers to tax credits for college tuition and adult job training. Second, the President would extend health care coverage to children and unemployed families who currently lack health care coverage.

It is appropriate to reassess our proprieties, even as we cut back on the scope of government programs. The President's emphasis on education reflects growing public sentiment that we should pay more attention to the problems of our education system. Health care, especially for children, remains a critical issue for many families. I agree with these priorities, but have concerns about the specifics. Some of the President's education plans might create as many risks as rewards. For example, the tax credit for college students with a B average could push colleges to raise tuition, pressure professors to boost student grades, or require the IRS to monitor college transcripts. In broadening health care coverage, we must be careful not to create new runaway entitlements. In prioritizing budget cuts, we should also remember that the major cuts in spending in the last Congress were on assistance to the poor. The rest of us got a bye.

Other Investment: The President misses the mark by adding new investment only in education. Spending on roads, bridges, harbors, airports, and water systems, along with research in science and technology, is essential for new economic growth and for an increase in our living standards. I am concerned that the President would not increase this spending to keep up with inflation—or our global competitors. My view is that the nation's major economic problem is slow growth. We must accelerate economic growth by increasing investment in infrastructure and research.

Long-term changes: A key question is whether or not the budget will remain balanced beyond 2002. My concern is that unless the President and Congress make sweeping changes in the budget now, the deficit will bounce back after 2002. The President postpones the tough budget choices by shifting too many cuts to the last 2 years of his

plan, after he leaves office. He also uses a number of one-time savings (such as selling government assets) to achieve balance in 2002. These one-time fixes do not really address the fundamental problem of overspending.

We have not yet begun to make the necessary decisions to get our fiscal house in long-term order. The underlying budget problem facing our country is the aging population. In fifteen years, baby boomers will begin retiring, placing great strains on programs for older Americans—Social Security, Medicare, and Medicaid. Each of these programs is reasonably secure for the short-term, but long-term reforms must begin now. It will be less painful and less costly to act early. Choices must be made soon on proposed changes to cost-of-living adjustments, subsidies for wealthier recipients, the retirement age, payroll taxes, and the role of private markets in strengthening Social Security and Medicare.

Prospects: The outlook is good for a balanced budget agreement. The mood of key players in Congress and the White House is positive, economic growth is creating higher revenues than expected, and health care costs are constrained. The President and leaders of both parties have had productive meetings to discuss their common ground on the budget. The most contentious issue will likely be the size and shape of tax cuts. The President wants targeted cuts for education, children, and capital gains on the sale of a home. The congressional leadership plans much larger, broad-based reductions. In our efforts to enact politically popular tax cuts, we must not rely on rosy assumptions about future growth or the likelihood that future Congresses will cut popular programs.

Conclusion: At its heart, the President's budget is a political document, designed to gain political advantage in negotiations. I do not view this budget proposal as a powerful document that addresses long-term challenges. Rather, it is an opening bid in the long process to balance the budget. In a few places, it modestly pushes the country in the right direction. It deals with long-term structural problems only on the margins.

AMERICANS FOR DEMOCRATIC ACTION TRIBUTE

HON. PATSY T. MINK

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 26, 1997

Mrs. MINK of Hawaii. Mr. Speaker, for 50 years the Americans for Democratic Action have served this Nation as the liberal conscience covering all issues that affect and confront our lives. While there are numerous liberal single issue organizations that have carved out extraordinary roles in developing American political thought, none have the scope and history as does the Americans for Democratic Action [ADA].

When I came to Congress first in 1965, with the war in Vietnam just beginning to awaken the protests of our youth all across our college campuses, it was the ADA that helped me to put the focus of criticism on process and peace. From 1965 to 1975 until this war ended unceremoniously, the ADA assiduously guarded the civil liberties of our citizens from the emotional and fanatical tirades of those who could not see the painful sacrifices this country was making of its young for a yet undeclared war.

The ADA was formed to serve as an independent political organization. That its politics is more Democratic than Republican is no accident. Its founders were illustrious persons like Eleanor Roosevelt who after her husband's death rose to the ranks of First Lady of the World; Walter Reuther, who created a labor movement involved in social and economic policies well outside ordinary labor politics, and scholars like John Kenneth Galbraith, whose views helped to steer this Nation to economic growth and greater prosperity for the struggling middle class. Vice President Hubert Humphrey was also a founder of ADA.

ADA for 50 years has attracted into its ranks the great voices of political activism and its policies have become the bellwether of liberalism for all of America.

ADA was there at the beginning of the civil rights movement. In 1948, it fought valiantly for a strong civil rights plank in the platform of the Democratic Party.

ADA was the place where the policy of full employment became a national goal later called the Humphrey-Hawkins Full Employment Act, still guided by Leon Shull.

Empowering workers to see that politics was a way toward improvement of working conditions, wages, and job security gave ADA goals to achieve by working closely with the labor movement. Many of labor's leaders continue to serve as ADA's national vice presidents.

I was elected national president of ADA in 1978 and served in that capacity until 1981. During my tenure, ADA under the guidance of Winn Newman advanced pay comparability policies for women that brought the pay equity debate into an examination of the value of work that women do.

ADA is a movement constantly reaching out to new challenges and new areas of leadership.

Its current president, Jack Sheinkman, was the head of the Amalgamated Clothing and Textile Workers Union before he was elected ADA's national president. The executive director is Amy Isaacs who is in charge of its day to day operations. ADA is a national membership organization, but unlike others, it services 22 local chapters all across the country, with approximately 65,000 members.

Among our present and former Members of Congress who served ADA as national president: Hubert Humphrey, Don Edwards, Al Lowenstein, Don Fraser, George McGovern, Robert Drinan, BARNEY FRANK, TED WEISS, CHARLES RANGEL, PAUL WELLSTONE, and JOHN LEWIS. I was its first and only woman president.

Happy 50th birthday Americans for Democratic Action. And may you have many more.

A POINT OF LIGHT FOR ALL AMERICANS: CHARLES E. INNISS

HON. MAJOR R. OWENS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 26, 1997

Mr. OWENS. Mr. Speaker, I rise today to honor an individual who devoted his life to public service and community charity. Charles Inniss' life of 61 years has left an indelible impression on all with whom he came in contact. Although he has passed, his life will remain a testament that human compassion is one of the virtues that matters most in life. Charles Inniss was a model human being and a great ''point of light'' whose contributions must not go unacknowledged.

He was a business administrator, a creative technician, and an artist all combined. He could walk with kings and never lose the common touch. Throughout his professional life at Brooklyn Union Gas. Mr. Inniss was viewed as dedicated, committed, and caring. He joined Brooklyn Union in 1979 as assistant manager in public relations and communications and retired in 1995 as vice president of the urban affairs division. Before joining Brooklyn Union, he served as assistant district service manager at Dun & Bradstreet, executive director of Studio Museum in Harlem, director of area development for the Bedford-Stuyvesant Restoration Corp., administrator of Brooklyn Model Cities, and director of public information and development at the Brooklyn Public Library.

It has been Mr. Inniss' humanitarian deeds that have earned him the greatest respect and admiration of those lives he has touched. He devoted his life to public service by serving on more than 25 charitable organizations. He served actively in the following organizations: the Brooklyn Arts Council, the board for the Brooklyn Children's Museum, the board for the Marcus Garvey Nursing Home, the American Association of Blacks in Energy, the Staten Island Zoological Society, the board for Catholic International, the Mayor's New York City Advisory Cultural Commission, and the Black Officers Association.

Throughout the years, Charles Inniss worked diligently in positions that he found to be beneficial to the community. He was cofounder of Career Opportunities for Brooklyn Youth, director and past chairman of the Studio Museum in Harlem, chairman of Neighborhood Artists, and past chair of the American Gas Foundation. In 1992, he was appointed by the Governor to the City University of New York board of trustees and served as chair of the university's construction fund.

Mr. Inniss has been recognized for his contributions to a broad spectrum of cultural, educational, and social services agencies, institutions and organizations. The Franciscan Sisters for the Poor named their new residence for homeless men the Charles E. Inniss St. Joseph Franciscan House in honor of his dedicated service to the organization. In addition, Mr. Inniss received an honorary doctorate of laws from St. Joseph's College, the Brooklyn Botanic Garden's Forsythia Award, the Franciscan Sisters of the Poor Heritage Award, and the President's Medal for Kingsborough Community College.

Probably the most outstanding feature of Charles Inniss' character and style was his refusal to be shackled by formality and bureaucracy. He supported programs in need when his own eyes and ears told him they were positive and productive. A lack of paper work and the appropriate statistics never prevented funding activities deemed useful to the community. Mr. Inniss made Brooklyn Union one of the earliest sponsors of the Central Brooklyn Martin Luther King Commission which is now in its 12th year of service to the community.

Mr. Inniss was born in Harlem, NY and spent the formative years of his childhood in the east Bronx. He is a graduate of Evander Childs High School and served as captain of the 369th Artillery Battalion. He received a bachelor of science degree and master of public administration degree from New York University.