

Steffens and Ida Tarbell exposed corruption, and the middle class demanded fundamental change; small businessmen railed at monopolies; Wisconsin's crusading Governor, Robert La Follette, enacted legislation regulating health and safety in factories; Oregon limited the hours of work for women (no more than 10 per day); Theodore Roosevelt, McKinley's energetic Vice President who took over after McKinley was assassinated, set out to bust the trusts; suffragists marched; campaigns were organized for pure food and drug laws, workers' compensation and a minimum wage. Politics gained new life and meaning.

What happened? Indignation, which had been rising steadily, suddenly burst out and flooded the country. Citizens were already active at the local level, as they are today. Common morality simply couldn't abide the way things were going. Yet instead of opting for revolution or radical change, Americans preferred to spread the benefits of the emerging industrial economy, thereby saving capitalism from its own excesses.

Another foreshadowing occurred in the placid Eisenhower era. The overall economy was doing nicely then as well, even though its benefits had not reached the rural poor, many of whom were black. Politics had grown inert. Ike golfed. In 1954, the Supreme Court decided that separate schools were not equal. In 1957, Eisenhower dispatched Federal troops to Little Rock's Central High School. But who could have predicted that within a few years the civil rights movement would have remolded American politics with the Civil Rights Act of 1964 and the Voting Rights Act of 1965?

The next revival of American politics can be expected to follow a similar course. The current economic boom has bypassed too many; the gap between winners and losers has grown too wide. Fortunately, there is a common morality at the heart of this capitalist democracy that ultimately keeps us on track and keeps us together. Glimpses of it can be had even in these languid times. For example, a majority of Americans supported last year's increase in the minimum wage to \$5.15, although only a tiny fraction stood to benefit. It was a matter of simple fairness. Or consider the broadscale indignation stirred up by revelations of garment sweatshops.

We got another glimpse this summer, when a sudden groundswell of support forced a skinflint Congress to extend health care to millions of children. And a majority of Americans supported the United Parcel Service strikers, not because the public is particularly fond of organized labor but because it seemed unfair for U.P.S. to pay its part-time work force so little.

Recall also the firestorm when, almost exactly two years ago, AT&T announced it was firing some 40,000 employees and then gave the boss stock options that raised his total compensation to \$16 million, from \$6.7 million. Recall, by contrast, the celebration of Aaron Feuerstein, the owner of Malden Mills in Lawrence, Mass., who, after his synthetic-fleece business burned to the ground, assured his employees that he'd stick by them until the factory was rebuilt.

The pressure keeps rising. A final glimpse came just before the holidays, when the public signaled unease about giving the President "fast track" authority to whisk trade treaties through Congress without amendment and most members of the House of Representatives, including many Republicans, refused to support it. That may be a mistake. Trade is good for America. But the public's negative reaction shouldn't be seen as a repudiation of free trade. It was, at bottom, a matter of fairness: trade hurts some people, and we haven't made adequate provision for the losers.

Trade may, in fact, be the precipitating issue this time around. The economic implosion in East Asia will continue to reverberate here, as bahts, won, rupiahs, ringgit and yen drop in value relative to dollars—one of the biggest price-cutting contests in world history. American consumers will have the benefit of bargain-basement sales, but the cheap imports will put additional downward pressure on the wages of lower-skilled Americans. The tumult also will crimp profits of American companies that export to the region, causing more layoffs here. If the Asian flu turns more deadly, the infection here will be all the worse. However resolved, the Asian crisis portends larger jolts, as the global economy absorbs the surging output of 1.2 billion Chinese—more than a fifth of the world's population. When the current recovery ends, the underlying reality will be starkly evident and the political debate surrounding trade will intensify.

To an extent, that debate has already begun. The tension between economic nationalism and globalism is emerging as one of the most significant fissures in American politics, and it runs through both parties—as shown by the current dispute over financing for the International Monetary Fund.

But it would be unfortunate indeed if the revival of American politics were to turn on the question of whether the nation should engage in more or less commerce with the rest of the world. The underlying choice is larger, more important and more subtle: ultimately, we must decide whether we want to slow the pace of globalization or else take bold steps to help today's losers share in the benefits of the new economy. I cannot predict the outcome of that great debate to come, but I can express a clear preference. It is that we expand the circle of prosperity and that we do so on a scale that matches the challenge.

A new nationalism founded on shared prosperity might, for example, support "re-employment insurance" that would enable people who lose their jobs to move to new ones with far less disruption and pain than is the norm today. (If the new job paid less, half the difference should be offset for a year by a wage subsidy.)

In that spirit, we could enlarge and expand the earned-income tax credit—a reverse income tax that makes work pay if you're at or near the bottom. We could bring a larger portion of the next generation into the circle of prosperity by rebuilding decaying schools and helping states equalize spending between rich and poor school districts. And we would make sure that everyone has access to adequate health care and child care.

To finance all of this—and move beyond the small, feel-good programs that lack adequate scale to make much of a difference—we could simply reverse the current trend in public finance and adopt a truly progressive tax system (including payroll taxes).

None of this will come easily or without a fight. But in the end, the nation will be stronger and better for bringing everyone, or nearly everyone, along. Future historians looking back on the Bland Decade will conclude that, as before, American politics wasn't really dead. It was only caught napping.

Mr. WELLSTONE. I thank the Chair. It is really a superb article.

THE LEGISLATIVE AGENDA

Mr. WELLSTONE. Mr. President, I want to just speak briefly. I think we are all back. As the Senator from North Dakota said, I think most of us really are focused on the legislative

work, Democrats and Republicans. I think that people want us to be focused on our work. But our work is connected to our conversations with people in our States, what people have said to us, and trying to connect what we do as legislators to the betterment of the lives of people that we serve.

Mr. President, I was impressed with Secretary Reich's piece because I have found in my travels in Minnesota and around the country that while all of the macroeconomic statistics look good—for that I am grateful; the GDP and other indicators of economic performance, the official levels of unemployment, a record low, so on and so forth—that in many ways we have a paradox which is that we also, at least since we started collecting social science data, we have the most stratification in our society that we have ever had.

We have the most glaring inequalities, and I think we have been moving to two Americas. It is not the other America that Michael wrote about in a very important book in 1963 about poverty, which I know the presiding officer has been concerned about, but it is two different Americas.

You have one America with mounting access to all the things that I suppose you could say make life richer in possibilities, and you have another America struggling to make ends meet.

You have one America that is barreling down the information superhighway, and you have another America without even the rudimentary skills to participate in our economy or to participate in our polity or to participate in our society.

You have one America with the economic resources to purchase the security of gated communities, living in gated communities, and you have another America that is beset by the decay of some of our very important social institutions which we have to rebuild if we are to rebuild communities, libraries, hospitals, and schools.

You have one America that is focused on a booming stock market, and you have another America that is faced with the insecurities of a job market still with all of the downsizing and the latest news about AT&T, I think, laying off 18,000 employees.

You have one America that every summer sort of plans a trip to Asia or Europe, and you have another America where the discussion is, "How can we scrape up enough money to take the family to a ballgame?"

Mr. President, I find that, in just touring the cafes in Minnesota—I want to draw from my data, which is now less social science data and just conversations with people. You know, most people in the country—poor people, middle-income people, professional people, it does not really matter—from really almost all walks of life, I think first and foremost, are very focused on how they can earn a decent living and how they can give their children the care they know their children need and deserve.

To me, that translates into lots of specific conversations. I could talk a lot about health care. But there is one conversation I cannot forget. It was with a woman. I met her a year ago. It was very sad. Her husband is about 40 and found out he had cancer and was given a couple months to live. I met them about 2 months ago, and she reintroduced me to her husband, who is now in a wheelchair.

She said, "You know, Senator, the doctors said that my husband had only 2 months to live, but he's a real fighter. And I want you to come on over and say hello." You know how that happens when we are out and about. Of course, I did and was pleased to talk to him. Then she took me aside and said, "Every day it is just a nightmare. I'm constantly on the phone trying to find out what my insurance companies will cover, what they will not cover. It is a constant battle."

Mr. President, I think, therefore, health care is very much on the agenda. I do not have time to talk about all the specifics of policy, but I am very interested in making sure it is not just bottom-line medicine. I am very interested in all of us, Democrats and Republicans, making sure there is some consumer protection and also that the caregivers are able to give the kind of care they went to medical school or nursing school to be able to give.

I am very interested in our really thinking about a strategy, going into the next century, about how do we obtain universal coverage, comprehensive care. And I think it can be a decentralist thrust with States figuring out ways to do it within a national framework, within a package of benefits, affordable, and with consumer protection. That is a bill I look forward to introduce.

I think we can do better. I loved working with Senator DOMENICI on mental health. I tell you, there is an area I am really looking forward to do work on as a legislator and that Senator BEN NIGHTHORSE CAMPBELL is going to be working with me on. That is in the whole area of the Substance Abuse Parity Act, trying to make sure that people—it is just wrong. People who are struggling with alcoholism, for example, where they get detox treatment once or twice, then there is no longer any coverage.

We can do much better. There is a tremendous amount of discrimination here. We can do much better as a nation. I look forward to working on that legislation.

Mr. President, above and beyond health care, I would like to talk just a little bit about jobs, and jobs with decent wages. I have had a chance to travel. It has been the best work I have done outside of Minnesota.

I would love to travel with you, I say to the Presiding Officer, because I think as a Senator from Indiana you have focused a lot on these issues. We may have different approaches, but you have just a tremendous commitment to this.

I have traveled in a lot of low-income communities from Letcher County, KY, where my wife's family is from, to Appalachia to Chicago to Baltimore to East L.A., to Watts to urban and rural Minnesota to the delta in Mississippi.

There are two questions people ask in these communities. One of those questions is, "Where are the jobs that we can be trained for and that we can find to support our families on?"

I think raising the minimum wage—I was speaking with Senator KENNEDY about this—is absolutely on the mark. I think we must do it. I think it is a matter of economic justice. It is also true, however, as William Julius Wilson, in his fine book about a year and a half ago, makes the fine point that in some communities and ghettos there is the disappearance of work, there is no work.

So the question is, how do we build the human capital and make sure there are jobs that are community-building jobs? And how do we link that with the private sector? How do we ultimately make sure people are able to get transitional jobs for a year to build those skills, to build community? And we can then at the same time have the job training and track the private-sector capital in those communities.

I think it is a real priority, if we are concerned about these issues of race and gender and poverty and children. They are all far more correlated and interrelated than some of us want to admit.

Another area I want to talk about is the President's initiative on child care. Two points I would like to make.

Again, I do not do justice to the policy debate which we will have, but at least I want to just try to survey this.

I think the President has really laid forth some good proposals. I think we can do more and should do more, and I want to talk about that. We have to make sure that the tax credits, if that is the way we go, are refundable so families with incomes under \$28,000 who did not have a tax liability can benefit.

I think the after-school care is extremely important. But you know what? I read in the paper—and maybe, Mr. President, you are a part of this that Senator CHAFEE and others were talking about—how it is we also can target resources to families where one parent stays at home. I think that is an excellent idea.

I met with so many couples in Minnesota where one of them will say, "You know, Senator, one of us is not working. We understand why both parents work, but we made the decision not to. We forgo the income. We think one of us should be at home during these early years. And why not have some of the funding stream go toward providing us with some assistance?"

I think that is an excellent idea. I hope we can really kind of combine efforts and do something about early childhood development. It is so important.

The medical evidence—Mr. President, you have held some hearings—it is irrefutable and irreducible. We have to do well for these children. They are all God's children. And if we do not do well for these children—the private sector, public sector, community based—by age 3, many of them will never be ready for school. They will never be ready for life. And I cannot think of a more important investment. I want to talk some about that as well.

Mr. President, I will finish up because I only reserved 10 minutes for myself. I just say to my colleagues, there is so much work to be done, so many problems.

I was in East Grand Forks the other day. Last year we were on the floor talking about the floods. It was heart-breaking. James Lee Witt has just done a great job. I so appreciate what he has done for Minnesota. And FEMA came through. But you know what? We lost a third of our housing stock from the flood in East Grand Forks. There are seniors on fixed incomes, low-income people. They cannot find housing. We are going to have to build that housing. There is going to be State money. Maybe we can leverage Federal money.

There are many real problems, many important issues that face families in Minnesota and all across the country. I have delineated some of them.

I urge my colleagues, get out on the floor, do the work in committee, bring the bills and the amendments out here. Just do the work.

I can't resist this, since the Chair happens to be one of my very good friends and is about to tell me I am out of time, I look forward to debating Senator COATS out here on the floor of the U.S. Senate.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. BRYAN. I ask unanimous consent to speak as in morning business for a period of time not to exceed 10 minutes.

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

Mr. BRYAN. Mr. President, I thank the Chair.

(The remarks of Mr. BRYAN pertaining to the introduction of S. 1572 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. BRYAN. I yield the floor, and 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. KENNEDY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

The Senator from Massachusetts is recognized.

(The remarks of Mr. KENNEDY and Mr. WELLSTONE pertaining to the submission of S. 1573 are located in today's RECORD under "Submission of Concurrent and Senate Resolutions.")

Mr. KENNEDY. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Ms. MOSELEY-BRAUN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

The Chair would just inform the Senator that, under a previous order, each Senator is allowed to speak for up to 10 minutes as in morning business.

Ms. MOSELEY-BRAUN. Thank you very much. I am pleased to hear it. I will not take the 10 minutes.

The PRESIDING OFFICER. The Senator from Illinois.

OUR CRUMBLING SCHOOLS

Ms. MOSELEY-BRAUN. Mr. President, tonight the President of the United States will address the country in the State of the Union Address and much of the focus of that speech, we have been told, will be on the subject of education, something that I know the Presiding Officer has worked on over the years, and certainly I have worked on as my No. 1 priority since I came to the U.S. Senate. I am really pleased, however, that among the items in the area of education that the President will touch on is a particular item that I have labored long and hard on since I came to the Senate, and that is the issue of our crumbling schools.

The President will tonight propose an initiative to rebuild our crumbling schools by making available support for local efforts to deal with the facilities and the infrastructure of their schools in the respective parts of the country.

The centerpiece of the proposal that will be announced tonight is a plan to provide tax credits to help stimulate local school construction and modernization. The plan will help States and school districts address the enormous backlog of deferred maintenance to upgrade their schools to incorporate and accommodate modern technologies and to build new classrooms to accommodate soaring enrollment where appropriate.

The plan—and I would like to talk specifically about it—will propose the creation of a new class of zero-interest bonds which can be used exclusively for school facilities and infrastructure development. Instead of receiving interest payments on these bonds, purchasers of the bonds will instead receive Federal income tax credits.

This innovative plan will stimulate at least \$22 billion—\$22 billion—worth of school improvements over the next several years. Frankly, it is exactly the kind of new thinking and the kind of new partnership and innovative and creative financing that we will need to address the issue of our crumbling school infrastructure.

I would like to take a moment to revisit how this issue came about. Com-

ing out of State and local government, I was very concerned that we maintain, on the one hand, the values of local control of education, but at the same time find some way to relieve the pressure on the local property taxes that elementary and secondary education so often requires.

Among the issues that seemed to me to be the most pressing and the most difficult for local districts to address was the question of school facilities. The buildings in which many of our children go to school are literally falling down around them. Most of these buildings have been built a generation ago when I was in school or the Presiding Officer was in school. Frankly, over time, these things just wear down. So you can see all over, certainly all over my State of Illinois and, indeed, all over the country, that our school facilities are crumbling right in front of us. Students talk about the fact that the windows are broken or the roof leaks or the lights—it even got to the point where Charles Schulz with the Peanuts cartoon did a series where Peppermint Patty is sitting in the classroom and raindrops are falling on her head.

The point is, we can do better. So I commissioned a study by the General Accounting Office to look at the issue of crumbling schools. They went around and did a really exhaustive and highly acclaimed survey in which they documented \$112 billion worth of deferred needs in terms of our school infrastructure; \$112 billion required to rebuild the schools, to fix the plants, to provide our children with an environment that is suitable for learning.

In addition to the aesthetics of it, that we want our kids to go to classrooms that are comfortable, consider for a moment that you cannot use a computer unless you plug it into the wall. If the electrical system is not there, then we will be denying our youngsters the opportunity to get trained, denying our work force the opportunity to be trained to compete in this global economy. It seems to me this is something of national importance and import and that it makes sense for the Federal Government to weigh in to help local districts meet the needs, the \$112 billion worth of needs, all over the country.

I started down this trail attempting to get a modest appropriation. I went in and got \$600 million authorized and \$100 million appropriated to this end. Then in the Congress of 1994, the \$100 million that I had gotten appropriated for rebuilding the crumbling schools was taken back in the rescission package. So there was no money for it.

We started the ball up the hill again, and the second time around, we were able to get the support of the White House and the Department of Education, and they proposed a \$5 billion tax credit program to do this. That went up through committee and then eventually fell because of the lack of support last year.

We have continued with this. Frankly, at every step of the way, even though we failed to actually get the full appropriation that we wanted, the public support built and built and built to the point that in the last session of the Congress, when we passed the Tax Relief Act, we were able in that bill to get some support for local districts going into the capital markets to borrow money. We changed the arbitrage rules a little bit. We raised the bond cap. So we were able to get some financial support but certainly not the \$5 billion that we had hoped to get.

Now the issue has gotten to the top of the pop charts, and polling data tells us again that 79 percent of the American people think there is an appropriate Federal role in rebuilding educational facilities.

This proposal that the President will announce tonight will allow us to access about \$22 billion—now, that is not the whole \$112 billion—but \$22 billion will help local districts repair their crumbling schools without having to increase property taxes. It seems to me that that is an absolutely appropriate role for us to take, given the national security interests, given the future of our work force, given the national stakes in all of this. If we can begin to have Federal support of elementary and secondary education in ways that preserve local control of education but allow us to contribute national resources to the enormous task that is before us, then we would have done our duty, frankly, by this next generation.

So I am very pleased that the creative financing proposal that will be mentioned tonight represents a new direction, a new partnership. I believe firmly that the days when we can point fingers and say, "Well, it's the local taxpayers' fault that the schools are falling down," or, "It's the State government's fault the schools are falling down," or somebody else's fault, the days of fingerpointing are over. In fact, my mother used to say, when you point a finger, you always have three of them pointing back at yourself.

If we can begin to have a new kind of partnership where States and local governments and the National Government work together to provide our children with the education that they need and the work force development that our country deserves, we will have discharged our responsibility to them and to the future of this Nation.

We certainly have every opportunity with this proposal to go forward and pass this legislation. I am hopeful that we will do better this time around in achieving bipartisan support for the approach that says this is a new partnership; this new partnership will maintain local control and will give, if anything, local governments some financial support with regard to the challenge they face in rebuilding their crumbling schools.

I am very excited about it, but having had two previous successes that were undone, I am not going to get