they can more effectively promote the welfare of the people. He later served as president of Interciencia, and he was still a director at his death.

At various times, Rieser was president of the New England Council on Graduate Education, an overseer at Harvard, a member of the Commission on the International Exchange of Scholars, a member of the Council on Humanities and Sciences at Stanford, a trustee of Hampshire College, and a trustee of the Latin American Student Programs at American Universities.

In 1990, Rieser became a consultant to the John D. and Catherine T. MacArthur Foundation in Chicago. For four years, beginning in 1993, he chaired MacArthur's Fellows program—the so-called ''genius grant'' program in which scholars, artists, and innovators of all description are awarded handsome sums so they can more readily pursue their work by freeing them of financial constraints.

The program's yearly awards regularly make headlines. They have been applauded as being imaginative and visionary and criticized for being too offbeat, ''too politically correct.''

''It was not a matter of 'political correctness,' '' says Adele Simmons, president of MacArthur. ''Leonard delighted in finding people not already being supported by mainstream institutions, and giving them an opportunity to look at institutions and issues in a new way, getting people to really think.''

Victor Rabinowitch, senior vice president of MacArthur, said Rieser took particular joy in mentoring younger people. ''He loved to play that role. He was idealistic—but also realistic. He believed in the goodness of people, a man of enormous decency. The secretaries all adored him—he listened to them.''

An adjective often used to describe Rieser is ''graceful''—in the sense that he was a considerate man, a ''gentleman'' in the old-fashioned use of the term. Listening, says Barbara Gerstner, assistant provost at Dartmouth, was one of Rieser's greatest gifts. ''When he conducted a meeting, he made sure that everyone's point of view was heard and understood. A person could leave a meeting unsatisfied with the result. But at least he knew he had had a fair chance to be heard.''

MacArthur's Rabinowitch, who has attended high-powered meetings throughout the world for most of his professional life, says simply: ''Leonard was the most talented chairman I have ever seen.''

Dorothy Zinberg, on the faculty at Harvard's John F. Kennedy School of Government, recalls Rieser's ability to put people at ease. She first met Leonard in the early 1970s, when she ''parachuted into Washington'' to serve as the ''token woman'' on the AAAS's Committee for Science and Social Responsibility. It was a small but steller group that included former Chief Justice Earl Warren and John Knowles, then president of the Rockefeller Foundation, and Alan Astin, a towering figure in Washington science policy. Zinberg, who was then a young professor at Harvard, was ill at ease. ''Don't worry,'' said Leonard. ''You have every right to be here. Speak up.'' That she did, and she went on to serve on several more AAAS committees.

In the early 1990s, Zinberg was a consultant at the MacArthur Foundation and often found herself working closely with Rieser. ''Leonard challenged every statement to make certain that no issue under discussion had been superficially examined. Behind the boyish smile, the informal style, the casual country clothes, and the droll humor lay a steely determination to get things right.''

Leonard M. Rieser, according to those who knew him well, did get it right.

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

The PRESIDING OFFICER. The clerk will call the roll.

Mr. WELLSTONE. Mr. President, I ask unanimous consent for 3 minutes.

The PRESIDING OFFICER. The Senate is in a quorum call.

Mr. WELLSTONE. I ask unanimous consent that the order for the quorum call be dispensed with so I may have 3 minutes as in morning business.

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

THE BANKRUPTCY BILL

Mr. WELLSTONE. I thank the Senator from North Carolina. It may take less than 3 minutes.

I refer colleagues, and I will include in the RECORD, to a piece today in the New York Times, front-page article, the title of which is ''New Lenders With Huge Fees Thrive on Workers With Debts.''

Some of my colleagues remember that Senator Metzenbaum did a lot of work on this. When we do bring up the bankruptcy bill, I will have an amendment which will prohibit claims in bankruptcy which rise from these high-cost transactions such as ''payday'' loans, car title loans, or any other credit extension that extends beyond 100 percent per annum. I will go into this in detail. I cannot right now in 3 minutes. I will put this piece in the RECORD. I hope colleagues will read it. It is really quite outrageous what these companies have been able to get away with. I look forward to having a debate on this amendment on the bankruptcy bill.

Mr. President, I ask unanimous consent to have printed in the RECORD the article to which I referred.

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

[From the New York Times, June 18, 1999]

NEW LENDERS WITH HUGE FEES THRIVE ON WORKERS WITH DEBTS

(By Peter T. Kilborn)

KOKOMO, IND, June 16.—A year and a half ago, Doris Rude, a taxi driver who is partly disabled by a herniated disc, was living at the edge of her income of $300 a week and had just $5 in the bank. Then she received a $1,900 hospital bill. With poor credit and no money, she turned in desperation to a new, fast-growing American institution: The payday loan company.

For a fee of $30, the company agreed to advance her a two-week loan of $100. To obtain the loan, she wrote the company a check for $130 that the lender greed to hold until her next payday. With the $30 fee, the lender was charging her an annual interest rate that consumer advocates say is 780 percent.

But two weeks later, with no change in her living expenses, her check was sure to bounce. So the lender let Ms. Rude renew the loan for another two weeks, for another $30 fee. Soon she was bounding from one payday lender to another, six in all, borrowing from the next to pay the accumulating fees of the others.

Ms. Rude had fallen into a trap that regulators worry is an increasingly common one, not just for lower-paid workers like Ms. Rude but for higher-salaried ones as well.

Payday lending companies are sprouting up all over the country, having increased to nearly 8,000 today from 300 seven years ago. Although this is the most prosperous peacetime decade of the century, many workers have become trapped by debts run up in free spending or have been driven deeper into debt by misfortune. But these workers have the two basic things needed to obtain a payday loan: paychecks and checking accounts.

Although plentiful in big cities like New York and Los Angeles, the payday lenders have become most visible in places like Kokomo; Springfield, Ohio, and Cleveland, Tenn. Ten have opened in Kokomo, a city of 45,000 people.

Bearing names like Check Into Cash, Check 'n Go and Fast Cash, payday lenders grant loans to workers against their next paychecks. In return, the companies charge a ''fee,'' typically $15 to $35. At annual rates, the fees normally exceed 300 percent and 400 percent and in some cases they reach four digits.

At least a dozen national chains have sprung up. The biggest, Ace Cash Express in Irving, Tex., has around 900 stores and revenue last year—what it collected in loan fees—of $100 million, twice that of 1996. Check Into Cash, in Cleveland, Tenn., reported that its revenue had jumped to $21 million in the first six months of 1998 from $10 million three years ago and $1 million five years ago.

In much of the country, these companies escape the routine scrutiny and regulations faced by banks, finance companies and pawn shops, because in some states they are too new to have stirred much controversy and in others they have used political clout to stave off legislation.

As of late last year, the Consumer Federation of America reported that 19 states, including all of those in New England, as well as Pennsylvania, Texas and Virginia, prohibited payday lending, most by limiting annual, small-loan interest to less than 40 percent. But the federation said the 31 other states, including New York and New Jersey, condoned it by law or by the absence of law.

A spokesman for the New York State Banking Department, Rick Hansen, disputed this assertion, saying the state's usury law forbids charging more than 25 percent annual interest on any loan.

The payday lenders say they are providing a vital service. As commercial banks have shunned the poorest borrowers, in part by raising the minimum amounts they will lend, people who need small sums to get over a hump, like paying for a medical prescription or buying tires for a car, have few choices. These include people who are unable to get credit cards or who have charged or exceeded their cards' credit limits.

Industry leaders say comparing payday lenders' fees with annual interest rates is unfair because most of the loans are paid off within a month.

Consumer advocates consider the payday lenders' interest rates exorbitant.

''I know of loan sharks in New York who wouldn't charge this kind of interest,'' said Gary L. Calhoun, a lawyer here who provides legal services for members of the United Automobile Workers.

State Representative Richard W. Bodiker of Indiana, a Democrat whose bill this year to regulate the lenders fell to intense industry lobbying, calls the fees, ''in excess of what usury laws consider loan-sharking.''

Robert C. Rochford, deputy counsel of the National Check Cashers Association, an industry trade group, called such accusations spurious.

''Loan-sharking involves coercive tactics to collect the debt,'' Mr. Rochford said. ''No major direct deposit provider has been convicted of that.''

One reason for the lenders' growth is people's comfort with debt. The nation's savings rate, the percentage of people's disposable income that is saved, dropped to 0.5 percent last year and to nothing at all by earlier this year from 6 percent a decade ago. Rather than save, people are spending more than ever and borrowing more than ever.

''We know there's a pretty sizable group of folks whose credit cards are maxed out,'' said Mark B. Tarpey, a supervisor in the consumer finance division of the Indiana Department of Financial Institutions.

With payday lenders around, Mr. Tarpey said: ''They don't have to tell the boss they need a cash advance. They don't have to give up their TV's and furniture. They don't have to run a credit check.''

Another reason is a level of unemployment, 4.2 percent, that economists used to call unattainable. To succeed, payday lenders need customers with bank accounts and regular checks, in particular paychecks, and these days, just about every able-bodied adult receives one.

Under such conditions, said Mr. Rochford, the deputy counsel for the check cashers' association, payday lenders' revenues will grow to $1.44 billion this year from $810 million last year.

Payday lending exists, Mr. Rochford said, ''because there's a need for it.'' A short-term deferred deposit loan, the industry's preferred term, helps a worker through an emergency and is cheaper than bouncing a check. Most banks do not make loans for less than $1,000, he said, and pawning is embarrassing.

Borrowers like a payday loan, Mr. Rochford said, because ''it is private,'' adding: ''It is quick. And they do not need a lot of documentation.'' The fees cover loans that turn sour, he said, and the cost of employees to process loans.

Kokomo, about 50 miles north of Indianapolis, may be a case in point. A steel and asphalt city of immense new Daimler-Chrysler and Delphi-Delco automobile component factories, Kokomo is fertile terrain for payday lending.

Strapped by bad credit and unmanageable or unexpected expenses, people here used to go to pawn shops for loans. But of three pawn shops here two years ago, one has closed, and another, Bob's, passed up renewing its license this month. Now people go to the city's new payday lenders.

Unemployment, which has exceeded 20 percent in Kokomo in recessions, was just 1.4 percent in March, according to the latest survey by the Kelley School of Business at Indiana University. About 20,000 people, roughly 40 percent of the area work force, is employed by automotive companies. They earn $50,000 to $60,000 a year and are the new lenders' biggest customers.

The payday lenders here approve most loans within 10 minutes. ''No Credit Check, Instant Approval,'' Easy Money's flier promises. ''The fastest way to payday,'' read the banners on the walls of Check 'n Go.

For this service, some states specify a maximum fee of $15 on a one- or two-week loan of $100 or $200. In Indiana the limit is $33. At $33, the annual rate on a two-week $100 loan is 858 percent.

And as borrowers amass loans, taking new ones to pay the fees on the others, the fastest way to payday becomes a fast way, too, to garnished wages and bankruptcy.

Kathy Jo King, 41, earns almost $60,000 a year as an assembly-line worker at the Daimler-Chrysler transmission plant. But she has no savings, in part because she is paying creditors $113 a week to work her way out of a bankruptcy that followed a serious automobile accident and left her husband partly disabled and both with high medical bills.

Then early last year, Ms. King and her husband and their boys, 18 and 11, had to move, incurring $1,500 in unexpected expenses.

''I've got kids to feed,'' she said. ''I had to go do something.'' With her credit in ruins, she could not go to a bank for a loan, so she went to payday lenders.

''We did several payday loans all at once,'' Ms. King said. ''They make you feel real at ease about it.'' She started paying off the loans bit by bit but became saddled with $200 in fees alone every two weeks and could not keep up.

So one lender tried to redeem her last $330 check covering a loan of $300 and a fee of $30. She did not have money in the bank to cover the check and it bounced. The bank and the lender then charged her $80 in fees for a bad check.

Next, the lender sued, and Ms. King lost. The court awarded the lender triple damages—$990, or three times the amount of the check, plus $150 in lawyer fees and $60 for court costs. With the $80 for bouncing the check, Ms. King owes $1,280 on her original loan of $330.

Currently, about 100 payday lenders suits against borrowers are on file in the Howard County Superior Court in Kokomo. Lenders here also send out letters threatening their customers with imprisonment for bouncing a loan check, although none is known to have tested the state penal code provision that they invoke in making the threat. Some lenders start taking legal action within a month to obtain unpaid loans; others try to work longer with customers to avoid a lawsuit.

David Hannum, coordinator of the Consumer Credit Counseling Service, said borrowers kept paying the fees, digging themselves deeper into debt, out of fear that lenders would otherwise try to redeem their checks when they did not have money in the bank to cover them, further tainting their credit ratings.

To tap into this market, Carol Brenner, 36, opened Quick Cash here in September. Ms. Brenner now has 350 clients, most of whom return every week or two to have their loans renewed or to pay them off, but then they often take another a few days later. She charges less than most lenders: $20 for a two-week $100 loan, for an annual percentage rate of 521 percent, and $30 for $200, or 391 percent.

Unlike some lenders, Ms. Brenner lets her clients pay off portions of their loans as they extend them and in that way work them down. And to avert probable trips to small-claims court, she says she will not lend to people who already have more than two loans from other payday lenders.

The biggest borrowers, many lenders say, are not Kokomo's low-wage service workers, but auto industry employees who earn more than $20 an hour.

''Most of my customers are from Chrysler and Delco,'' said Marc Sutherland, manager of the Kokomo office of Nationwide Budget Finance.

Shari Harris, 39, who earns around $25,000 a year as an information security analyst, was managing money well enough until the father of her two children, 10 and 4, stopped paying $1,200 a month in child support.

''And then,'' Ms. Harris said, ''I learned about the payday loan places.''

She qualified immediately for a two-week $150 loan at Check Into Cash, handing it a check for $183 to include the $33 fee. ''I started maneuvering my way around until I was with seven of them,'' she said.

In six months, she owed $1,900 and was paying fees at a rate of $6,006 a year. ''That's the sickness of it,'' Ms. Harris said. ''I was in the hole worse than when I started. I had to figure a way to get out of it.''

So she asked her employer to stop paying her wages into her checking account, emptying it, and putting her checks into a savings account. She stopped paying the biweekly fees to extend the loans, so the lenders tried to redeem her checks. ''I let them all bounce,'' she said.

She took a second job, working in a department store, and turned to the Consumer Credit Counseling Service, which worked out a plan under which she is paying $440 a month to work down the loans.

Jean Ann Fox, director of consumer protection at the Consumer Federation of America and a prominent critic of payday lending, said, ''There's nothing wrong with small loans at reasonable interest rates, reasonable terms and reasonable collection practices.

''But these practices are designed to keep you in perpetual debt.''

WHAT IT COSTS

An Expensive $100—A payday loan is a short-term cash advance, for a fee, to be paid off with a check that will be cashed on the borrower's next payday. But with fees like $30 for a two-week loan of $100, they are far more expensive than even credit cards:

Payday loan: $60 a month—A $30 fee for a two-week $100 loan, renewed for two more weeks; $100 cash loan—$60 $100 cash advance—$5.

Credit card: About $5 a month—A card available to people with poor credit might have a 3 percent fee for a cash advance, plus an annual interest rate of 19.8 percent, or about $2 a month on $100.

Mr. WELLSTONE. I 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. HELMS. Mr. President, I ask unanimous consent that the order for the quorum call be dispensed with.

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

FOREIGN RELATIONS AUTHORIZATION ACT, FISCAL YEARS 2000 AND 2001

The Senate continued the consideration of the bill.

Mr. HELMS. Mr. President, I know it must appear to the Chair and others that this is sort of a disjointed way to begin consideration of a major bill, but we are trying to work out time agreements. Senators are being very cooperative. I think we are approaching some reconciliation on it; I am not sure.