show circuit. Lawyers yesterday did nothing to expand the public defense they offered Friday, when Clinton's team claimed the 4,610 pages of new material released were further evidence of what they said was Starr's tendency to suppress exculpatory evidence.

The strategy of staying quiet, aides said, reflected a confidence that public perceptions of the case are already breaking in Clinton's favor, and that Democratic House members were better positioned to make the case that the process Republicans are proposing is unfair.

The latest release of documents ''didn't even lead the news last night. There's no reason to look for opportunities to elevate this story,'' one White House official said of the quiet weekend. ''Not that we're uninvolved, but the ball has now shifted to the congressional realm.''

''Whatever was there hasn't caused a huge stir. Without any revelations, it hasn't changed the perception of what we have to do with the Hill and the American public. Our focus is still on the resolution and the Democratic alternative and how we can build on it,'' said another Clinton adviser outside the White House.

Mr. BYRD. Mr. President, I thank all Senators for their patience. I thank the Chair and yield the floor.

Mr. INHOFE addressed the Chair.

The PRESIDING OFFICER. The Senator from Oklahoma has sought recognition earlier.

Mr. INHOFE. Mr. President, first of all, let me associate myself with the remarks of the most distinguished senior Senator from West Virginia.

JUDICIAL NOMINATIONS

Mr. INHOFE. Mr. President, in the midst of all the confusion and anxiety of the last week, we are going to be asked to vote on the confirmation of three judges that I think should be looked at very carefully.

First is the nomination of William Fletcher to the Ninth Circuit Court of Appeals. Groups are in opposition due to a Law Review article in which he stated that judicial discretion trumps legislative discretion when a legislature fails to act.

Presently, Fletcher's mother is sitting on the Ninth Circuit, which is historically the most liberal and activist court in the United States. Over the last 3 years, the Supreme Court overturned the Ninth Circuit more than any other.

In a book review, about which Mr. Fletcher was questioned before the committee, he stated that political circumstances outweigh a literal reading of the Constitution. In short, the Constitution is what Judge Fletcher says it is. Judge Fletcher is an extremist and should not be confirmed.

Nomination of Richard Paez to the Ninth Circuit Court of Appeals: In an outrageous ruling in 1997, Judge Paez ruled that an American company could be liable for human rights abuses committed by their partners in another country.

Paez has shown a bias against religious and conservative groups. In one of the most publicized cases Paez heard as a District Judge was the 1989 trial of Operation Rescue leader Randall Terry. Paez became upset with some of the pro-life language Terry used and ''stormed off the bench.'' Additionally, he angrily warned the defendants that their Bible would be confiscated if they continued to wave or consult it.

While a sitting District Judge, Paez gave a speech at UC-Berkeley's law school in which he called California's Proposition 209 an ''anti-civil rights initiative.'' In that speech, he also said, ''legal action is essential'' to ''achieving the goal of diversifying the bench.'' He characterizes himself as a ''liberal.'' Judge Paez is an extremist and should not be confirmed.

Lastly, and briefly, the nomination of Timothy Dyk to the Federal Court: While in private practice, Mr. Dyk, successfully fought the FCC's ban on indecent programming to protect children.

He has sat on the board of People for the American Way, and while working as an attorney for People for the American Way, he successfully defended a county school board that forced students to read materials their parents believed violated their deeply held religious beliefs. A member of Mr. Dyk's legal team called the concerned parents ''somehow less important'' and said ''the enemy was really not'' the plaintiffs ''but [Rev. Jerry] Falwell.''

I believe that Mr. Dyk is also an extremist and should not be confirmed in his nomination.

I yield the floor.

THE FINANCIAL SERVICES ACT OF 1998—MOTION TO PROCEED

Ms. MIKULSKI. Mr. President, I will vote against the motion to proceed on H.R. 10, the Financial Services Act of 1998. I oppose this legislation because it is inappropriate to bring down the protective firewalls in U.S. financial services while a firestorm is sweeping global financial institutions. Mr. President, this is the wrong time to be relaxing our protective financial services regulations.

I understand the intellectual argument to reform our financial services. In fact, I do not dispute it. There is no doubt that the U.S. needs to be competitive in the global marketplace. I would suggest to my colleagues, though, that changes in the global economic picture make this bill unwise. The global economic situation is vastly different now than when this bill was being drafted.

There are a number of what I call ''yellow flashing lights'' or warning signals that now is not the right time to enact this legislation. Let me mention a few. Former Secretary of State Henry Kissinger recently stated in the Washington Post that no government and virtually no economist predicted this global economic crisis, understood its extent or anticipated its staying power.

Now the United States Senate is going to rearrange the national financial landscape? We need to modernize the United States to go global? I think we need to pause and ask what does going global mean and do we want to go there at this time? In this current global environment of national financial collapses, IMF bailouts and hedge funds rescue packages have become daily occurrences. These are the ''yellow flashing lights'' and I believe we must proceed with caution to avoid rash and irrevocable changes when the savings of hard working families and the viability of our communities could be put in serious jeopardy.

Frankly, I am also concerned that the bill before us is the result of last-minute deal making. The issues here are too important for hasty decision-making. The decisions this bill makes affect the financial security of average Americans who are working and saving to provide for their families, U.S. financial institutions, the American economy and the global financial marketplace.

These are not trivial issues. We are being asked to establish a legislative framework for the financial services industry for decades to come. These are irrevocable decisions.

As changes were made to accommodate this interest or that interest, I am concerned that we have lost sight of the overall impact of the bill before us. I am concerned that we do not know enough about what's in the bill at this juncture, and what it will mean for our economic security. In the haste to get the job done before the Congress adjourns for the year, I have serious and deep reservations that changes have been made that have not been well thought out or thought through. If enacted, we will end up with unintended, but nevertheless, negative consequences because we rushed to the finish line.

Advocates of this legislation always mention the free market. They believe that buyers and sellers acting in their own self-interests will produce winners and losers, and bring about the best and most efficient outcome for banking customers. But look at what the free market has brought us lately— a global financial meltdown and hedge funds that are ''too big to fail''. As Kissinger suggested, indiscriminate globalism has generated a world-wide assault on the concept of free financial markets. In the United States, where we used to boast about our well functioning capital markets, we now bail out those investors who make foolish decisions.

One need look no further than the Long-Term Capital debacle to see evidence that even the brightest minds on Wall Street, acting in the free market, sometimes make very poor decisions. The collapse of this high-flying hedge fund was a failure of proper supervision. As Kenneth Guenther explains in the Baltimore Sun, this raises serious questions about our regulatory structure: ''it doesn't make sense to have too-big-to-fail institutions if the regulatory structure is not up to regulating them. . . . if the regulators

have to make a choice between the safety of the financial system and the free market, the financial system will win. There is no free market and there never will be. It's the height of hypocrisy to talk about the free market in one breath and bail out Long-Term Capital . . . in the next breath.'' Mr. President, I oppose this legislation because in this environment, we need more oversight and enforcement in our financial services, not less.

Beyond these concerns that this is not the right time to enact these sweeping changes buttressed by the follies of the free market, I have other, structural concerns with the proposed changes to our financial services laws.

First, I am concerned that if we relax the laws about who can own and operate financial institutions, an unhealthy concentration of financial resources will be the inevitable result. The savings of the many will be controlled by the few. If we relax banking regulations in this country, Americans will know less about where their deposits are kept and about how they are being used.

Marylanders used to have savings accounts with local banks where the teller knew their name and their family. We have already seen the trend toward mega-mergers, accompanied by higher fees, a decline in service, and the loss of neighborhood financial institutions. This bill accelerates that trend.

With a globalization of financial resources, the local bank could be bought by a holding company based in Thailand. Instead of the friendly teller, consumers will be contacting a computer operator in a country half-way around the globe through an 800 number. Their account will be subject to financial risks that have nothing to do with their job, their community, or even the economy of the United States. I know impersonalized globalization is not what banking customers want when we talk about modernization of the financial services.

Second, I am concerned that complex financial and insurance products will now be sold in a cluttered market by untrained individuals. Investment and insurance planning for families is a very important process, one of the most important decisions a family makes. It should be done with a professional who is certified and who is someone you can trust. By breaking down these firewalls and allowing various companies to offer insurance and complex investment products, we run the risk that consumers will be confused, defrauded, and treated like market segments and not individuals with unique needs and goals.

Finally, I believe that any modernization of our financial services law should not just retain, but expand the important consumer protections and community investment policies currently in place.

Consumers need protections and regulations to guarantee the safety of their deposits and the availability of basic banking services and credit to help their communities grow. If we have a Consumer Product Safety Commission to protect children from flammable sleepware, I believe we should also have a strong regulatory framework to protect consumers, not just investors, in the financial services marketplace.

A strong regulatory framework will not be provided by the Federal Reserve, as is proposed in this legislation. I share the concerns of John Hawke, Undersecretary of the Treasury Department, that shifting the regulatory power from the Office of the Controller of the Currency to the Federal Reserve Board is a highly questionable regulatory protection. This would be like letting the bankers regulate themselves. The decision making of the Federal Reserve is directly linked to the banking industry that it would regulate. Bankers elect two thirds of the Federal Reserves directors. It is true that the Federal Reserve is independent of the administration, but it is not independent of the bankers and finance companies that it would regulate.

Mr. President, I am not opposed to a necessary reform of our financial services laws. But this is not the legislation and this is not the time to do it. The U.S. stock market has had one of the worst quarters since 1990 and world leaders are currently strategizing about how to stanch the global economic crisis.

The Congress will be back in 90 days. Hopefully, the world market will be calmer, it will be after the election, and we will be able to study the lessons learned from the financial events of the past three months. For all the hard work and all the negotiating and compromise, now is not the time to go forward and add more fuel to what is already a very troubling global financial firestorm.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is closed.

FINANCIAL SERVICES ACT OF 1998—MOTION TO PROCEED

CLOTURE MOTION

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to vote on the motion to proceed to the consideration of H.R. 10, which the clerk will report.

The assistant legislative clerk read as follows:

CLOTURE MOTION

We the undersigned Senators, in accordance with the provisions 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 Calendar No. 588, H.R. 10, the financial services bill.

Trent Lott, Alfonse D'Amato, Wayne Allard, Tim Hutchinson, Dan Coats, Rick Santorum, Robert F. Bennett, Jon Kyl, Gordon Smith, Craig Thomas, Pat Roberts, John Warner, John McCain, Frank Murkowski, Larry E. Craig, and William V. Roth, Jr.

Mr. DORGAN. Mr. President, 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.

CALL OF THE ROLL

The PRESIDING OFFICER. By unanimous consent, the mandatory quorum call under the rule is waived.

VOTE

The PRESIDING OFFICER. The question is, Is it the sense of the Senate that debate on the motion to proceed to Calendar No. 588, H.R. 10, the financial services bill, shall be brought to a close? 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 PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The yeas and nays resulted—yeas 88, nays 11, as follows:

[Rollcall Vote No. 301 Leg.]

YEAS—88

Abraham	Enzi	Lott
Akaka	Faircloth	Lugar
Allard	Feinstein	Mack
Ashcroft	Ford	McCain
Baucus	Frist	McConnell
Bennett	Graham	Moseley-Braun
Biden	Grams	Moynihan
Bingaman	Grassley	Murkowski
Bond	Gregg	Murray
Boxer	Hagel	Nickles
Breaux	Harkin	Reed
Brownback	Hatch	Reid
Bryan	Helms	Robb
Burns	Hollings	Rockefeller
Byrd	Hutchinson	Roth
Campbell	Inhofe	Santorum
Chafee	Inouye	Sarbanes
Cleland	Jeffords	Smith (NH)
Coats	Johnson	Smith (OR)
Cochran	Kempthorne	Snowe
Collins	Kennedy	Specter
Conrad	Kerrey	Stevens
Coverdell	Kerry	Thomas
Craig	Kohl	Thompson
D'Amato	Kyl	Thurmond
Daschle	Landrieu	Torricelli
DeWine	Lautenberg	Warner
Dodd	Leahy	Wyden
Domenici	Levin	
Durbin	Lieberman	

NAYS—11

Bumpers	Gramm	Sessions
Dorgan	Hutchison	Shelby
Feingold	Mikulski	Wellstone
Gorton	Roberts	

NOT VOTING—1

Glenn

The PRESIDING OFFICER. On this vote, the yeas are 88, the nays are 11. Three-fifths of the Senators duly chosen and sworn having voted in the affirmative, the motion is agreed to.

INTERNET TAX FREEDOM ACT

CLOTURE MOTION

The PRESIDING OFFICER. Under a previous order, the cloture motion having been presented under rule XXII, the