Let us once again chart a course to more secure energy waters. And let us once again explore the uncharted oceans of possibilities and bring the energy that we need safely home.

R&D TAX CREDIT

Mr. BURNS. Mr. President, because I support innovation and continued economic growth, I am pleased to announce my cosponsorship of S. 627, the Investment in America Act of 2005 sponsored by my colleague Senator HATCH.

With a permanent R&D tax credit, companies will no longer have to worry about the potential for expiration and may more accurately gauge long-term investment for research and development. Certainty to the market will help provide much-needed stability and assist U.S. companies in overseas competition. This permanent tax credit will allow companies the flexibility they want, and gives them the time needed to develop new and innovative ideas.

In global terms, it is extremely important that the United States remains a leader in a variety of sectors, from technology to manufacturing. Countries such as France, Japan, Australia, Pakistan, Spain, India, Indonesia, the Netherlands, Portugal, Singapore, United Kingdom, and Canada all have permanent R&D credits. If we want to stay competitive, we must put our country on at least equal footing to that of our foreign competitors.

In Montana, over 100 companies engage in research and development and stand to benefit from the R&D tax credit. When Steve Lethert, controller of Wood's Powr-Grip Company from Laurel, MT, visited my office, he expressed that a permanent tax incentive is vital to his company's growth. This bill will not only help the United States economy at large but will benefit those in the Big Sky State.

In March 2004 when Senator HATCH proposed to extend the credit for 18 months during debate of the Jumpstart Our Business Strength, JOBS, Act of 2004. I was pleased to support that measure, and hope that the Senate will soon provide permanency to such an advantageous tool for our businesses.

LOCAL LAW ENFORCEMENT ENHANCEMENT ACT OF 2005

Mr. SMITH. Mr. President, I rise today to speak about the need for hate crimes legislation. Each Congress, Senator KENNEDY and I introduce hate crimes legislation that would add new categories to current hate crimes law, sending a signal that violence of any kind is unacceptable in our society. Likewise, each Congress I have come to the floor to highlight a separate hate crime that has occurred in our country.

On June 5, 2002, Fred Martinez a 16-year-old Navajo youth was murdered by 18-year-old Shaun Murphy. Murphy repeatedly smashed a heavy rock into Martinez's head, throat, and abdomen. The apparent motivation for the attack was that Martinez was a transgender person.

I believe that the Government's first duty is to defend its citizens, to defend them against the harms that come out of hate. The Local Law Enforcement Enhancement Act is a symbol that can become substance. I believe that by passing this legislation and changing current law, we can change hearts and minds as well.

PHILIPPINES DEBT RELIEF PROPOSAL

Mr. INOUYE. Mr. President, today, I rise to speak on an innovative and creative proposal submitted by the Republic of the Philippines that would provide debt relief to the 100 most heavily indebted nations. This proposal was presented to the Boards of the International Monetary Fund and the World Bank on September 20, 2005, by the Honorable Jose De Venecia, Speaker of the House of Representatives, Congress of the Republic of the Philippines. The proposal has received a positive reception by financial and political authorities in Western Europe and will be considered by the Paris Club at its next meeting.

The proposal, known as the Debt-for-Millennium Development Goals—MDG—Investments program, would allow creditor countries to convert up to 50 percent of the debt-service payments from debtor countries into equities or other forms of investment capital. Such equities would subsequently be use to finance MDG initiatives, including, but not limited to, reforestation, energy, mass housing, irrigation, food production, and postharvest facilities, ecotourism projects, safe water systems, hospitals, infrastructure, and microfinancing.

The Debt-for-MDG Investments proposal is voluntary and would augment the agreements made by G8 countries to depreciate multilateral debt owed by heavily indebted countries. Creditor countries will have a say in which projects they support in a specific debtor country. For example, under the proposal, a creditor country may decide to help finance housing construction to address the needs of low-income households in a debtor country. In addition, the proposal would provide debtor countries with the opportunity to improve on its infrastructure and make the economic and social investments required for them to achieve a self-sustaining economic stability.

Developing countries with heavy debt burdens face tremendous challenges in meeting the Millennium Development Goals of the United Nations and in promoting their own economic development and growth. The Philippine Debt-for-MDG Investments program proposal is one innovative and creative approach in bringing together the G8 countries to help address the debt burdens of the 100 most heavily indebted nations. I encourage my colleagues to review the Republic of the Philippines' proposal in the hopes that it will spark productive discussion and debate on this international problem.

Mr. President, I ask unanimous consent that the text of my statement, and the September 20, 2005, statement of Speaker De Venecia before the Boards of the International Monetary Fund and the World Bank be printed in the RECORD.

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

(Sept. 20, 2005)

DEBT FOR MDG INVESTMENTS

(By Jose De Venecia)

On this eve of the 2005 World Summit, I am honored to be given this opportunity to elaborate before this distinguished body on the Philippine proposal for a ''Debt-for-MDG-Investments'' program to help realize the UN's Millennium Development Goals—the foremost of which is to cut world poverty in half by 2015.

Since the late eighteenth century—a time of the overturning of monarchies and the emergence of ordinary people on the stage of history—visionaries inspired by scientific progress and the promise of the new international economy have dreamt of an end to poverty.

Yet a World Bank study finds that, until now, 1.2 billion people still have a daily spending power equal to about the price of a hamburger, or a can of soft drink and a chocolate bar, in the West.

And, according to the Food and Agriculture Organization, about 815 million people go to bed hungry (among them 200 million children under the age of five).

Of course, the Good Book says the poor we will always have with us.

But—in our age of the information revolution—it has become more and more difficult to segregate poverty and wealth: To prevent the poor from realizing what is possible.

So that—in the long run—the peace and prosperity of the rich depend on the well-being of all the others.

THE WORLD DEBT BURDEN

Since the 1980s, the weakest economies have been weighted down by their burden of external debt.

Nowadays, the 100 most-heavily-indebted poor and middle-income countries must service over 2.3 trillion U.S. dollars in combined debt-stock yearly.

Debt-servicing in effect deprives these countries of scarce resources and hard-earned savings which they could otherwise invest in economic growth, job-creation, and poverty-reduction.

To pay off interests and principals, our governments are forced to slash social spending and investment in infrastructure. They are also forced to impose more—and higher—taxes.

Typically, debt-ridden states must sacrifice budget allocations for education, health care, housing, and development projects in the name of financial responsibility and continued access to international capital markets.

And, all too often, even such sacrifices come to naught, because the higher a poor country's debt-stock, the lower the level of foreign-investor confidence—and the higher the premium that lenders charge on its debt-paper.

In sum, the debt-burden of the developing world—a burden that's still growing—has been blocking economic progress for billions of the world's poorest peoples.

Now the creditor-countries must realize that the poor economies need a respite from the burden of their debts.

This is the only way they can achieve the higher—and better-quality—economic growth which is the key to reducing global poverty that the MDG seeks.

THE HIPC INITIATIVE OF THE G-8 COUNTRIES

Let me say—up front—that we welcome the decision of the G–8 countries to condone tens of billions of dollars in loans of the Highly Indebted Poor Countries or HIPCs (pronounced ''hipicks'')—which are states mostly from the African continent.

This is a compassionate—and praiseworthy—step the G–8 has taken—to reduce to ''sustainable'' levels the debt-stock of this most vulnerable group of countries.

We must all realize, however, that the HIPCs make up a relatively-tiny group—when compared to the absolute number of poor peoples in the so-called middle-income countries.

In fact, over three-quarters of the world's poorest peoples are found, not in Africa, but in Southeast Asia, South Asia, the Middle East, Latin America, and Eastern Europe.

''Middle-income'' countries with large populations—such as Indonesia, Bangladesh, Pakistan, Egypt, and the Philippines—have much larger absolute numbers of people who themselves subsist on less than US$1 a day.

And the countries of which these absolutely-poor people are part are also saddled by debts just as debilitating as those of their African counterparts.

BEYOND DEBT FORGIVENESS

Undeniably—if we are to achieve substantially the Millennium Development Goal of halving the number of the world's poor by 2015—the global community must organize deeper, wider, and faster debt relief than that awarded to the largely-African HIPCs.

Jeffrey Sachs of Harvard University—in his Report on the UN Millennium Project—has warned that the world community has barely enough time to meet its MDG targets.

We believe it naïve to ask for debt-write-offs for the middle-income countries.

The cost of universal debt-forgiveness may be too much for even the rich countries to bear.

Realistically, middle-income countries such as the Philippines seek no more than a breathing spell from their huge debt-service burdens.

Laying down their debt-burdens—even for a short while—would give them enough ''fiscal space'' to finance their requirements of growth and poverty-reduction under the social objectives of the Millennium Development Goals.

THE PHILIPPINE PROPOSAL

The ''Debt-for-MDG-Investments'' program that my Government proposes seeks to provide that fiscal breathing space.

We offer the Philippine proposal as a complement to the agreement by the G–8 countries to write off multilateral debt owed by the poorest countries.

We plead neither for debt-forgiveness nor for debt-cancellation.

Our proposal requires no new monies from the parliaments and governments of the rich countries. Neither do we envision any reduction or loss of face-value in the creditor's financial asset.

Furthermore, participation by creditors in the debt-for-equity program will be voluntary.

And creditors would have the option of choosing which MDG projects to support in a specific debtor-country.

We propose only that the rich countries plow back into the economies of the debtor-countries—over an agreed-on period—an agreed-on portion of the debt-service payments they receive.

These payments would be plowed back in the form of equities, or other kinds of financial assets, and channeled toward MDG programs—such as reforestation, mass-housing, safe water systems, hospitals, infrastructure, or micro-financing.

To be sure, there have been debt-for-equity and debt-for-nature initiatives in the past.

For instance, the United States—through its Tropical Forest Conservation Act—allowed debt relief, debt buy-back, or debt restructuring for countries like the Philippines on their bilateral loan obligations.

But those instances have been few, small, and sporadic.

What we propose is a large-scale conversion of debt for MDG projects—a plow-back of up to 50 percent of debt-service payments received.

Creditors may also choose to convert up to 50% of their debt-stock holdings immediately. This will save a debtor-country up to half of its debt-service payments.

In countries where debt-stocks are huge and where the debt-service payment alone is significant, the creditor may choose to convert only the stream of debt payments.

POSITIVE RESPONSE IN WESTERN EUROPE

We are offering this program for consideration by the Paris Club and the G–8 governments; by the multilateral financial institutions and the regional development banks; and by the world's large commercial banks.

And I am pleased to tell you that the Philippine proposal has been received positively by financial and political authorities in Western Europe.

The Italian Government, for one, agreed to ''give favorable consideration to the Philippine proposal—once [it] is submitted to the Paris Club.''

For its part, the German Government has promised it ''will work to ensure your proposals are discussed openly and constructively in the Paris Club.''

In London, senior Treasury officials on the International Poverty Reduction Team also assured me they would consider the proposal seriously in the Paris Club.

Subsequently I was able to meet with Jean-Pierre Jouyet, President of the Paris Club. After hearing me out, he decided to create immediately a 'Technical Committee' of experts to evaluate our proposal for presentation to the Club's 21 member-states.

MENU OF OPTIONS

Our ''Debt-for-MDG-Investments'' program will be backed by tangible assets—most of which would be value-creating, job-generating, and tradable in themselves.

A particular creditor may convert his debt-holdings into equities in new projects that have their own prospective income streams.

Or he may choose to put it in trusts or endowment funds for social investments—such as USAID has done through the World Wildlife Fund, under the Tropical Forest Conservation Act.

As a third alternative, debt-service receipts may be plowed back into new lending for long-term social-reform programs. This third alternative the World Bank and other multilateral institutions may be inclined to consider.

We are extra-cautious in our approach to the holders of public-sector bonds, domestic government securities, and Brady Bonds—because we do not wish to give them any cause for alarm.

Nonetheless, we eagerly invite them—as they see fit—to convert their bond-holdings into equity in assets being privatized by developing-country governments.

Technically, no one should lose under this Philippine proposal. The debt-service and/or principal amount is merely converted into equities in new or existing projects of at least equal value, and with their own earnings potential.

THE PHILIPPINE CASE

To illustrate how far this proposed program would benefit a specific middle-income state, let me cite the case of the Philippines.

Our MDG projects over 2005–2010 will cost roughly $6.5 billion in social investments yearly.

Our domestic financing capacity for these projects is $5 billion yearly. Thus we face a residual-financing gap of $1.5 billion.

Meanwhile, for 2005 alone, the Philippines will be paying roughly US$2 billion in interest and another US$ 2.5 billion in principal amortization on our foreign debt.

If, say, 50 percent of this total amount were freed under our proposal, the Philippines will have the equivalent of 112.5 billion pesos (at more than 50 pesos to one U.S. dollar) worth of anti-poverty projects—enough to ensure it is able to meet all its Millennium Development Goals.

RE-INVESTMENT CHOICES

Debtor-countries like the Philippines can readily offer specific projects as the object of debt-for-MDG investments. Creditors may wish to consider the following.

1. Debt-for-Reforestation—These are projects that will regenerate forest resources; bring back green cover to the bald mountains in Asia, Africa, and Latin America; restore the ecological balance and create hundreds of thousands of jobs in upland rural communities throughout the poor countries.

By taking advantage of carbon credits under the Kyoto Protocol, investors in reforestation projects can realize investment paybacks within three years.

Moreover, it has been well-established that reforestation projects in tropical countries can turn a $100,000 investment into $3 million in ten years from timber sales alone.

2. Debt for Energy—Current runaway oil prices have given impetus to the search for indigenous and renewable alternatives to hydrocarbons.

The successful Brazilian experiment of substituting ethanol from sugar cane for petroleum is already being adopted by many countries not only to lower their dependence on foreign crude but also to lower their energy costs.

High oil prices have now made the conversion of cane sugar to ethanol more profitable than its traditional use to produce sugar granules.

The Philippines has set itself the goal of replacing 30% of the gasoline it consumes with ethanol within three to five years. Setting up a sufficient number of ethanol factories in our sugar-producing regions will require investments of roughly $1.5 billion.

3. Debt for Mass-Housing—The lack of shelter is a common problem in many developing countries.

In the Philippines alone, we have a backlog of up to four million units. This is due mainly to the lack of long-term financing at interest rates our low-income households could afford.

Housing loans that extend over 15 to 25 years will create mass demand in our construction sector. And this demand will ripple widely throughout the economy. Not only is building labor-intensive. Its has strong linkages with other industries.

4. Debt for irrigation, food production, and post-harvest facilities—In many developing countries, the interrelated problems of rural poverty, under-employment, hunger, and malnutrition are best dealt with through strategic investments in basic food production, irrigation, and farm-storage facilities.

Off-farm employment can be enlarged through investments in high-value crops and animal production, food processing and other post-harvest facilities.

Creditor-countries can set up community-based corporations in these activities with equity participation from local government units, cooperatives, or non-government organizations.

5. Debt for Eco-Tourism—Many poor countries have natural tourist attractions which are often located in untouched regions far from the usual tourist spots.

In the Philippines alone, there are dozens of white-sand beaches, secluded coves, and diving sites, historical attractions, and mountain vistas—all with strong potential to attract global tourists.

Foreign investment can make these potential tourism sites attractive by giving them modern infrastructure such as airports, communication lines, and hotel facilities.

Investors may also wish to develop specific areas as complete travel ''packages''—much as Bali, in Indonesia, has become. Ecological tourism in the new countries will bring many benefits—even apart from enabling the developing country to generate foreign exchange.

6. Debt for Wealth-Creating Projects. Many developing countries possess natural resources they are unable to exploit because of their lack of investment capital. The Philippines, for one, can potentially become the world's fifth-largest minerals producer. Substantial deposits of gold, copper, and nickel have been discovered in many parts of the archipelago.

Oil and gas wells are now operational in the Malampaya areas in offshore Palawan.

In addition, land-reclamation programs may be launched in coastal cities like Manila, Cebu, Davao—all of which need room for expansion. These programs could raise billions of pesos for the foreign investor and the Philippine State.

Reclamation, as we know has been a major stimulus to the economies of Hong Kong and Singapore.

SOCIAL INVESTMENTS

Bilateral or multi-lateral creditors, who offer official loans, will be attracted to social investment opportunities for their Debt-for-MDG programs.

There are many ways through which official lenders can plow back their debt-service receipts into social investment in the poor countries. Among them are the following:

1. Debt for Education. Millions of young people in poor countries have little or no access to basic education. Debt-payments can be plowed back into school buildings, instructional materials, and better pay and training for public-school teachers in the poor countries.

They can also fund school-feeding programs and ''wages for learning'' incentive schemes that keep potential drop-outs in school—as well as college scholarships and ''study-now-pay-later'' programs. In making these social investments, creditors can deal directly with local. government units and school boards.

2. Debt for Hospitals and Health Care. Debt-relief funds can also be channeled to primary health-care facilities such as puericulture centers, general hospitals, and diagnostic laboratories. Even more useful are mass vaccination programs to prevent epidemic that now kill people in poor countries in great number.

3. Debt for Micro-Finance. The United Nations regards microfinance as a key strategy in poverty reduction. The success of microlending in Bangladesh and elsewhere proves how much poor people (particularly rural women) can do—given a little capital.

The hundreds of micro-banks operating throughout the Third World can use recycled debt-service payments to expand their coverage and to raise their loan levels to the local entrepreneurs they serve.

If we are to realize the vision we share—of halving the world's' most abject poor in 10 years' time—we will need the concerted action of the world's richest economies.

According to the ''Report on the UN Millennium Project,'' the MDGs will require from the donor-states at least $50 billion more yearly—on top of the US$88 billion the rich countries have already committed in Official Development Aid—to fund sufficiently their action points, reform programs, and development requirements.

Persuading the G–8 countries and the Paris Club to raise this new money will obviously be hard to do.

So we say outright that the world's donor and creditor communities need not raise new money. They can easily meet the most urgent needs of the poor and middle-income countries just by agreeing to plow back a portion of their debt payments into the economies of the poor countries—through our Debt-for-MDG-Investments program.

The rich countries commonly reproach the poor countries for dissipating in corruption too large a part of the foreign aid they receive.

We believe this reproach to be richly deserved. We expect that the debtor-countries which subscribe to the Philippine proposal will agree to observe adequate standards of transparency in their handling of recycled debt-payments—particularly those that go into social investments. (In the case of equity investments, investors will presumably be protected by the normal business constraints.)

AN END AT LAST TO POVERTY?

In conclusion, let me emphasize that we in the so-called middle-income countries are not seeking the charity of the rich.

Whatever the outcome of this proposal, we shall continue to honor our debts.

But we appeal to our creditors: Together let us seek creative ways of easing our debt-burden—ways that will also help us meet our obligations to you.

Right now, all we seek is some fiscal breathing space—which will allow us to realize our national Millennium Development Goals by 2015.

With your consent and your support—and with a little help from the various institutions of the United Nations, as well as the world's large commercial banks—we can launch together a massive international effort, truly to ''make poverty history.''

Thank you for hearing me out, and good day.

ADDITIONAL STATEMENTS

HONORING JAMES E. KELLEY

● Mr. BAYH. Mr. President, it is with a heavy heart that I wish to honor the life of a great man, Jim Kelley, who died Sunday, leaving behind a legacy of generosity and selflessness. He was known as a visionary businessman, a dedicated public servant, and a kind-hearted humanitarian. His friends and family will miss him dearly, and I know that sentiment is shared by countless others across Indiana and the country.

Jim grew up during the Great Depression on a farm in northeast Indiana. Through hard work and study, Jim became a great business success, a position he used to support his many philanthropic efforts. There was hardly a Fort Wayne charity or non-profit that did not benefit from Jim's generosity. In addition to helping existing charities, Jim actively sought new ways to help the people in his community and even families halfway around the world. From creating a golf tournament to support local charities to organizing humanitarian trips to help foster families in the former Soviet Republic of Moldova, Jim's philanthropy had no boundaries.

Jim believed in equality and worked hard to provide opportunities for all Hoosiers. When he purchased Brookwood Golf Club in the 1960s, it became the first privately owned course in the area to welcome African-American golfers. He was also a supporter of Union Baptist Church, the oldest African-American church in Fort Wayne.

As Chairman of the Democratic Party in Allen County, Jim became one of the most influential Democrats in the County's history. His role helped restore the Democratic Party in Allen County and provided him with yet another avenue to improve the quality of life for area Hoosiers.

There is a saying that life is not about what you take out of it, but what you put back in. Jim lived that sentiment to the fullest. He touched countless lives through his work, from local families in Fort Wayne to children an ocean away in Eastern Europe. While Jim was a leader in many aspects, including business, politics and community service, it is his generosity of spirit that Hoosiers will remember most. I am proud to be among the many Hoosiers to call him my friend, and I will miss him.

Indiana lost a great man this week. It is my sad honor to enter the name of James Kelley in the official record of the U.S. Senate for his service to Indiana.●

RECOGNIZING JOHN W. MACK

● Mrs. BOXER. Mr. President, I am very pleased to take a few moments to recognize the many important accomplishments of John W. Mack, as the Los Angeles Unified School District opens a new elementary school on South Catalina Street in Los Angeles bearing his name.

Earlier this year, John W. Mack stepped down from his post as president of the Los Angeles Urban League after 36 years of service. During his tenure, John led the venerable civil rights organization through an amazing period of growth and accomplishment. His ability to build coalitions with a wide variety of groups enabled him to keep the Los Angeles Urban League focused on providing opportunity to African Americans and other minorities over the years. Under John's leadership, the Los Angeles Urban League's budget grew from $1.7 million to nearly $25 million; providing funding for innovative, results-oriented