

role in NATO, it raises serious questions not only in the United States but around the world. It goes back to the point I made earlier: If being the President of the United States and Commander in Chief of our forces was an easy job then many people could fill it. If it is a tough job demanding experience and good solid judgment, then I think the American people should best look to someone involved in that. Vice President GORE has tried to stand not only for the strength of NATO in the past but in the future. I believe as leader, if he is elected on November 7, he will continue in that proud tradition.

Mr. President, I yield the floor.

Mr. REID. Mr. President, I yield 10 minutes to the Senator from Iowa, Mr. HARKIN.

The PRESIDING OFFICER. The Senator from Iowa is recognized for 10 minutes.

EDUCATION BUDGET

Mr. HARKIN. Mr. President, I have now served on the Senate Appropriations Committee and the Labor, Health and Human Services, and Education Subcommittee. I have been on that committee 15 years. Each year when we pass the budget for education and health, there are always tough negotiations, but we always manage to get through it and we get it to the President and move ahead.

This year we had some long and tough negotiations on our bill. The first part of the year, the majority leader of the Senate said education was going to be their priority. Yet here we are at the end of the year—actually at the beginning of the new fiscal year; we are a month into the new fiscal year—and we still do not have our education budget through yet. It is going to be the last bill through.

We have been working very hard over the last several weeks to bring this bill to its final conclusion. First of all, the chairman of our appropriations subcommittee, Senator SPECTER, worked very hard this year to get it through our committee and to get it through the Senate. Then we went to conference, and we have been locked in conference now for the better part of 3 months, most of it over the last month working out these differences, as we do on bills.

Last night, Sunday night, we met for what was supposed to be our final negotiating process on the education budget. We started meeting last night after our vote in the Senate, so that must have been around 8 or 9 p.m. We met until almost 2 a.m. There were tough negotiations. Senator STEVENS, as chairman of the Appropriations Committee, Congressman BILL YOUNG from Florida on the House side, Congressman PORTER, Congressman OBEY, the ranking Democrat on the House Appropriations Committee and on the subcommittee that deals with education, and I and, of course, the Director of OMB, Mr. Lew, was there also.

As I said, we had tough negotiations, but we had it down to about four or five issues, finally, and we hammered them out.

Finally, at about 1:30 a.m. this morning, we reached our agreement. As is usually true of any agreement or compromise, there are things in the compromise that I do not like. I am sure there were things in there Senator STEVENS does not like. There are items in there that Congressman PORTER, a Republican from the House, and Congressman OBEY do not like. Together we decided this was the best package we could do, and we all shook hands on it.

Today, thinking we had finally reached an agreement on this important education bill, I find out that Majority Whip DELAY has turned his thumbs down on it, and so did Majority Leader ARMEY turn his thumbs down on it. Evidently, Speaker HASTERT has said the same thing.

What are we doing here? Why do we even have committees? Why don't we just let Speaker HASTERT and Congressman DELAY and Congressman ARMEY deal with everything?

The reason we have the committees is because people such as Senator STEVENS know these issues. He has been working on these issues for years. And Congressman PORTER and Congressman YOUNG and Congressman OBEY and Senator SPECTER and myself, we know these issues. We know the ins and outs of these issues. We have been working on them a long time.

I am not on the Commerce-State-Justice Committee, so I could not negotiate on that because I do not know all the ins and outs of it, and neither does Congressman DELAY or Congressman ARMEY or Congressman HASTERT know that. Yet they turned thumbs down on this deal we struck last night.

Senator STEVENS worked long and hard to reach this agreement. I am sure he was not happy with everything that was in it, just as I was not. But Senator STEVENS dealt in good faith. We gave our word. We shook hands on it. So did Congressman BILL YOUNG. I have worked with Congressman YOUNG for 15 years—and Congressman PORTER and Congressman OBEY. We reached our agreements. We walked out of the room at 1:30 a.m. And today, Congressman DELAY and Congressman ARMEY say: No.

I do not know. I feel very badly for Senator STEVENS and the others who worked very hard on this, gave their word, shook hands. We had the agreement.

What is at stake here? Is this all just an inside ball game, that it shouldn't bother anybody outside the beltway? Here is what is at stake.

In education: Pell grants, some of the largest increases ever in Pell grants; Individuals with Disabilities Education Act, giving money out to the States to help pay for the education of kids with disabilities; class size reduction, hiring more schoolteachers to reduce class size; school modernization so we can

get money out to our schools so they can repair and fix up their schools. The average age of our schools in America is 42 years. They need to be fixed up. We had money for that.

In health care, medical research: All the money for NIH for medical research; all the money for our community health centers that are doing so much to help our uninsured people in this country with health care; an important cancer-screening program for breast and cervical cancer for women.

Child care: One of the biggest increases that we have ever had for child care.

These issues are too important to be playing politics at this late moment. That is what is happening on the House side—pure politics.

Again, I hope this is just a temporary setback. Congressman ARMEY, Congressman DELAY, and Speaker HASTERT are talking about things that they do not understand. I am hopeful they will meet with Congressman YOUNG and Senator STEVENS, who understand that we had an agreement. Not everyone liked it, but it was a good agreement. It was one that we could live with, and one that I felt the President could sign.

So these issues are much too important for our Nation's future, for our kids' future, for the health of women—too important for these kinds of partisan games this late in the year.

I just want to take this time to urge our friends on the House side to not play games with this important education bill. We have to get this money out. We are already a month into our fiscal year. Our colleges, our school boards, our State departments of education need to know, need to have this money out there, so we can continue to hire teachers and reduce class size and modernize our schools.

We need to get the money out there for breast and cervical cancer screening for women all over America. What we do not need is the kind of interference that we have had by Congressman DELAY and Congressman ARMEY and Congressman HASTERT on the House side.

Now is the time to pull together, as we did last night. This was a true bipartisan effort. Republicans in the House, Democrats in the House, Republicans in the Senate, and Democrats in the Senate worked together and we got an agreement. That is the way this place should work. Senator STEVENS led it on the Senate side, Congressman YOUNG on the House side. We got our agreements. It is too bad we see this last minute kind of partisan bickering from the House leadership.

Again, I am hopeful this is a temporary setback. Let's get our education bill done. Let's get it to the President so he can sign it, so we can move ahead with the necessary task of educating our kids in this country. It is, indeed, a sad day today when we see what happened in education.

Mr. REID. Mr. President, before I yield to the Senator from Louisiana

the remainder of the time, I just want to say to the Senator from Iowa, who is the subcommittee ranking Democrat, who has done such a remarkable job, I could sense from your voice in your presentation you were up most of the night working on this. It is not just last night that you worked on it; you have worked on this bill for months—

Mr. HARKIN. Months.

Mr. REID. And months and months. It is a great bill. It does so much for the American people. And there are no accolades here for you today, as there should be, because you have done such a remarkably good job of not only working that bill but making sure that the people in this Senate and the people around the country understand those people who have no voice.

This subcommittee, of which you are the ranking member, is a subcommittee that does not have a lot of lobbyists working for the underprivileged. There are a lot of people working against them. We depend on you. We, on this side of the aisle, depend on you. And you are very dependable. I personally appreciate, as we all do over here, the great work you have done.

Mr. HARKIN. I thank the Senator from Nevada for his very kind remarks. I would just say to him, also, that, quite frankly, we had great cooperation from Senator STEVENS on the Republican side in getting this bill through. He worked very hard on it, too. I just want to make that point because it is just a darn shame that in these last hours we have gotten thrown into this partisan thing on the House side by the House leadership.

I thank the Senator.

Mr. REID. Senator STEVENS works very hard on everything he does.

Mr. HARKIN. Yes.

Mr. REID. I yield the remainder of our time to the Senator from Louisiana.

The PRESIDING OFFICER. The Senator from Louisiana.

Ms. LANDRIEU. Mr. President, how much time is remaining on our side?

The PRESIDING OFFICER. Six minutes.

Ms. LANDRIEU. I thank the Chair.

TAX CUTS

Ms. LANDRIEU. Mr. President, I associate myself with the remarks of the good Senator from Iowa and acknowledge his great work in the area of education. As he has pointed out—and the Senator from Illinois earlier this evening, and our leader from Nevada—we believe in bipartisanship. We believe in working together. But we do believe there are certain principles worth fighting for: The principle of fairness, the principle of equality, the principle that if we are going to help people, then let's try to help everyone, not just those in the upper-income levels.

In my State—I represent Louisiana—it is very important that we try to spread some of these tax benefits,

health benefits, and education benefits to households that earn under \$75,000. That is not to say that people above those income levels do not also need help. I am not saying that household incomes of \$75,000 and greater or "wealthy" or "rich" or "well off" or those who "don't have difficulties" don't also need help.

But it is important, when we do tax cuts, to try to do it as much as we can for people at all income levels. That is why I am here today to note one provision in the underlying bill in relation to savings and pensions and 401(k)s and IRAs—a wonderful tool for people to save, if it could be designed properly and the rules drafted correctly.

I rise today, however, to note a hard-to-miss opportunity for this Congress to make real tax cuts for America's working families. It is hard to miss, but it looks as if we missed it because the tax bill before us does not target help to middle-class families or give them additional savings tools.

Let me take a few minutes to explain.

Throughout this year, many of us have advocated meaningful, responsible, and targeted tax cuts. I had hoped we would come up with a tax reduction bill which distributed benefits equally among all income groups, recognizing that some families have had more help through our Tax Code than others. But all families, whether they are at \$10,000, \$20,000, \$40,000, \$60,000, \$75,000, or \$100,000, should be helped fairly. This bill fails to do that. We have before us a bill that fails to even meet this simple test of common sense.

I had hoped this Congress would produce tax cuts designed to encourage family savings, not just additional consumption because while incomes have risen dramatically over the past several years, savings rates have actually declined. Savings should be made more attractive for all Americans, not just those who are already saving but those who need help or incentives to save. It not only helps them and their families but strengthens our whole economy.

While the net worth of a typical American family has increased recently, the net worth of families under \$25,000 has declined. According to the most recent numbers from the Commerce Department, the national savings rate in August of 2000 dropped to a negative 4 percent, meaning people are spending more than they save. This is a dramatic drop from the mid-1970s, when Americans saved about 10 percent of their income, or even the 1980s, when it fluctuated between 5 and 7 percent. I think we should do something about that.

The bill before us, which expands IRAs and 401(k)s, doesn't hit the bull's-eye. It doesn't hit the target. It is helping families that are already saving to potentially save more—I argue it doesn't really accomplish that—and it doesn't help those families trying to get into the savings habit.

I introduced a bill earlier that is called SAVE, Savings Accounts are

Valuable for Everyone, which is to help middle- and moderate-income families build assets for themselves through IDAs, while also expanding IRA contributions.

The Senator from Louisiana, Russell Long, former chairman of the Senate Finance Committee, once said: The problem with capitalism is there aren't enough capitalists. I agree with him.

If we created and expanded IDAs, individual development accounts, and IRAs, and 401(k)s in the right way, we could, in fact, create more capitalists, create more pools of capital, help people to build assets and strengthen the economy for everyone. We need to expand economic opportunities for more families, not just help those already on the right track.

According to another study, nearly one-third of all U.S. households hold traditional IRAs. The average income of these families is \$62,500. Average assets are about \$200,000. Just 10 percent hold Roth IRAs. That means 43 percent of households have chosen to use individual retirement accounts. But this is the point: Only 4 percent of those households save at the maximum rate. So by doubling an IRA from \$2,000 to \$5,000 or from \$2,500 to \$5,000, one has to question are we trying to help the top 4 percent who are saving at the maximum rate? Couldn't we spread that money out in a better way to encourage more people to save?

I know I only have a minute or two remaining. Let me address one other point.

I support a 401(k) savings plan. I think it is very effective. Many employers are moving to that in addition to or in lieu of their traditional pension plans. But why increase the limit of 401(k)s when the idea would be to try to use our money to entice more employers and more workers to use the 401(k) model?

This tax bill does nothing to help low- and moderate-income families save for the future.

The PRESIDING OFFICER (Mr. FITZGERALD). The time of the Senator has expired.

Ms. LANDRIEU. I ask unanimous consent for 30 more seconds to wrap up.

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

Ms. LANDRIEU. This tax bill does nothing to help low- and moderate-income families save for their future. That is where IDAs would come in. If we took the opportunity to institute a new savings vehicle called IDAs, expanded IRAs in the right way, and gave additional benefits for 401(k)s, we could use our money more wisely, spread it out among many more families in America.

My message is, there is a better way to do it. I hope when this bill is vetoed by the President, there will be ample consideration to make these modifications. It would not cost more—as this chart shows, \$58 billion to \$44 billion. It would only require common sense, compassion, and the will to do so.