

advantage of education opportunities. Closing the digital divide is important. The education opportunity tax credit provides the financial resources to achieve this goal by making the tax credit fully refundable so that lower income families who owe the Government less money than the maximum available tax credit—say they owe \$700—or if they have no tax liability at all, would get the full credit. Everyone would be able to take full advantage of this opportunity.

The digital divide is a function of many factors, including geography and educational levels of parents. Hence, the most salient and determinative factor is family income. According to numbers released in October of 2000 by the U.S. Department of Commerce—these figures are borne out by studies by Virginia Commonwealth University—we find that of the 92 percent of people who are computer owners, 29 percent have Internet access. So these figures do match in that regard with Virginia. If we look at households with less than \$15,000 in annual income, 12.7 percent of them have Internet access, which is pretty much equal to computer ownership. Families falling within the \$15,000 to \$24,000 per year range have a 21-percent rate of Internet access. Families with incomes of \$75,000 per year or more have about a 77-percent Internet access rate.

These numbers show how this bill will help all people, but that the main value will be to those of middle income and lower middle income who will be able to purchase computers, Internet access, and educational computer software for their children. This is more than just a purely personalized education tax and parental involvement technology issue. This is about—the digital divide and making sure people are getting a good education and access to technology so they are literate and capable. It is vital to the future of the United States in a global economy. It is important for our domestic economy, and it is obviously important for individual families.

In maintaining our economic growth, the Department of Commerce estimates that information technology industries accounted for 30 percent of the country's total real economic growth between 1995 and 1999. Between just 1997 and 1999, there were over 1.2 million new jobs. The average wage of technology jobs in the Nation was \$58,000 compared to \$32,000 in the overall economy.

What we need to understand is, without a continued influx of qualified, competent workers, the growth in the technology industries will stall and Americans, if not properly educated, will not be able to seize the opportunities. Whether it is in the Silicon Valley of California, the silicon Dominion of Virginia, or whether it is in Idaho, Pennsylvania, Florida, Iowa, or anywhere else, it is important that our youngsters are getting a solid education.

The number of U.S. college graduates with high-tech degrees in the country is declining. Since 1990, the number of high-tech degrees has dropped by 2 percent. Undergraduate degrees in math have declined by 21 percent, computer science degrees have declined by 37 percent, and electrical engineering degrees by 45 percent. Although, this wasn't the trend we saw in Virginia in the 1990s. Actually, there was a big increase of jobs and degrees—Virginia having the third fastest growth in technology jobs—however there was the same income differential between technology-related jobs and other forms of employment. The studies from Virginia showed that the average technology job paid \$66,000 a year versus \$31,000 in the overall economy.

As a country, unless we better prepare all students, they will not be able to meet the high-tech job demand; the number of innovations and new technology developments will decline, and businesses and jobs will move offshore.

I say to my colleagues in the Senate, it is time for us to act to make sure we keep these well-paying jobs, these high-tech jobs, in America for Americans.

There is broad-based support by Virginia voters for the education opportunity tax credit. This is not a conservative versus liberal, or Democrat versus Republican, or men versus women type issue; it is a commonsense, good for families, education spending and tax cut issue.

What we found in Virginia with this idea—and it did get pretty well debated in the recent campaign—is that—and this was from polling—61 percent of liberals liked the idea; 69 percent of conservatives liked it, and moderates actually liked it the best, 71 percent. Men liked it at over 70 percent. It was supported by nearly 70 percent of women. It didn't matter someone's race, where they lived, ideology or political persuasion, or if they were not involved in any organized political party. It was very strongly supported by everyone in Virginia.

The people of Virginia recognize that it helps them with their own children. In fact, at the Flying J truckstop in Caroline County, I was going in to pay my bill, and the woman who was there taking my credit card said: I like your education tax credit.

I said: That's great, ma'am. I am glad you know what is going on with this measure. Do you like it?

She said: I am a tutor in Caroline County schools in mathematics.

It is a county with many people who cannot afford a tutor, and she saw that those students who needed help in math and their families could better afford her or other tutoring services so they could get up to speed in mathematics with the support of this tax credit. This is an idea that is appreciated by people in Virginia. As we work to make sure our fellow Senators know about this idea, they will realize it is something on which we will need

to have to take action very soon, to make sure our students have the highest quality and most appropriate education possible.

We need to trust parents to be involved in their schools. They know their children's needs. They know their specific areas that will be of interest and what will best benefit them. Through this substantial tax benefit, all families will have access to a full spectrum of available education opportunities and related technologies.

I hope my colleagues will look into this matter. The Education Opportunity Tax Credit Act will provide families with choice and opportunity. I look forward to working with my colleagues, Senator WARNER of Virginia, Senator CRAIG of Idaho, and Senator ALLARD of Colorado, as well as other Members, in making sure that we ensure the passage of the education opportunity tax credit to empower parents, to increase education spending, and also to reduce taxes while providing more technology capabilities to the children of America.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER (Mr. CRAIG). Morning business is closed.

BANKRUPTCY REFORM ACT OF 2001

The PRESIDING OFFICER. Under the previous order, the Senate will now resume consideration of S. 420. The clerk will report.

The assistant legislative clerk read as follows:

A bill (S. 420) to amend title 11, United States Code, and for other purposes.

Pending:

Schumer amendment No. 25, to ensure that the bankruptcy code is not used to exacerbate the effects of certain illegal predatory lending practices.

Feinstein modified amendment No. 27, to place a \$2,500 cap on any credit card issued to a minor, unless the minor submits an application with the signature of his parents or guardian indicating joint liability for debt or the minor submits financial information indicating an independent means or an ability to repay the debt that the card accrues.

Leahy amendment No. 20, to resolve an ambiguity relating to the definition of current monthly income.

Conrad modified amendment No. 29, to establish an off-budget lockbox to strengthen Social Security and Medicare.

Sessions amendment No. 32, to establish a procedure to safeguard the surpluses of the Social Security and Medicare hospital insurance trust funds.

Wellstone amendment No. 35, to clarify the duties of a debtor who is the plan administrator of an employee benefit plan.

Wellstone amendment No. 36, to disallow certain claims and prohibit coercive debt collection practices.

Wellstone amendment No. 37, to provide that imports of semifinished steel slabs shall be considered to be articles like or directly competitive with taconite pellets for purposes of determining the eligibility of certain workers for trade adjustment assistance under the Trade Act of 1974.

Kennedy amendment No. 38, to allow for reasonable medical expenses.

Kennedy amendment No. 39, to remove the dollar limitation on retirement savings protected in bankruptcy.

Collins amendment No. 16, to provide family fishermen with the same kind of protections and terms as granted to family farmers under chapter 12 of the bankruptcy laws.

Leahy amendment No. 41, to protect the identify of minor children in bankruptcy proceedings.

The PRESIDING OFFICER. Under the previous order, the Senator from South Carolina, Mr. HOLLINGS, is recognized for not to exceed 20 minutes to speak on the lockbox issue.

Mr. HOLLINGS. Mr. President, I had a lockbox amendment at the desk, but I am not calling it up at this time. In the limited time granted me, I want to support the Conrad amendment, which will be introduced later, having to do with procedure. I didn't want to bring about any confusion because I think the Conrad amendment is a sound one. I know that the particular amendment I have at the desk was designed by the Administrator of Social Security. It is a true lockbox.

But we have a more serious problem here. There isn't any question that with the Concord Coalition coming out yesterday afternoon with a joint statement by Warren Rudman, Sam Nunn, Peter Peterson, Robert Rubin, and Paul Volcker, we are just about ready to break the discipline with respect to paying down the debt. They strongly point out the reasons we should continue the discipline.

I ask unanimous consent that their particular summary be printed in the RECORD at this point.

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

[From the Concord Coalition, Mar. 12, 2001]
JOINT STATEMENT BY WARREN RUDMAN, SAM NUNN, PETER PETERSON, ROBERT RUBIN AND PAUL VOLCKER

WASHINGTON.—Congress and the Bush administration face the critical challenge this year of adopting a framework for using near-term budget surpluses to help fill the huge long-term gaps in federal entitlement programs and household savings, and to best further our continued economic well being. This is certainly a more welcome challenge than eliminating budget deficits, but it is every bit as vital.

What are we concerned about?

We are concerned that the mere prospect of very large, but highly uncertain, budget surpluses is being used as an excuse to abandon fiscal discipline, creating the threat of renewed non-Social Security deficits and failing to realize the full opportunity of paying down the publicly held debt.

Then there is the fundamental long-term challenge, which The Concord Coalition has always stressed, of setting aside sufficient resources to meet the huge retirement and health care costs associated with the coming "senior boom." The surpluses provide an opportunity to help meet this challenge—but only if we are careful to preserve them.

The obvious question: How much should we be willing to gamble on 10-year projections

that the Congressional Budget Office itself says could be off by trillions of dollars?

Answer: The Concord Coalition believes that it is unwise to rely on these projections to commit ourselves to a series of large escalating tax reductions over a 10-year period, particularly in advance of addressing the huge and daunting future deficits of Social Security and Medicare. Doing so would be to rely on the unreliable while we ignore the inevitable.

We believe that fiscal discipline is the key to providing for the unmet needs of the future.

Savings from deficit reduction, and now surpluses, have helped provide the capital to increase the productivity of American workers—a major factor in the record growth of the last 10 years. Further gains in productivity will become especially urgent when the retirement of the huge baby boom generation virtually halts the growth in the size of the U.S. work force.

Continued debt reduction is the government's most direct contribution to net national savings. Increasing national and personal savings is the single most effective policy the government can pursue to promote long-term economic growth and retirement security. Budget proposals should be assessed in that context.

As public debt is reduced to the low levels possible, other policies such as retirement savings accounts also play an important role. Household savings are nowhere near adequate to prepare for ever-lengthening retirements.

We recommend that as Congress and the Bush administration decide how best to deploy budget surpluses, they be guided by the following framework:

Ensure the continued economic benefits of a stable fiscal policy by maintaining discipline and avoiding both a spending spree and large escalating tax cuts.

It is exceedingly unwise to lock in a large 10-year tax cut based on unreliable long-term budget projections.

An immediate moderate tax cut is justified and reasonable as a surplus dividend, given last year's surplus and in light of near-term economic and budgetary prospects.

However, a back loaded 10-year tax cut is not the right tool to provide short-term economic stimulus—particularly at the expense of the urgent long-term need to fund our senior entitlements and retirement savings needs.

Realize the full opportunity for paying down the public debt to the low levels possible.

Establish a new set of firm, but realistic discretionary spending caps.

Consider establishing a system of mandatory, individually owned retirement accounts to help families build a more ample nest egg while alleviating concerns that future budget surpluses will result in either higher spending or in a large build up of government-owned private sector financial assets.

Mr. HOLLINGS. The only objection I have to it—and I commend them for their leadership—is they say an immediate moderate tax cut is justified. You see, therein is the difference with this particular Senator and the "wag." Surpluses, surpluses, surpluses—everywhere men cry surpluses. But there is no surplus. Mind you me, I have been elected seven times to the Senate, and to paraphrase our wonderful leader,

President Richard Nixon, I am not a nut. I believe in tax cuts, too—if you have some taxes to cut. So let's see where the taxes are to cut. They say the so-called surpluses belong to the people, but I find nothing but indebtedness belonging to the people.

For example, we have gone, in the past 20 years, from a creditor nation to the largest debtor nation in history—some \$2 trillion. We actually have a current account deficit of \$439 billion, or more, and going up. There is a deficit in the balance of trade up, up, and away, where we used to have a plus balance of trade. With respect to surpluses, actually, we owe Social Security some \$1.164 trillion Medicare accounts are \$238 billion in the red. Military retirement is \$156 billion in the red. Civilian retirement is \$544 billion in the red. Unemployment compensation is \$92 billion in the red.

Mr. President, I ask unanimous consent that this table of Congressional Budget Office figures be printed in the RECORD at this particular point.

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

TRUST FUNDS LOOTED TO BALANCE BUDGET

[By fiscal year, in billions]

	2000	2001	2002
Social Security	1,007	1,164	1,336
Medicare			
HI	169	198	234
SMI	45	40	39
Military Retirement	149	156	164
Civilian Retirement	512	544	575
Unemployment	86	92	98
Highway	31	31	30
Airport	13	15	17
Railroad Retirement	25	26	27
Other	72	74	77
Total	2,109	2,340	2,597

Mr. HOLLINGS. This shows the total sum of all trust funds—not just Social Security, but all the trust funds—including black lung, nuclear and otherwise. So the total amount that we now owe in Government accounts—since they want to split it—is \$2.3 trillion.

Let me go right to that particular point: \$2.3 trillion, as compared to the \$3.4 trillion they call public debt. You see, that is where Mr. Greenspan and others start the monkey business of dividing the debt that belongs to us all. We are the Government, and the public debt and the Government debt, or the intergovernmental accounts, are all our indebtedness. It is \$5.7 trillion. Now that Government debt has not gone down. We ended the last fiscal year \$23 billion in debt. The national debt went up some \$23 billion.

I ask unanimous consent to have printed in the RECORD page 20 of the Treasurer's report showing the difference in how it increased.

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

TABLE 6.—MEANS OF FINANCING THE DEFICIT OR DISPOSITION OF SURPLUS BY THE U.S. GOVERNMENT, SEPTEMBER 2000 and OTHER PERIODS
[In millions of dollars]

Assets and liabilities directly related to budget off-budget activity	Net transactions (—) denotes net reduction of either liability or asset accounts		Account balances current fiscal year		
	This month	Fiscal year to date		Beginning of	
		This year	Prior year	This year	This month
Liability accounts					
Borrowing from the public: Public debt securities, issued under general Financing authorities:					
Obligations of the United States, issued by:					
United States Treasury	—3,644	17,908	130,078	5,641,271	5,662,822
Federal Financing Bank			15,000	15,000	15,000
Total, public debt securities	—3,644	17,908	130,078	5,656,271	5,677,822
Plus premium on public debt securities	—26	697	—200	2,002	2,725
Less premium on public debt securities	—832	—5,157	1,648	80,698	76,373
Total public debt securities net of Premium and discount	—2,839	23,761	128,230	5,577,575	5,604,175
Agency securities, issued under special financing authorities (see Schedule B, for other Agency Borrowing, see Schedule C)					
Total federal securities	31	—832	—854	28,605	27,641
Deduct:					
Federal securities held as investments of government accounts (see Schedule D)	29,557	246,453	221,530	1,989,308	2,206,204
Less discount on federal securities held as investments of government accounts	30	853	5,460	16,148	16,970
Net federal securities held as investments of government accounts	29,527	245,600	216,070	1,973,160	2,189,234
Total borrowing from the public	—32,334	—222,671	—88,694	3,632,920	3,442,583
Accrued interest payable to the public	13,024	1,608	—2,845	42,603	31,187
Allocations of special drawing rights	—21	—440	80	6,799	6,380
Deposit funds	—1,171	1	—1,151	97	3,997
Miscellaneous liability accounts (includes checks outstanding etc.)	5,329	—461	498	4,420	—1,370
Total liability accounts	—15,174	—223,116	—90,864	3,690,739	3,482,798
Asset accounts (deduct)					
Cash and monetary assets:					
U.S. Treasury operating cash: ²					
Federal Reserve accounts	2,498	1,818	1,689	6,641	5,961
Tax and loan note accounts	36,981	—5,618	15,891	49,817	7,218
Balance	39,479	—3,799	17,580	56,458	13,180
Special drawing rights:					
Total holdings	—34	33	178	10,284	10,350
SDR certificates issued to Federal Reserve Banks	1,000	4,000	2,000	—7,200	—4,200
Balance	966	4,033	2,178	3,084	6,150
Reserve position on the U.S. quota in the IMF:					
U.S. subscription to International Monetary Fund:					
Direct quota payments			14,763	46,525	46,525
Maintenance of value adjustments	—257	—3,336	412	5,027	1,947
Letter of credit issued to IMF	—43	—5,194	—15,750	—30,633	—35,784
Dollar deposits with the IMF	2	4	—36	—121	—117
Receivable/Payable (—) for interim maintenance of value adjustments	183	2,234	—562	—815	1,235
Balance	—114	—6,292	—1,173	19,982	13,804
Loans to International Monetary Fund					
Other cash and monetary assets					
Total cash and monetary assets	927	908	386	23,983	23,964
Net Activity, Guaranteed Loan Financing					
Net Activity, Direct Loan Financing					
Miscellaneous asset accounts					
Total asset accounts	41,258	—5,151	18,476	103,507	57,098
Excess of liabilities (+) or assets (—)	—2,472	—4,327	—4,156	—18,518	—20,373
Transactions not applied to current year's surplus or deficit (see Schedule a for Details)	9,727	21,744	18,605	83,894	95,911
	2,181	—1,602	1,579	1,496	—2,288
Total budget and off-budget federal entities (financing of deficit (+) or disposition of surplus (—))	50,694	10,664	34,505	170,378	130,348
	—65,822	—236,993	—124,360	+3,520,361	+3,349,191
					+3,283,369

¹ Outlays for the Department of the Interior have been decreased in October 1999 by \$329 million; to reflect the reclassification of the "Tribal Trust funds", Office of the Special Trustee for the American Indians; from a trust fund to a deposit fund.

² Major sources of information used to determine Treasury's operating cash income include Federal Reserve Banks, the Treasury Regional Finance Centers, the Internal Revenue Service Centers, the Bureau of the Public Debt and various electronic systems. Deposits are reflected as received and withdrawals are reflected as processed.

... No Transactions.

(**) Less than \$500,000.

Note.—Details may not add to totals due to rounding.

Mr. HOLLINGS. Mr. President, we not only ended the fiscal year with a \$23 billion deficit, but look at the debt to the penny, which I printed just a half hour ago from the U.S. Treasury Web site, and you will see that we continue to run deficits. U.S. Treasury Secretary O'Neill, when I had him at the hearing, said, "That is your paper, Senator." I said, "No, this is your paper, Secretary O'Neill." The public debt numbers found on-line show that the debt has increased from \$5,674 tril-

lion at the end of September last year—at the beginning of this fiscal year, 2001—to \$5,747 trillion. So the debt has gone up \$73 billion.

Let me emphasize the split in the debt. The Treasury Secretary says who owes the public debt. He has the public debt held by the public, and he has another listing of intergovernmental holdings. In January, for the years preceding—Mr. President, that used to be Government debt. Now they are trying to change the phraseology so you are

misled—intergovernmental holdings. That is an indebtedness. The public debt has gone up \$21 billion. Did you hear that? Mr. Greenspan, Chairman of the Federal Reserve, is running around saying, "My problem is we are going to pay down too much debt," when it has gone up in the beginning of the fiscal year some \$21 billion. It is \$3.4 trillion, going down \$21 billion. Go down \$100 billion, go down \$200 billion, go down \$300 billion, \$400 billion, and you still

have \$3 trillion to pay off. Don't worry about paying down too much debt.

It was an absolute charade to see the Chairman of the Federal Reserve come to the Congress with that nonsense about "we have too much debt to pay down." I mean, we are paying down too much debt and we are going to have to pay a penalty on our fiscal holdings.

With respect to the intergovernmental holdings, or public debt, it is \$52 billion. So as of this morning, a half hour ago, the Secretary of the Treasury reports that the debt has gone up \$73 billion. It is not going down. That is the problem with the Concord Coalition.

I ask unanimous consent that these documents be printed in the RECORD at this point.

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

THE DEBT TO THE PENNY

[Updated March 12, 2001]

	Amount
Current: 03/09/2001	\$5,747,792,825,182.88
Current month:	
03/08/2001	5,747,550,277,632.42
03/07/2001	5,747,491,094,329.69
03/06/2001	5,749,734,337,611.83
03/05/2001	5,743,401,716,650.84
03/02/2001	5,742,769,797,856.70
03/01/2001	5,726,774,439,028.95
Prior months:	
02/28/2001	5,735,859,380,573.98
01/31/2001	5,716,070,587,057.36

THE DEBT TO THE PENNY—Continued

[Updated March 12, 2001]

	Amount
12/29/2000	5,662,216,013,697.37
11/30/2000	5,709,699,281,427.00
10/31/2000	5,657,327,531,667.14
Prior fiscal years:	
09/29/2000	5,674,178,209,886.86
09/30/1999	5,656,270,901,615.43
09/30/1998	5,526,193,008,897.62
09/30/1997	5,413,146,011,397.34
09/30/1996	5,224,810,939,135.73
09/29/1995	4,973,982,900,709.39
09/30/1994	4,692,749,910,013.32
09/30/1993	4,411,488,883,139.38
09/30/1992	4,064,620,655,521.66
09/30/1991	3,655,303,351,697.03
09/28/1990	3,233,313,451,777.25
09/29/1989	2,857,430,960,187.32
09/30/1988	2,602,337,712,041.16
09/30/1987	2,350,276,890,953.00

Source: Bureau of the Public Debt.

WHO HOLDS THE DEBT?

[Beginning 1/31/2001 (debt held by the public vs. intragovernmental holdings) historical debt prior to January 31, 2001]

	Debt held by the public	Intragovernmental holdings	Total
Current: 03/09/2001	\$3,426,528,227,885.96	\$2,321,264,597,296.92	\$5,747,792,825,182.88
Prior months:			
02/28/2001	3,401,737,625,377.06	2,334,121,755,196.92	5,735,859,380,573.98
01/31/2001	3,388,015,685,287.98	2,328,054,901,769.38	5,716,070,587,058.36

WHO HOLDS THE DEBT?

[Thru 1/30/2001 (debt held by the public vs. intragovernmental holdings) historical debt beginning with January 31, 2001]

	Debt held by the public	Intragovernmental holdings	Total
Prior months:			
01/30/2001	3,369,903,111,703.32	2,370,388,014,843.13	5,740,291,126,546.45
12/29/2000	3,380,398,279,538.38	2,281,817,734,158.99	5,662,216,013,697.37
11/30/2000	3,417,401,544,006.82	2,292,297,737,420.18	5,709,699,281,427.00
10/31/2000	3,374,976,727,197.79	2,282,350,804,469.35	5,657,327,531,667.14
Prior fiscal years:			
09/29/2000	3,405,303,490,221.20	2,268,874,719,665.66	5,674,178,209,886.86
09/30/1999	3,636,104,594,501.81	2,020,165,307,131.62	5,656,270,901,615.43
09/30/1998	3,733,864,472,163.53	1,792,328,536,734.09	5,526,193,008,897.62
09/30/1997	3,789,667,546,849.60	1,623,478,464,547.74	5,413,146,011,397.34

Mr. HOLLINGS. Mr. President, what is happening? Well, we got on course. Reaganomics II. We know what Reaganomics I did. I notice my friend, the distinguished Senator from Pennsylvania, Mr. SPECTER, called it in the interviews over the weekend Kemp-Roth. He didn't want to hurt President Reagan's feelings. I don't either, but President Reagan adopted this idea of "starve the beast." All we have to do is cut the revenues. The money belongs to the people, and the people know how best to spend their money, and we will have prosperity galore.

What happened? Well, President Lyndon Johnson last balanced the budget. During 200 years of history, in the course of all the wars, we had accumulated less than a trillion dollars in debt.

But when President Reagan came in with Reaganomics, that less than a trillion dollars in debt went up to \$4 trillion and is now up to \$5.7 trillion. What happens? I speak now to my colleagues because this is the greatest waste. I served on the Grace Commission to abolish waste, fraud, and abuse. The greatest waste ever proposed or propounded in the history of Government is the interest costs, the carrying charges on the national debt.

When President Johnson balanced the budget and for the 200 years of history, the interest cost on the debt was only \$16 billion. Now it has gone up to \$365 billion and is projected by CBO to

go to \$371 billion. The first thing the Government did this morning at 8 o'clock was go down to the bank, borrow \$1 billion and add it to the debt. Tomorrow we are going to do the same thing. On Saturday do you think the banks are closed? No. We are going to borrow another \$1 billion on Saturday, and on Sunday and on Christmas Day. Each and every day, we are going to borrow \$1 billion for nothing—\$365 billion.

The distinguished Presiding Officer could buy all sorts of things with this money. We could get an energy policy, a forestry policy, a research policy. We could pay for education. We could almost double everything that anybody wanted. This \$365 billion amount is bigger than the national defense. National defense is supposed to go from \$305 billion to \$310 billion. We are paying out more just in carrying charges, waste, and nobody seems to care.

The point is, when you are in a deficit and debt position, you cannot cut taxes without increasing taxes. That is exactly where we are. The so-called tax cut that President Bush is insisting upon is a tax cut that wore no clothes.

He is running all around the country. Talk of a tax cut started back in September and October, when he was ascending in the polls. Then the market started to decline. In November, the distinguished Mr. CHENEY said it looked like a recession. They insisted on the tax cut in December, January,

and February. Can you imagine the President having to go out and sell a tax cut?

People ought to sober up on that particular point. Do you have to sell a tax cut? What is the market saying? The market is saying: Look, with all this indebtedness, awash in debt, a devalued dollar, they are not going to, by gosh, buy our instruments, our bonds, they are not going to continue to finance our debt, and they are going to have to raise the interest rates. That is exactly what happened in Reaganomics I, and we have Reaganomics II on course. There is no education in the second kick of a mule. We should all like the Concord Coalition: Pay down the debt; enforce the discipline; quit running around bribing, if you please, the people with their own money.

It is a sordid trick. We ought to be ashamed of ourselves. Responsible Congressmen and Senators ought to tell the truth. We have gone bilingual when it comes to the budget. The second language is truth. We are running around here saying surplus, surplus, surplus everywhere, and there is no surplus. Even the President says there is no surplus.

I hold in my hand President Bush's document that he just submitted. On page 201, you can see the debt this year: \$5.637 trillion. He projects that the national debt will go to \$7.159 trillion—not a surplus. This is President Bush. Why don't they ask him: Mr.

President, you say “surplus,” but your own budget shows the debt increasing.

I ask unanimous consent to print in the RECORD page 201.

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

TABLE S-16.—FEDERAL GOVERNMENT FINANCING AND DEBT
[In billions of dollars]

	Actual 2000	Estimate									
		2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Financing:											
United budget surplus	236	281	231	246	268	273	307	341	372	412	459
On-budget surplus/reserve for contingencies	86	124	60	53	57	36	55	71	84	109	136
Off-budget surplus	150	157	171	193	211	237	252	270	287	303	323
Means of financing other than borrowing from the public:											
Premiums paid (—) on buybacks of Treasury securities	—6	—10	.....	.....	.....	.....	.....	.....	.....	.....	.....
Changes in:											
Treasury operating cash balance	4	3	.....	.....	.....	.....	.....	.....	.....	.....	.....
Checks outstanding, deposit funds, etc.	3	—*	—1	2	2	2	2	2	2	2	2
Seigniorage on coin	2	2	2	2	2	2	2	2	2	2	2
Less: Net financing disbursements:											
Direct loan financing accounts	—22	—39	—4	—17	—18	—17	—16	—16	—16	—16	—15
Guaranteed loan financing accounts	4	—1	—1	1	—	—	1	1	1	1	1
Total; means of financing other than borrowing from the public	—13	—45	—4	—15	—16	—15	—14	—13	—13	—13	—13
Total, amount available to repay debt held by the public	223	236	227	232	252	257	294	328	359	399	446
Change in debt held by the public:											
Change in debt held by the public (gross)	—223	—236	—227	—232	—252	—257	—294	—328	—381	—125	—71
Less change in excess balances	—223	—236	—227	—232	—252	—257	—294	—328	—359	—274	—375
Change in debt held by the public (net)	—223	—236	—227	—232	—252	—257	—294	—328	—359	—446	—511
Debt Subject to Statutory Limitation, End of Year:											
Debt issued by Treasury	5,601	5,610	5,640	5,697	5,752	5,822	5,878	5,918	6,120	6,396	6,750
Adjustment for Treasury debt not subject to limitation and agency debt subject to limitation	—15	—15	—15	—15	—15	—15	—15	—15	—15	—15	—15
Adjustment for discount and premium	6	6	6	6	6	6	6	6	6	6	6
Total, debt subject to statutory limitation	5,592	5,600	5,630	5,687	5,743	5,813	5,868	5,908	6,110	6,386	6,740
Debt Outstanding, End of Year:											
Gross Federal Debt:											
Debt issued by Treasury	5,601	5,610	5,640	5,697	5,752	5,822	5,878	5,918	6,120	6,396	6,750
Debt issued by other agencies	28	27	27	26	25	24	23	21	21	21	20
Total, gross Federal debt	5,629	5,637	5,666	5,723	5,777	5,846	5,901	5,939	6,141	6,417	6,770
Held by:											
Debt securities held as assets by Government accounts	2,219	2,463	2,719	3,007	3,314	3,640	3,988	4,355	4,737	5,138	5,562
Debt Securities held as assets by the public:											
Debt held by the public (gross)	3,410	3,174	2,947	2,715	2,463	2,206	1,912	1,585	1,404	1,279	1,208
Less excess balances	3,410	3,174	2,947	2,715	2,463	2,206	1,912	1,585	1,226	827	381
Debt held by the public (net)	3,410	3,174	2,947	2,715	2,463	2,206	1,912	1,585	1,226	827	381
As much as I hate to, I think we might have to go with a capital gains tax cut, instead of an across-the-board tax cut, to really get the market going. An across-the-board cut is not going to infuse consumer confidence.											
If the President came back here today—that is our problem. These Presidents continue to run for office, they continue to work at keeping the job rather than doing the job. If he would only come back and tend to the real problems of the country and quit running all over the place trying to sell a tax cut, I think the market would start back up. It is not lack of consumer confidence in the economy, it is citizens' lack of confidence in their Government. When they see us play this sordid game of 10-year budgets, calling deficits and debt surpluses and sending the money back with a childish cause that people are going out and spending their money best and that kind of nonsense, that is what is happening to the stock market. They can see we are going to an inflated economy, the results we had from Reaganomics I. We are going to have Reaganomics II, and we are going to really be in economic trouble.											
The ox is in the ditch. We have everyone running around talking about surpluses and 10-year budgets where everybody is right and everybody is wrong. If we can just hold the line and get back to that 8-year record of paying down the debt and fiscal discipline, then the people will begin to appreciate this Congress at the market level.											
With respect to the increase, we should have the pay-go rule. You have to have an offset and withhold, not abolish. If President Bush and this Government has a surplus by the end of this fiscal year, I will vote for President George W. Bush's tax cut. I will vote for it—I have to say that publicly—if we have a surplus. But as long as we continue to increase the debt, let's hold up and find out.											
Right now, we ought to be ashamed of ourselves with this sordid game of again and again calling deficits and debt surpluses in order to buy the people's vote. That is all we are doing. We will, with April 15, have a large influx of revenues, and some debt will be paid down, but they will never get to paying down \$3.4 trillion in the Presiding Officer's time and in my time.											
Do not worry about paying down the public debt. Let us worry about the increase of the overall national debt and go back to the Concord Coalition's recommendation of fiscal discipline.											
I yield the floor and 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. SESSIONS. Mr. President, I ask unanimous consent the order for the quorum call be rescinded.											
The PRESIDING OFFICER (Mr. CRAPO). Without objection, it is so ordered.											
Mr. SESSIONS. Mr. President, we are now proceeding on our debate and discussion on the bankruptcy bill that is pending. I do hope those who have amendments and want to make statements on them will come down and take advantage of this time. It is an opportunity to discuss the important questions that are before us.											
As I have noted before, bankruptcy reform is, in fact, a second look at the 1978 bankruptcy law. That law reformed the way bankruptcy courts deal with debt in America. We have had experience now for over 20 years with											

Mr. HOLLINGS. Mr. President, there it is. We have been engaged in the most sordid activity one can possibly imagine with these 10-year budgets. I remember when I was chairman of the Budget Committee in 1979 and 1980, we had a 1-year budget. The country sustained, survived, succeeded 200 years of history on 1-year budgets. If you were a Governor of a State and you submitted a 10-year budget, Moody's and Standard & Poor's would immediately lift your credit rating. But wait a minute, the best campaign finance trick is to use the Government's budget to get ourselves reelected, running around and promising visions of sugarplums dancing in their heads: Give the money back; the people know how to spend their money.

Of course, every morning we are borrowing \$1 billion, and they say give it back to the people, but we are increasing the debt and increasing the waste. We run amok with these 10-year budgets, and we ought to go back to 1-year budgets. Let's take the budget we passed in December, a few months ago, and debate all the cuts and vote on them.

With respect to the increase, we should have the pay-go rule. You have to have an offset and withhold, not abolish. If President Bush and this Government has a surplus by the end of this fiscal year, I will vote for President George W. Bush's tax cut. I will vote for it—I have to say that publicly—if we have a surplus. But as long as we continue to increase the debt, let's hold up and find out.

As much as I hate to, I think we might have to go with a capital gains tax cut, instead of an across-the-board tax cut, to really get the market going. An across-the-board cut is not going to infuse consumer confidence.

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Do not worry about paying down the public debt. Let us worry about the increase of the overall national debt and go back to the Concord Coalition's recommendation of fiscal discipline.

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

The PRESIDING OFFICER (Mr. CRAPO). Without objection, it is so ordered.

Mr. SESSIONS. Mr. President, we are now proceeding on our debate and discussion on the bankruptcy bill that is pending. I do hope those who have amendments and want to make statements on them will come down and take advantage of this time. It is an opportunity to discuss the important questions that are before us.

As I have noted before, bankruptcy reform is, in fact, a second look at the 1978 bankruptcy law. That law reformed the way bankruptcy courts deal with debt in America. We have had experience now for over 20 years with

that reform. We have seen how the law has been manipulated and abused, and it is perfectly appropriate for us to try to create a system that is honest and fair, eliminates abuses, and helps us make sure that what happens in bankruptcy court is rational and defensible and furthers good public policy.

That is what we are about. It is not legislation to fix all problems dealing with credit in America. It is what happens when a person files in bankruptcy. As the Members of this body know, we have in this legislation a provision that says if you make above median income in America, and a judge finds you are capable of paying back as much as 25 percent of your debts, and he calculates the current income and what your debts are, if he determines that is possible, instead of wiping out all your debt, you may be moved from chapter 7—in which debt is wiped out in bankruptcy—to chapter 13, in which you would pay back, over a number of years, 25 percent of the debts you owe.

It is my view, and I think the view of a majority of Americans, that bankruptcy is a good thing. But if you can pay back your debts, you ought to pay them; that we ought not say a person with a \$100,000 income, perfectly capable of paying back a substantial portion of his debts, can just not pay them. In fact, some of these people, over a period of 3 to 5 years, can pay back all of their debts, we have learned.

That is the change. I think well over half of the people who file bankruptcy, maybe three-fourths, maybe even more, will be below median income, so they will not be affected by this means testing of bankruptcy. It is just those above median income based on family size and other criteria.

I believe we are doing the right thing. I believe it is the right approach, it is fair and just, and we ought to move in that direction.

We have also improved the system by eliminating quite a number of abuses by good lawyers. Some people put them down, but I cannot blame a lawyer for advising his client there is an opportunity to not pay something if they do not have to under the current bankruptcy law. They have learned how to advise clients to take advantage of the current law. It is up to us now to fix that.

One of the aspects in the bill that I think is of great value is an amendment I offered to encourage credit counseling. A lot of people do not understand credit counseling. I, frankly, did not fully understand it until I spent virtually a day with a good credit counseling agency in Mobile, AL. They are off the main thoroughfare. They had a nice area. People came there to deal with their debts.

What they do is negotiate with the creditors of the people who come in to see them for counseling, and they will get them to reduce their interest rates, get them to stretch out their payments, and they will help that family

develop a budget by which they can pay off their existing debts.

Not only do they get them on a budget, but they save marriages. That is because one of the highest causes of marital breakup is financial discord. They sit the whole family down—children, wife, husband—and go over their income. They go over their expenditures, what they can reduce in their budget expenditures: Do they really need this cell phone? Do they really need the higher level cable TV? They knock it down.

Then they get the creditors to see this family is in trouble. If you reduce your interest rate so that payment to the credit card company is reduced, the payment to the furniture store is reduced, the payment to the brother-in-law is reduced, maybe the deficiency on rent is reduced—they work out a budget so the family can work themselves out of this.

The beauty of this is that for the first time, many of these families learn how to manage money. Too often they have not been taught that in America today. I think it is a very good thing. I believe that is healthy. Some have complained that our amendment says before you go to bankruptcy, you should go to a credit counseling agency and at least discuss with them the possibility that you could work out a debt repayment plan and come out better doing it that way rather than going straight into bankruptcy without that option.

What is happening is there are lawyer mills in the country. You turn on your television; you look at your little flier at the corner market that shows what you buy and sell, automobiles, furniture and things, and you see advertisements by these lawyers about how to wipe out your debts and avoid paying what you owe.

People respond. When they go down to the lawyer's office, essentially the lawyer tells them—there is no mystery about this; I don't think I am misstating it—I believe you are entitled to bankruptcy. I believe you can wipe out these debts. It is now January 1, so you will need to pay me \$1,000. What I want you to do is live off your credit card and all, but do not pay any of your other debts. Save up until you get the \$1,000 and pay me, and I will file the bankruptcy. Then you can wipe out all your debts.

That is what they do, and they make money off that. I know an instance where one of these lawyers does at least 1,000 of those cases a year. That is \$1 million in income in chapter 7, chapter 13, routine filings. He doesn't even meet his clients. Basically his paralegals do that and pretty much that is what goes on in America.

For people who need that, that is fine. For people who are not able, hopelessly in debt for various reasons, that is fine. But if they can pay their way out of it, I think somebody ought to be concerned about helping them figure a way to do so. They will feel better about paying their debt.

We don't need a legal system in America that suggests paying your debt isn't important. What does that do for us on a moral basis—that we have a legal bankruptcy system that suggests you have no responsibility to pay your debt if you can pay those debts? I don't think that is good public policy.

I suggest at least there be an opportunity for every bankrupt to consider credit counseling. They are in virtually every community in America. If they are not there, the bankruptcy judge can certify that and the person doesn't have to go to credit counseling. But if there is a credit counselling agency, this bill would say to a bankrupt who is thinking about bankruptcy to go to them and talk to them. It is fundamentally an interview. They do not have to fill out forms or do anything at the credit counseling agency. They just have to certify that they have been there and they have considered that option because it is not being provided to them in the lawyer's office. Trust me. I believe for a certain number they are going to conclude that credit counseling—a matter they have never considered before—is better for them than going into bankruptcy. And the family will be better for it, and the legal system will be better for it.

That is what we are about today. Many people are in debt for many different reasons. Some say: Well, it is credit card debt.

Some college students are filing, but their numbers are not exceedingly high. The reason college students primarily are filing bankruptcy and the reason many of them are deeply in debt is paying for their tuition and fees—not on their credit card. It is their loan payment which has put them in debt very deeply. And at some point they end up running up credit card bills too, perhaps. But the biggest amount of debt for college students is a student loan and the money on which they have to borrow to live. Whatever the reason, we are not certain.

We know hospital bills are a big factor in tipping people into bankruptcy. That is a legitimate reason. We know many people are in bankruptcy because they have a compulsion to spend; one or more family members just cannot discipline themselves. I do not know if it is an illness or what it is, but they cannot discipline themselves and are unable to work their way out of adverse financial circumstances as other family members are able to do. Other family members every day in America are sitting down and deciding when they can buy a new suit of clothes, or whether or not they can take a vacation this year, or whether or not they can go on a school trip, or buy a new car. What are they asking themselves? How can we pay the money we owe and buy something new? Maybe we can't afford to do both this year. Maybe we need to pay down our debt.

We don't want to create a system that makes the honest, disciplined, frugal family look like a chump or look

like they are silly by working hard to pay off unexpected debt and rewarding those who do not make the effort.

This is a fundamental question to me. This bill provides all the protections for median income and below that are in the previous legislation, and it provides other benefits also. It places women and children at the highest possible level of protection. They get the first money out of a bankruptcy estate today under the new legislation instead of being seventh or eighth under the current bill in who gets paid from what is left in the bankruptcy.

It provides priority to pay alimony and child support in a way that we have never done before. It provides many other good provisions that help our country socially and economically do the right thing.

We are excited about that possibility. Just because you move from chapter 7 to chapter 13, if you are above median income—in fact, it isn't all bad that you have been damaged dramatically.

I saw an article recently where someone was talking to a bankruptcy lawyer. He said one person he was talking to had a \$70,000-a-year income and wanted to rush out and file his bankruptcy bill under current law because under the new law he might have to go into chapter 13 and pay back some of his debts.

I ask you why a person who makes \$70,000 a year shouldn't pay back some of his debt. They say: Well, it is medical bills. Maybe it is an unexpected medical bill. If he is making \$70,000, why didn't he have insurance? If he is making below median income, or a low income, maybe I could be sympathetic because they didn't take out insurance. But if he is making \$70,000, he ought to be able to provide some medical insurance. Maybe he shouldn't have such medical debts, No. 1. But, No. 2, why should we take the view that if you are able to pay back to your hospital some of the costs of the service that hospital provided you, why shouldn't you pay them?

I visited 20 hospitals in Alabama this year. I have talked to administrators, nurses, and doctors. They are in trouble. It is difficult for hospitals to make a living. They have a factor of uncollected debt. They do not abuse people. But they are not being paid a lot.

If a person cannot pay the hospital, and they are making below median income in America, I don't want them to have to worry about it. Wipe out the debt and go forward under this bill. But if they are making above median income and they owe the hospital \$10,000 and over 5 years they can pay them \$2,500, why shouldn't they? They got a benefit from the hospital. Somebody else is going to pay for it, if they don't. Who else is going to pay it? People are going to be paying for it through their taxes and other payments, and they will be making below median income. Why should a person who is honest and frugal making below median income

pay for the hospital bill for somebody making \$70,000 who can pay a portion of his hospital bill? Answer that. That is not justice.

We have a bill that takes a step toward achieving justice. They say: Well, you are just out defending big corporations, banks, and these collection agencies, and you are oppressing the poor. There is no change for the poor. There is no change in this bill for the 75 or 80 percent of the people who file bankruptcy who already make below median income. There is no change in that. It is only if you make above median income that a judge can order you to pay some of your debt.

I think that is right. I don't apologize for that. I do not believe in this class warfare argument we are hearing time and time again that it is oppression of the poor. Those are the same arguments we have heard today. It seems that the hospital providing good care to an individual and does not get paid for it is oppressing the person who is making above median income by asking them to pay for it; if a credit card company has loaned money, or a bank has loaned money to somebody to go out and buy a house, buy a car, buy things a family needs, they are oppressing them by giving them the money and asking them to pay it back when the time comes to pay your debts back. Most Americans pay their debts. I think credit cards are great.

We have had serious complaints in this body—and rightly so—that banks and credit companies are not fairly making credit available to poor people.

We have a bill called redlining that prohibits banks from opposing and refusing to allow people with marginal incomes to borrow money because they might think it is risky.

The PRESIDING OFFICER. The Senator's time has expired. Under the previous order, 5 minutes was reserved for Senator FEINSTEIN to begin at 11 o'clock.

Mr. SESSIONS. I see Senator FEINSTEIN is here. I will be glad to conclude.

Fundamentally, this bill is not unfair. I would be willing to look at any particular part of it. It has been pounded on for 4 years now. Every jot and tittle of it has been looked at. We have tried to make sure it is fair in every way. But we do say you ought to seek credit counseling. Maybe there is an alternative to bankruptcy.

We say, if you make above the median income, you can pay back some of your debts. But if your debts are so big, even if you make above median income, you do not have to pay them; you can wipe them out, and that is OK. And remember the great protection of bankruptcy for people in debt is they cannot be subject to harassing phone calls and letters, demands for payment and lawsuits.

When you file bankruptcy, all lawsuits and demands for payment have to stop, whether you are in chapter 7 or chapter 13. A family can put their lives in order under the bankruptcy laws

now and in this new bill in the same way that will allow them to have some stability in their lives, to bring a conclusion to their credit difficulties, to not be fighting lawsuits and credit demands that disrupt their lives.

I thank the Chair and yield the floor.

Mrs. FEINSTEIN addressed the Chair.

The PRESIDING OFFICER. The Senator from California.

AMENDMENT NO. 27, AS MODIFIED

Mrs. FEINSTEIN. Mr. President, the amendment on the bankruptcy bill that I have proposed is a very straightforward amendment. It simply says credit card companies that issue credit cards to minors must limit that debt to \$2,500 a credit card, unless the minor demonstrates the means to pay back the debt, or a parent cosigns for the debt.

In addition, the amendment would entitle parents who cosign on their child's credit card the opportunity to be consulted before the debt limit on the card is increased.

The amendment is basically a compromise. I amended the amendment to place a cap of \$2,500 a card rather than \$2,500 on all cards a minor might have.

The reason for the amendment is a simple one. Student credit card debt has increased 46 percent over the last 2 years alone. Bankruptcy filings among youth have increased sevenfold since 1996. The problem is, there is no limit on the credit card debt a youngster can accumulate. This amendment would end that problem, give parents the responsibility of choosing to cosign for their youngster if they want more than a \$2,500 cap, unless the youngster could demonstrate that they had the source of income to support the debt.

So essentially what this amendment does is provide a credit card limit of debt of \$2,500 a card for a youngster who is under the age of 21.

I thank the Chair and yield the floor.

The PRESIDING OFFICER. Who yields time in opposition?

If no one yields time, time will be charged equally to each side.

Approximately 2 minutes remain in opposition to the Feinstein amendment.

AMENDMENT NO. 39

Mr. SESSIONS. I will confine my remarks to the other amendment we will be voting on, unless someone else wants to respond to the Feinstein amendment.

At 11 o'clock, we will also be voting on the Kennedy amendment that attempts to remove the cap of \$1 million on how much a bankrupt can protect in their IRA account.

I know Senator KENNEDY steadfastly opposed the homestead law under the current bill and I agreed. We made substantial progress in containing the abuse of homestead that is unlimited in a few States. Right now, if you pour millions of dollars into a home, you can protect that home, you can file bankruptcy, and not pay your debtors, and keep the \$2 million home. To me,

that is not right, so I have supported that change. And we could not get as far as we wanted because a number of States have provisions in their constitutions that protect homesteads. We made a number of steps to curtail that abuse—real steps—but we did not go as far as I wished we could have gone.

This is a very similar situation. Why should you not pay individual debtors—why should you not pay your hospital debt and other debts and be able to file bankruptcy and have \$2 million in your IRA account? Can't a person live on \$1 million at a 6-percent return a year? That is \$60,000 a year the rest of your life without touching the principal.

So I think this is an abuse by rich people, really, to protect over \$1 million in savings.

The PRESIDING OFFICER. All time has expired on the Feinstein amendment.

Does the Senator wish to continue under the 2½ minutes in opposition to the—

Mr. SESSIONS. I think Senator KENNEDY is here. He would wish to speak on his amendment.

I yield the floor.

Mr. KENNEDY addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, for the first time in the history of bankruptcy, we will put at risk the retirement savings of workers. In this instance, we do not have a limitation in terms of the retirement savings under the 401(k) programs. There are virtually no limitations. But there are limitations in terms of the IRAs.

The IRAs are the programs that are most used by working families. They can only contribute \$2,000 a year to an IRA. There was no history and no comments in the long testimony we took before the Judiciary Committee that this was being abused, that people were putting money into their IRAs in order to be able to circumvent bankruptcy. They cannot do it in the first place because they can only contribute \$2,000 a year. But there are many hundreds of thousands of workers in this country who are putting aside the \$2,000 a year and hope to build up a sufficient nest egg that will augment their Social Security so they will be able to live with some dignity. Now we are putting that money at risk.

In many instances, the people who are going into bankruptcy are going into bankruptcy because their health insurance has failed or they do not have health insurance. They go to the hospital for 4 days and they run up these enormous bills.

What the current proposal before the Senate is saying is, OK, that is going to be too bad. We are going to suck up the 25 years of payments into retirement programs for working families.

We say, we do not do it for the 401(k) programs, which are the retirement programs for the more wealthy and affluent. We should not do it for the

IRAs. Starting now, at \$1 million, it will just continue to come down. And we are putting these savings at risk. It does not belong in this bill. I hope my amendment will eliminate it. I think it is the proper way to proceed.

Mr. SESSIONS addressed the Chair.

The PRESIDING OFFICER. The Senator from Alabama.

Mr. SESSIONS. I thank Senator KENNEDY. I know we worked hard on this bill to gain his support. Basically, the language that is in the bill now has been modified to deal with a number of the concerns he raised.

The Department of Justice, under the Clinton administration, said:

A debtor should not be able to shield abundant resources from creditors, including Federal, State, and local governments, in the form of retirement savings.

What is “abundant resources”? We say, over \$1 million. I do not think that is too much to allow somebody to keep when they are not paying their debts.

From the Securities and Exchange Commission:

We have seen insider traders, who do their trading through IRAs, and fraud participants stash their profits in IRAs. The State law exemptions have not defeated our Federal statutory claims to date, but a new Federal exemption—

Which we could be doing here—could do so. I am concerned about the grave potential for abuse that the exemption for all retirement assets from bankruptcy estate poses.

We have asked—and the Senator from Massachusetts and others voted for an amendment I sponsored—to limit homesteads to \$100,000 as the amount you could put in your homestead and not pay your debtors. Yet there is an objection for some reason to saying you can't maintain more than \$1 million in your IRA and not pay your debts.

This is a reasonable cap. It will not hurt people. It will allow them to have an income of \$60,000 or more per year to live on without even touching their principal under this IRA plan. It will, as the Securities Commission says, avoid the dangers of fraud and just the unfairness of not paying your local businesses, not paying your local hospital, not paying your local neighbors what you owe and living high on the hog with multimillions of dollars, perhaps, stuffed in an IRA plan.

That is why we are in disagreement on this bill.

VOTE ON AMENDMENT NO. 27, AS MODIFIED

Mr. SESSIONS. Mr. President, I move to table both the Kennedy and Feinstein amendments. I ask unanimous consent to do that.

The PRESIDING OFFICER (Mr. CHAFFEE). It is not in order to move to table both amendments at this time. The Senator may move to table the Feinstein amendment.

Mr. SESSIONS. Mr. President, I move to table the Feinstein amendment and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The yeas and nays were ordered.

Mr. KENNEDY. Mr. President, is there time remaining on the amendment?

The PRESIDING OFFICER. There is not time remaining.

The question is on agreeing to the motion to table the Feinstein amendment No. 27, as modified. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. FITZGERALD (when his name was called). Present.

Mr. NICKLES. I announce that the Senator from Oklahoma (Mr. INHOFE) is necessarily absent.

I further announce that if present and voting, the Senator from Oklahoma (Mr. INHOFE) would vote “yea.”

Mr. REID. I announce that the Senator from Hawaii (Mr. INOUYE) is necessarily absent.

The result was announced—yeas 55, nays 42, as follows:

[Rollcall Vote No. 20 Leg.]

YEAS—55

Allard	Dorgan	Miller
Allen	Ensign	Nelson (NE)
Bayh	Enzi	Nickles
Bennett	Frist	Roberts
Biden	Gramm	Santorum
Bond	Grassley	Sessions
Brownback	Gregg	Shelby
Bunning	Hagel	Smith (NH)
Burns	Hatch	Smith (OR)
Campbell	Helms	Snowe
Carper	Hutchinson	Specter
Chafee	Hutchison	Stevens
Cleland	Johnson	Thomas
Cochran	Kohl	Thompson
Collins	Kyl	Thurmond
Craig	Lott	Voinovich
Crapo	Lugar	Warner
DeWine	McCain	
Domenici	McConnell	

NAYS—42

Akaka	Durbin	Lincoln
Baucus	Edwards	Mikulski
Bingaman	Feingold	Murkowski
Boxer	Feinstein	Murray
Breaux	Graham	Nelson (FL)
Byrd	Harkin	Reed
Cantwell	Hollings	Reid
Carnahan	Jeffords	Rockefeller
Clinton	Kennedy	Sarbanes
Conrad	Kerry	Schumer
Corzine	Landrieu	Stabenow
Daschle	Leahy	Torricelli
Dayton	Levin	Wellstone
Dodd	Lieberman	Wyden

ANSWERED “PRESENT”—1

Fitzgerald

NOT VOTING—2

Inhofe Inouye

The motion was agreed to.

The PRESIDING OFFICER (Mr. ENZI). The Chair recognizes the Senator from Alabama.

Mr. SESSIONS. Mr. President, I move to reconsider the vote.

Mr. HATCH. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

VOTE ON AMENDMENT NO. 39

Mr. SESSIONS. Mr. President, I move to table the pending amendment and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The question is on agreeing to the motion. The clerk will call the roll.

The legislative clerk called the roll.

Mr. FITZGERALD (when his name was called). Present.

Mr. REID. I announce that the Senator from Hawaii (Mr. INOUYE) is necessarily absent.

The result was announced—yeas 61, nays 37, as follows:

[Rollcall Vote No. 21 Leg.]

YEAS—61

Allard	Dorgan	Nelson (FL)
Allen	Ensign	Nelson (NE)
Bayh	Enzi	Nickles
Bennett	Frist	Reid
Biden	Gramm	Roberts
Bingaman	Grassley	Santorum
Brownback	Gregg	Sessions
Bunning	Hagel	Shelby
Burns	Helms	Smith (NH)
Campbell	Hutchinson	Smith (OR)
Carnahan	Hutchison	Snowe
Carper	Inhofe	Stabenow
Chafee	Johnson	Stevens
Cleland	Kohl	Thomas
Cochran	Kyl	Thompson
Collins	Lott	Thurmond
Conrad	Lugar	Torricelli
Craig	McCain	Voinovich
Crapo	McConnell	Warner
DeWine	Miller	
Domenici	Murkowski	

NAYS—37

Akaka	Edwards	Lieberman
Baucus	Feingold	Lincoln
Bond	Feinstein	Mikulski
Boxer	Graham	Murray
Breaux	Harkin	Reed
Byrd	Hatch	Rockefeller
Cantwell	Hollings	Sarbanes
Clinton	Jeffords	Schumer
Corzine	Kennedy	Specter
Daschle	Kerry	Wellstone
Dayton	Landrieu	Wyden
Dodd	Leahy	
Durbin	Levin	

ANSWERED “PRESENT”—1

Fitzgerald

NOT VOTING—1

Inouye

The motion was agreed to.

Mr. GRASSLEY. I move to reconsider the vote and move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The question now occurs on amendment No. 41.

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

The PRESIDING OFFICER. The clerk will please call the roll.

The legislative clerk proceeded to call the roll.

Mr. DURBIN. 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 ECONOMY AND TAX CUTS

Mr. DURBIN. Mr. President, I seek recognition as in morning business to address the Senate in reference to the state of the economy. I think most of us have read the press reports about what happened to the stock market yesterday. We certainly hope that was an anomaly and that it will not con-

tinue and that our economy rebounds quickly from what apparently has gone beyond a soft landing and is now headed toward what appears to be a harder landing.

The news out of my home State of Illinois is not encouraging. This morning, Motorola announced it is cutting 7,000 more jobs in its cellular phone division, increasing to 12,000 the number it will have eliminated in operations since December. These reductions to its global workforce of more than 130,000 will take place over the next two quarters.

We have seen this phenomenon not just at Motorola but at other industries across America. It raises a very important question about our responsibility in Washington to respond to what is clearly an economic challenge, if not more.

I hope we in the Senate, as well as the House, working with the President, can take the current debate over a tax cut and make it part of a much larger question about economic growth in America. What is our plan? What are we, as a nation, prepared to do to turn around this economy and to start it moving forward again?

We have just come off an extraordinary period of time when the economy of the United States reached record-breaking prosperity numbers, where we had some 22 million jobs created over the last 10 years. Some 2 million more businesses were created over the last 10 years, with more home ownership than any time in our history, with inflation under control, the welfare rolls coming down, and the number of violent crimes committed across America decreasing. All of the positive things we want to see in America occurred during the last 8 or 10 years.

But we seem to have taken a turn in the road. I am sorry to report that these numbers coming out of Motorola, and employers across America, as well as the Dow Jones index, and other stock indices, suggest to us we need to step back for a second and ask, What is right for this country?

The economic prosperity we knew for so long has now been challenged. The feeling of optimism in America, which really had us in its thrall for such a long period of time, is now changing dramatically. We have seen \$5 trillion of economic value that has been wiped out in the last few months because of this economic downturn. When I say \$5 trillion wiped out, what am I talking about? I am talking about the pension plans, the 401(k)s, the IRAs, the savings, the mutual funds of families across America have all taken a plunge. My family has experienced this just as every other family.

We know our value, our net worth in terms of what we have saved and what we hope to have for our future, has been diminished. The question, obviously, before us is, What are we going to do in response?

I think the President has focused almost exclusively on one idea, and that

idea is a tax cut. The general idea of a tax cut is popular. It is hard to think of two words that a politician can utter that would be more popular. But, clearly, the President is having a tough time closing the deal. To think that a President has to go out on a nationwide rally, crusade, campaign, to convince the American people of a tax cut suggests that it may not be as easy as it appears to him.

People across America are skeptical of a tax cut that is based on projections of surpluses that may not occur for 5, 6, 7, 8, 9, or 10 years. They understand this idea of a tax cut was actually part of the President's campaign platform 2 years ago when America was in prosperity. This tax cut was not designed by President Bush as an economic stimulus then. Our economy had plenty of stimulation. It was doing well. But now the President has said: What I really meant to say is that the tax cut will breathe life back into the economy.

Hold the phone here. Take a look at the tax cut President Bush is proposing. Even if he has his way and gets everything he wants, the tax cut will not kick in to our economy in full force for 5 years. I can tell you that the employees at Motorola can't wait 5 years. The people across America who have seen their savings dwindle can't wait 5 years. So the medicine which President Bush is prescribing does not fit the illness that currently affects America.

Frankly, what we need at this point is a tax cut that is reasonable, that will create some stimulus, but is not too large as to really be irresponsible. The President has said \$1.6 trillion over 10 years is not that much in a \$5.6 trillion surplus. We know frankly, his number is much larger when you add in all the hidden costs. He wants to spend some \$2.6 trillion on his tax cut.

It is unfortunate but true that 43 percent of President Bush's tax cut goes to people making over \$300,000 a year. Forty-three percent of the benefits go to people making over \$300,000 a year.

I believe everyone in America should have a tax cut, but for goodness' sake, do not shortchange families in middle-income categories and working families to give a bigger tax cut to the wealthiest among us. We have to look at this tax cut in terms of fairness and the fact that it could be an economic stimulus.

On the Democratic side, we believe we should have an honest tax cut that we can afford. We should not over-extend ourselves in anticipation of surpluses that may not arrive. How can we have day after day of bad news about the state of the economy, and the economists in this town not take that into consideration? If we are having more people laid off, that means fewer people paying their taxes into the Treasury creating surpluses.

So this anticipation by the President of a great surplus, unfortunately, may not occur, as many economists have predicted.