

Medicare, Medicaid, and Social Security will greatly exceed 18 percent of GDP, as I mentioned, by the year 2030.

We still do not know the full cost of the ongoing war on terror at home and particularly overseas. I predict we will be committed not just to Iraq and Afghanistan but to Kosovo and Bosnia for a long time, which will increase our national security costs dramatically.

I have spent time with our reservists who have returned home, and many of them say their equipment is in bad shape because of the war. There are so many uncertainties in dealing with our national security that we ought to be careful about reducing our revenues.

We will not know the strength of the duration of the current economic recovery for at least another year, but I will say this: We recently learned that last year we had GDP growth of 4.4 percent. That is the best we have had since 1999. There is no question that we are back on track. And the real issue is, do we need to continue to stimulate the economy with the tax reductions we passed in 2001 and 2003, particularly 2003 when we felt we needed to give the economy a front-end loaded stimulus that would make sure we would see an upturn.

We will not know until 2008 or 2009 how Federal revenues will be impacted by baby boomers becoming eligible for early retirement. Most experts expect slower economic growth and slower growth in Federal revenues. It is a real question, with the retirement of our baby boomers: Will we have the workforce we need to keep economic growth moving forward?

Finally, and perhaps more important, the President's Commission on fundamental tax reform will not complete its work until July. Once they send their report to Treasury Secretary Snow, he may very well recommend sweeping tax reform proposals for us to consider in 2006. It makes little sense to me to rush into making current tax policy permanent only to redo all our work in less than 18 months.

Under these circumstances, it seems more prudent to wait until next year before extending tax cuts enacted in the 2001 or 2003 tax reform bills. However, if my colleagues absolutely insist on extending these tax cuts, then we should at least offset their costs by reducing spending or increasing revenues elsewhere in the budget. In other words, the budget resolution is going to be calling for something like \$70 billion or \$80 billion of tax cuts that will be handled in reconciliation, which basically says they can be passed by the Senate with 51 votes.

My suggestion is, just eliminate them from the budget resolution. If extending the lower tax on dividends or extending the lower tax on capital gains is something in the best interest of the American people, then let's require 60 votes to get that done, just as we did last year when we did not have the continuation of three tax cuts for marriage penalty, lower marginal

rates, and for the child tax credit. We did not have a budget. We did not have reconciliation language, but we extended those three because it was the feeling of this body and the House that they were needed to continue to respond to the needs of the American people.

My basic yardstick for Government spending, including tax cuts, has always been is it necessary and is it affordable? I believe the tax cuts in 2001, 2003, and 2004 were both. Nevertheless, we face a different situation today, and I will no longer support tax cuts until they are fully offset. The Nation's gross domestic product grew by over 4 percent in 2003 and 2004. Unemployment has dropped from 6.6 percent to 5.2 percent, and new jobs have been created every month for the last 21 months. Even Alan Greenspan at the Federal Reserve has noticed the turnaround and started to raise interest rates. The tax cut medicine worked, and it is time to stop before we overdose on too much of a good thing. I know some people want to make our recent tax cuts permanent, but I cannot support doing so at this time.

Any additional tinkering with the Tax Code should only be done as part of a comprehensive reform package designed to return Federal revenues to their 60-year average of 18 percent of the economy.

In closing, I tell my colleagues and constituents that I valued my status last year, while I was running for reelection, as a deficit hawk. I have always placed fiscal responsibility at the top of my agenda and never supported spending or tax cuts unless I thought they were necessary and affordable.

The legislation I have introduced will help us more effectively determine what fiscal policies really are necessary and affordable. I encourage Senators to support this legislation. I also encourage them to show patience regarding making the tax cuts permanent. With all the uncertainties facing us, it does not make sense to deal with the issue now.

I will finish with these words: One of the requirements I have used during my political career to decide whether we should do something is the issue of fairness. How in the world can we ask the American people to flat fund domestic discretionary spending, deal with the problem of Medicaid and many of these other issues, and at the same time say to them, and by the way, we are going to extend these tax cuts we have had? It does not make sense. It is not fair. It is not right. It is not acceptable.

I am hoping that my colleagues understand that to put ourselves in the position where we are going to have probably one of the most stingy budgets we have had since I have been in the Senate, at the same time we cannot continue these tax cuts and extend them or, for that matter, make them permanent.

I yield the floor, and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. VOINOVICH. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

ORDER OF PROCEDURE

Mr. VOINOVICH. Mr. President, I ask unanimous consent that at 2 p.m. today the Senate proceed to votes in relation to the next two amendments; provided further that all votes after the first be limited to 10 minutes each. The amendments are Leahy amendment No. 83 and Durbin amendment No. 112.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. VOINOVICH. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

BANKRUPTCY ABUSE PREVENTION AND CONSUMER PROTECTION ACT OF 2005—Continued

Mr. LEAHY. Mr. President, I ask unanimous consent the order for the quorum call be rescinded.

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

Mr. LEAHY. Mr. President, I understand there will be a vote on the Leahy-Sarbanes amendment at 2 o'clock; is that correct?

The PRESIDING OFFICER. The Senator is correct.

AMENDMENT NO. 83

Mr. LEAHY. Mr. President, this amendment Senator SARBANES and I have pending is going to moderately preserve the current conflict-of-interest standards for investment banks. They might safeguard the integrity of the bankruptcy process. Senators understand that well before I was born we have had in bankruptcy law provisions to cover conflicts of interest of investment bankers. For some reason this was taken out in the pending legislation. The pending legislation would eliminate the now 67-year-old conflict-of-interest standards that prohibit investment banks which served as underwriters of a company's securities from playing a major advisory role in the company's bankruptcy process.

In other words, it means if you had an investment bank that advised or underwrote securities for WorldCom or Enron at a time when, as we now know, they were cooking the books—they were the ones who advised them how to do this before bankruptcy—then they could be hired to represent the interests of the defrauded creditors during the bankruptcy proceeding.

It is kind of the fox guarding the chicken coop. You advise one of these