election and a 50/50 balance, any one of the Senators on either side could tip the balance. Republicans had control by virtue of the Vice Presidency.

When Senator JEFFORDS made a switch for organizational purposes, he affected the governance of the country. The ability to set the agenda here is of enormous consequence. To have the Democrat as the majority leader, he gets the first recognition. Then you have the President's agenda. Some people are glad that the President's agenda will not have an advocate in the Senate and the majority leader as a Republican to put that agenda forward. The Senate chairmanships we need not focus on too long.

But there were people in the Senate family who were weeping—staffers who are going to lose their jobs. I said on the "Jim Lehrer Show" that what happened was "seismic." Senator DORGAN agreed with me that it was an "earthquake".

So in seeking a limitation on organizational change, I am not moving to the point to say that if a Senator wants to change parties, there ought to be any rule against that. He can find his peace with his electorate, where there may be a political price to pay or there may not be. But when so many others pay a price, it is my very firm view that the rule ought to be changed, and I will be submitting an appropriate rule shortly.

I thank my colleague from Illinois and I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from Illinois has the floor.

Mr. DURBIN. Mr. President, I have the floor, but I would like to know if the Senator from Iowa would like to make a request.

Mr. GRASSLEY. No.

Mr. DURBIN. Mr. President, I will accept the statement of the Senator from Pennsylvania. I understand there is change, and with change there is pain. I hope we can do our best to be positive and constructive as the Senate leadership does change. I hope we can continue to show mutual respect for our colleagues, as I have great respect for the Senator from Pennsylvania. I think that is an important hallmark of this institution, and I think we should all make an extra effort to preserve that.

ECONOMIC GROWTH AND TAX RELIEF RECONCILIATION ACT OF 2001—CONFERENCE REPORT

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the Senate now proceed to the consideration of the conference report to accompany H.R. 1836, the tax reconciliation bill.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. The clerk will report.

The assistant legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 1836), to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2002 having met, have agreed that the House recede from its disagreement to the amendment of the Senate, and agree to the same with an amendment, and the Senate agree to the same, signed by a majority of the conferees on the part of both Houses.

The ACTING PRESIDENT pro tempore. The Senate will proceed to the consideration of the conference report.

(The conference report is printed in the House proceedings of the RECORD (continuation) of May 25, 2001.)

Mr. DURBIN. Mr. President, about 15 minutes ago I was handed this stack of paper. It is not uncommon for us to receive bills of great consequence and great moment only a few minutes before we are asked to vote on them. We rely on good staff work and hope they give us some insight into what the legislation means.

This piece of legislation, of course, represents the proposed tax bill—457 pages. I will hazard a guess that very few Members of the Senate will have a chance to study it or reflect on it or even ask for a response from others before we are asked to vote in a very few minutes. That is not unusual.

I don't want to suggest that this is an extraordinary situation, but it is extraordinary in this respect: What we are being asked to vote on in this tax bill will literally have an impact on America for 10 years, long after many of us have gone from the scene. Long after this President has finished his tenure in the White House, the impact of this bill will still be felt. So it is important for us to pause and reflect on what we are doing. We are being asked to sign onto a tax cut proposed by the White House, originally, and now crafted by the leaders in the House and the Senate, which will have a dramatic impact on the economy of this country.

It is a tax bill which doesn't affect just next year but in fact goes into effect sometimes 5, 6, 7, 8, 9, 10 years from now. Someone noted that the marriage tax penalty provisions, which I believe under the new bill go into effect in 2009 or 2010, will go into effect after many currently married couples are no longer married; many who are contemplating marriage will have been married and perhaps will no longer be married. The provisions about the estate tax will go into effect about 10 years from now after many people who are watching this debate are long gone.

The reason I raise this point is to try to put in some historic perspective the vote we are about to take this morning. I think this tax bill is a serious mistake. The Congress of the United States made a grievous error in the early 1980s under President Reagan when we accepted his message—and many voted for it—that called for a massive tax cut. It is easy to preach the gospel of a tax cut. What could be easier for a politician than to go to people and say, I want to reduce your taxes. There can't be anything more appealing.

But we have a responsibility in the Congress to reflect on what the tax cut means and whether or not it is the right thing to do. In the Reagan years, when many yielded to the siren call for a tax cut, they created a deficit situation in this country which crippled our economy for more than 10 years. History tells the story. With the Reagan tax cut and with the increase in spending on military affairs and other things, America did not have enough money to meet its basic needs for Social Security, Medicare, education, transportation, for the things which people expect this Government to provide in a civilized society.

As a result, we took the accumulated debt of America when President Reagan became President and saw it explode to the point where it is today of $5.7 trillion—$5.7 trillion in national debt, a national debt which requires us to collect in taxes $1 billion a day across America simply to pay the interest. That was a serious mistake. The bill we are considering today, unfortunately, could jeopardize our future just as much.

This morning's Washington Post gave us information about the productivity over the last several months in America. The projected productivity we hoped for did not occur. In this time of slowdown, in this time bordering on recession, we have seen our economic activity and growth reduced in America.

Many people who only 8 or 10 months ago were sure we were in prosperity and expansion were proven wrong. It was only 8 or 10 months ago when Alan Greenspan, the Chairman of the Federal Reserve, who is viewed as the wisest man in all of Christendom when it comes to our economy, guessed wrong. He was raising interest rates because he was afraid of inflation. Now Alan Greenspan is struggling and running as fast as he can to reduce interest rates. He was wrong.

This bill on which we will be voting is based on the best guess of the economists for President Bush that we will have continued prosperity for the next 10 years—10 years. There is no economist who would wage their reputation on where we will be 10 months from now, let alone 10 years. It is based on pure speculation about anticipated surpluses, and that is a significant shortfall in the logic behind this tax cut.

It is important we have a tax cut, but we should go carefully to make certain we do not go out too far or too big and jeopardize our economy. That is what is at stake.

Most Americans will tell you: A tax cut is important to me; even more important to me is what is going to happen to the economy, how will my family do in just the next few years, how will small businesses do.

We have seen an unparalleled period of economic prosperity over the last 8 or 9 years: 22 million new jobs in America, a recordbreaking number of small businesses created, record home ownership, the lowest inflation in decades, welfare rolls coming down, crime rolls coming down, a clear indication we were on the right track. This bill puts it all at risk. This bill says we will give a tax cut to some in America and hope we are right that the money will be there over the next 10 years.

I will give some illustration of what this bill does. The Senate tax bill gave 35 percent of all of the tax cut benefits to the top 1 percent of taxpayers. What does that mean? A $44,000 tax break for people with incomes above $373,000 a year. I do not believe that was responsible. Quite honestly, if there is to be a tax cut, it should be a tax cut for all Americans, not heaped on the wealthiest in this country. But hold on. The new bill, this product of a conference report, does not make this tax cut any fairer.

Under the conference agreement, the average tax cut for these same people making over $373,000 a year has increased by 23 percent. Instead of a $44,000 tax windfall for the highest 1 percent of taxpayers in America, it is now a $54,000 tax windfall for those with incomes in excess of $373,000.

Some come to the floor and say: Wait a minute, the top 1 percent of taxpayers pay the most taxes; shouldn't they get the most when it comes to tax cuts. Those in the top 1 percent pay about 22 percent of Federal taxes. The Senate bill gives them 35 percent of the benefits of this tax cut. This conference agreement raised that share to 38 percent. They paid 22 percent of the taxes; they receive 38 percent of the benefits. There is no fairness here.

I suggest that sending a $300 check to a taxpayer sometime this year as an indication of good will with this tax cut is cold comfort when one considers the wealthiest in this country will receive $54,000 a year in tax benefits under this proposal we are considering.

Quite honestly, we should have a tax cut, but one that is fair. This is not fair.

I also reflect on the fact that this tax cut does nothing to protect funding for Social Security and Medicare. The Senator from North Dakota, Mr. CONRAD, is in the Chamber. He will speak in a moment. He has said to us repeatedly that in 10 years the baby boomers will show up for Social Security and Medicare. When they show up, we had better be prepared. We promised them those programs would be ready and funded, but there is absolutely no way to fund this tax bill without raiding the Social Security trust fund, as well as Medicare benefits. That is totally irresponsible. For us to offer $300 checks to people today and run the risk that 10 years from now, when they show up for Social Security or Medicare, it will not be adequately funded is totally irresponsible. This bill raids Social Security and Medicare, and for that reason alone it should be defeated.

The final point I will make is this. This bill eliminates our ability to make necessary investments in the future of this country, the most important being education. All the speeches that have been given about bipartisan commitment to funding new education programs really disappear in a heartbeat when we vote to pass a tax cut which takes away the money that is absolutely essential for us to make sure that our kids in the 21st century are well prepared to lead the world.

I encourage all of my colleagues to oppose this bill, to vote for a tax cut for American families that is fair, one that does not go too far and jeopardize our economy, Social Security, or Medicare.

Mr. President, I yield the floor. Senator SCHUMER and Senator GREGG are seeking recognition.

The ACTING PRESIDENT pro tempore. The Senator from New Hampshire.

Mr. GREGG. Mr. President, finally, finally, the American people are going to get some of their money back. The American people have been paying more money into the Federal Government than we need to operate the Government.

Over the next 10 years, it is projected they are going to pay $5.6 trillion into the Federal Government that we do not need. But the other side of the aisle does not want to give any of that money back. They do not want to let the American taxpayers keep some of their hard-earned money. No, they want to spend it. They have programs; they have ideas; they have initiatives; they have things on which they have to spend money.

There are a lot of good things to spend money on as a government, but one of the best things we can spend money on as a government is the taxpayers, by allowing the taxpayers to keep some of their hard-earned income so they can make decisions with their dollars, so they can make the decisions as to whether or not they want to buy a new car, spend more money on their children's education, improve their home, or save their money.

It is about time we return to the American people some of this surplus.

I congratulate the President; I congratulate the chairman of this committee; I congratulate the ranking member of the committee, the Senator from Montana, who will soon be the chairman of the committee for pulling forward a bill which is to some extent bipartisan—although, obviously, not a majority on the other side support it—which returns to the American taxpayers their hard-earned income. Hallelujah, it is about time.

Let's look at what this tax bill does. For people in the lowest rates, they get the highest percentage cut, from 15 percent down to 10 percent. For people who don't even pay taxes today but have families and have issues with raising their children, they are going to receive a direct payment. Not an income tax refund, because they are not paying income taxes, but a direct payment to assist them in raising their children, a child tax credit.

This is a bill which is directed at the middle-class Americans—Americans who are working hard every day to make ends meet, some of them in a low enough tax bracket so they don't pay taxes but still they need assistance; Americans who know the dollars they are sending to the Federal Government, to some extent, are not needed down here anymore. They are not needed in Washington because Washington has this huge surplus. They are needed at home. Americans across this country need those dollars to manage their family budgets better.

The representation was made on the other side of the aisle that we have this huge debt and we need to pay this debt off. Every projection we have says this debt will be paid off by, at a minimum, the year 2011. The public debt of the Federal Government will be zero by the year 2011 and will probably be zero long before then. We will pay down more debt faster than at any time in this country's history while still cutting these taxes. Why? Because the surplus is so large. So this debt argument is a red herring.

The argument has been made on the other side that we are not protecting Social Security with these funds. That is totally inaccurate. The fact is, the Social Security trust fund is running a $2.5 trillion surplus over this period. Not only can you protect the Social Security trust fund—and it is protected under this proposal—but we are actually going to be in a position, as a result of those surpluses in the trust fund to, I hope later down the road, allow American citizens who are paying Social Security taxes to save those taxes and actually own the assets which they have in the Social Security trust fund through some sort of personal or individual savings account.

The Social Security system is in a very healthy situation. It is getting stronger for the next few years. Regrettably, in the outyears, it has serious problems which need to be addressed. But this tax bill does not in any way negatively impact the surplus of the Social Security trust fund, nor does it impact the surplus of the Medicare trust fund.

First off, there is not a surplus in the Medicare trust fund; there is only a surplus in Part A. Part B is running at a deficit. If they merge the two, they run a deficit overall. The fact is, money is in this account; it is there for the purposes of Medicare, and we are talking about a significant increase in Medicare funding so we can fund the prescription drug benefit.

After we have done this—paid down the debt, protected the Social Security and Medicare trust funds, after we put in place preserving funds for prescription drugs—we still have a surplus at the Federal Government level because we are running so much more in revenues than we are in expenditures.

What do some of my colleague on the other side of the aisle say? They do not want to return the dollars to the American taxpayer but spend it and create more programs.

This is not a debate as to whether or not the money is available. It is a debate about what we should do with the money. The President has set the correct course. He has said, when the Federal Government takes in more money than it needs to operate, after it has committed to protecting Social Security, Medicare, and paying down the debt completely, then those dollars should be returned to the American taxpayer because it is their money, not our money. That is the difference. We understand it is the taxpayers' money; it is not Washington's money.

I congratulate the leadership of this committee in putting forward a balanced, fair, and appropriate bill, one which will give much needed relief to the taxpayers of this country who for too long have been asked to pay too much.

I yield the floor.

The PRESIDING OFFICER (Mr. CRAPO.). The Senator from Montana.

Mr. BAUCUS. I yield 5 minutes to the Senator from New York.

The PRESIDING OFFICER. The Senator from New York.

Mr. SCHUMER. I thank my friend, the soon-to-be chairman of the Committee on Finance, for yielding and for the work he has done.

At the outset, let me say I will oppose this conference report out of strength of conviction. There are some good things in it. I think the child tax credit is good. I think tax relief, particularly for middle-class people, is good. I am particularly proud of the tuition deductibility. While I have wished it would go further, there is $5,000 of tuition relief, tuition deductibility. It is aimed at middle-class families.

For far too long we have ignored middle-class families, not only in tax relief but in the biggest financial nut they face—if God gives them good health—and that is paying for tuition for the kids. To have that in there is really important.

I salute the leaders of the bill. I will vote against it but with a little bit of sadness because that provision is in the bill, something for which I have worked long and hard. I salute my colleague from New Jersey, Mr. TORRICELLI, for working hard to get it included, as well. I thank him for that, as well as the other Senators who pushed hard for that legislation.

I am opposing this bill for five reasons. First, it is filled with gimmicks. This is not tax policy—put a provision in, sunset it; put another provision in, sunset it. The most laughable provision is the estate tax. Under this new proposal that has come back to us, the only year in which you can die and have your estate free from tax is 2010. If you die in 2009, you pay an estate tax. If you die in 2011, you pay an estate tax. All those who are so strongly for repeal of this ought to hope that, if God is going to take them, he takes them only in 2010, because that is the only year that the estate tax is repealed. What kind of policy is that?

In my city of New York, we have hundreds, probably thousands, of lawyers who are busy planning estates. Boy, are they going to be happy because they will have to plan estates aimed at an estate tax bill that goes up, that goes down, that goes up, that goes down. We do the same for many other provisions. The bill is filled with gimmicks. It is not tax policy. It is politics—to have to reach $1.35 trillion, no more, no less.

The writers of this bill tied themselves in a knot like a pretzel. We cannot have a policy, even for tuition, that expires in 2006. We cannot have a policy that tells American parents, you might have your tuition deductible in 2005 or 2006 but not 2007.

Second, the relief is disproportionate for well-to-do people. I do not believe in class warfare. I think people who work hard and earn money should, indeed, get relief. I voted for a capital gains cut because I would like to see the encouragement to channel that money into job creation, build a new business, invest in equity, invest in a bond.

I hear on the other side we are talking about working families. I listen to the speeches; I listen to the speeches in the House. Tell the truth: Working families get small relief. The most well-to-do in America get large relief.

It is said they pay the taxes. Yes, they pay more of the income taxes, but if you add in payroll taxes, if you add in sales taxes, the people making $50,000 pay about the same percentage of taxes as the people making $500,000. So why is the relief so disproportionately directed at the high end?

This bill is befuddling and confounding in that way. Let us assume you believe Government has too much money. Let us assume and believe you think we should send it back. Why do we send so much of it back to the highest end when, if you look at their total Federal tax bill, it is working people who pay as high a proportion as high-end people. We are not even doing it in a way to encourage investment and savings. That is the second reason I am against the bill.

Third, needed programs. Perhaps the greatest hypocrisy in this budget we have passed is this: Our President says he is the education President as he is going around the country. When the good Senator from Vermont became an Independent, he said: That is not true. I am fighting for education. Yet his budget has no money for education.

The President last week gave an energy speech and he, again, cut all tax credits for energy.

I yield my time because I know we have important business to do. I ask when we resume business I could be given 3 minutes to finish up my speech.

The PRESIDING OFFICER (Mr. ALLEN). Is there objection? Without objection, it is so ordered. The Senator from New York will reserve 3 minutes when the time comes. The Senator from Idaho.

Mr. CRAPO. Mr. President, I ask unanimous consent the time between now and when we vote be divided for debate as follows: Mr. BAUCUS, 5 minutes; Mr. KENNEDY, 5 minutes; Mr. DODD, 5 minutes; Mr. CONRAD, 10 minutes; Mr. GRASSLEY, 5 minutes.

I further ask consent that at the expiration of this time the Senate proceed to a vote on the adoption of the conference report with no intervening action or debate.

The PRESIDING OFFICER. Is there objection?

Mr. CORZINE. Reserving the right to object.

The PRESIDING OFFICER. The Senator from New Jersey.

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

The PRESIDING OFFICER. The Senator from Idaho has the floor. The Senator from New Jersey cannot suggest the absence of a quorum. He may state his objection.

Mr. CORZINE. I withdraw the objection.

The PRESIDING OFFICER. Is there objection to the request? Without objection, it is so ordered.

The Senator from Montana, Mr. BAUCUS.

Mr. BAUCUS. Mr. President, I will yield myself a very short period of time because there is a Senator who very desperately needs to vote quickly and get home. In deference to him, I will speak briefly.

The British statesman Benjamin Disraeli said that, ''in politics, a week is a long time.''

The past week or so is a good example.

On the tax bill, we have gone from a handshake deal, through a day-long markup in the Finance Committee, through 43 votes on the Senate floor, and then through a brief but difficult conference that, more than once, veered close to a breakdown.

It is almost always difficult to reconcile two different bills in conference. That was the case here. The stakes were high, time was short, and some of the differences were profound.

But I am delighted to join our chairman, Senator GRASSLEY, in announcing that we have a conference agreement that embodies a solid, balanced, bipartisan compromise.

Let me describe the key elements of the compromise.

The centerpiece of the Senate bill was the immediate creation of a 10 percent rate, to cover the first $12,000 of taxable income. This benefits low and middle income taxpayers the most.

And it provides a boost to the economy.

The conference report adopts this provision lock, stock, and barrel.

Another key element of the Senate bill was the set of provisions geared to low and middle income families. Here, again, we did well.

The conference report expands, and simplifies, the earned income tax credit. And it incorporates the Senate proposal to make the child credit refundable.

Putting the 10-percent rate, the EITC, and the child credit provisions together, we have, to my mind, written one of the best tax bills ever for middle income working families.

That's an accomplishment we all can be proud of.

On top of that, the Senate bill included new incentives for retirement savings and for education, and the conference report includes a large measure of each.

Let me step back for a minute, and describe why, to my mind, this bill represents a balanced package.

In the first place, everybody who pays income taxes will get a tax cut. The government has a surplus. We can afford to give some of it back. That's good news, not bad.

The President deserves credit for making this point.

But his proposal fell short, in one critical respect.

The President's proposal was aimed primarily at society's winners. People in the top tax brackets. People with large estates.

We should not begrudge these people their success.

But, at the same time, we should not stop there. In writing a bill of this scope, we have an unique opportunity to reach out. To lend a hand, and give an incentive, to families that are working hard, raising kids, and dreaming dreams.

The Senate bill did that. And so does this conference report.

As I have explained, we cut taxes for working families.

We create new incentives for education, like the new deduction for college tuition.

We create new incentives to save for retirement, through IRAs, 401(k)s, and the new low income matching program.

These are important provisions that create new opportunities.

And there is more. For example, thanks to Senator LANDRIEU, we expand the tax credit for adoption.

Thanks to Senator KOHL, we create a new tax credit to encourage employers to provide child care for their employees.

All told, the conference report contains dozens of positive provisions.

Does the conference report have flaws? Sure.

As the debate has gone on, I have taken heed of the warnings of Senator CONRAD, who fears that the tax cut may use up too much of the surplus.

I hope he's wrong. But I agree that we must watch the budget closely, and make corrections if necessary.

There are other flaws. For example, I don't think we should have cut the top rates so steeply. I don't think we should completely repeal the estate tax. I wish we could have made the R&D tax credit permanent.

But, putting all of the provisions together, I believe that this is a good compromise that deserves broad bipartisan support.

At this point, let me say a few things about the bill's impact on my state of Montana.

From the very beginning, the impact of the tax cut on Montana has been something of a paradox.

On one hand, Montanans are rugged individualists. We do not like regulations and we do not like taxes.

On the other hand, Montana's economy is hurting. Incomes are low. A tax cut like the one proposed by the President, that was aimed primarily at high-income folks would not help us very much.

In fact, under the President's proposal, Montana would have received less of a tax cut, per capita, than any other state in the nation.

Fortunately, the conference committee has produced a bill that, for Montana, improves dramatically on the President's proposal.

We cut taxes, across the board. But we pay special attention to working families.

As a result, the conference report will give Montanans a tax cut that is, on average, 15 percent higher than under the President's proposal.

And we will cover almost 70,000 more Montana children, under the child credit, than the President's proposal—70,000.

Just as important, the conference report retains key incentives for education, which is at the very heart of our work to generate new jobs for the new economy.

And it creates new incentives to help small businesses set money aside for their employees retirement.

These incentives will help with the most important task in Montana, economic development.

All in all, you might say that this is a tax cut that was made in Montana.

Pulling it all together, this bill is good for working families. It is good for education. It is good for the economy. It is good for Montana.

This legislation is good for the country, it is good for America. It is much better than the legislation we would otherwise have before us.

I worked with Senator GRASSLEY, the chairman of the committee, to produce a Finance Committee bill which has provisions that are much better from a Democrat's perspective than we would otherwise be faced with on the floor. I worked with Chairman THOMAS, chairman of the House Ways and Means Committee, and produced a conference report that is much better than what we would otherwise be voting on on the Senate floor from the point of view of most Democrats. This is a much better bill.

This conference report is much less backloaded—less backloaded by a third compared with the House-passed bill. It is, in terms of the frontloading/backloading, the same as the Finance Committee-passed bill.

It retains the child credit refundability provisions so important to so many people, particularly the children in our country who otherwise do not get benefits. This proposal was championed by Senator SNOWE, Senator JOHN KERRY, and many others. We are proud to have that provision in the bill.

It also very much helps the distribution of this bill toward middle- and low-income Americans. Every American gets a tax cut from this bill. The most wealthy get a greater tax cut because they pay the most taxes. But I might say middle-income Americans also get a very significant tax cut. In fact, they receive proportionately more than current law. The only exceptions to this proportionality are the estate tax provisions and, of course, many Senators favor those estate tax provisions whether they oppose the rest of the bill or not.

All in all, this is a bill which is fair. Its provisions are for the country.

In the education section, for example, Senator TORRICELLI's provision is excellent. Senator MARY LANDRIEU's adoption tax credit is an excellent provision as well. The pension provisions, which are very important to both sides, are in this bill. There is modest—not much but a modest alternative minimum tax cut provision. We, obviously, have to address that situation, and we will in the future.

The conferees worked off the Senate bill, not the House bill. This explains why we have all the provisions in the Senate bill that were not in the House bill.

On upper rates, we moved about halfway toward the House, but, frankly, the House moved more than halfway toward the Senate on upper rates. We create a 10-percent bracket retroactive to the first of this year.

One final point I would like to make. Some may complain that this bill is more expensive than the $1.35 trillion allowed in the budget resolution. Their complaint is that the bill sunsets at the end of 2010 rather than September 30, 2011.

A point of order would lie against this conference report had we not moved the sunset date. As it is before us, all of the tax provisions in this bill terminate in 10 years, which means any estimates of cost over the subsequent 10 years are meaningless. There is no cost from this bill beyond 2011 because of the sunset. The change in the sunset date was necessary because of Senate rules. It also helped us make sure we have the provisions that we care about: education, child tax credit refundability, 10 percent rate; widening the bracket of 15 percent, and others.

I see my time is expiring. I urge Senators to remember, perfection should not be the enemy of the good. Nothing is perfect, even this bill, but it is a good bill.

I yield to whomever next seeks time.

CONGRESSIONAL BUDGET ACT COMPLIANCE

Mr. DOMENICI. Mr. President, pursuant to section 313(c) of the Congressional Budget Act of 1974, I submit for the RECORD a list of material in the conference agreement on H.R. 1836 considered to be extraneous under subsections (b)(1)(A), (b)(1)(B), and (b)(1)(E) of section 313. The inclusion or exclusion of material on the following list does not constitute a determination of extraneousness by the Presiding Officer of the Senate.

To the best of my knowledge, H.R. 1836, the Economic Growth and Tax Relief Reconciliation Act of 2001, contains no material considered to be extraneous under subsections (b)(1)(A), (b)(1)(B), and (b)(1)(E) of section 313 of the Congressional Budget Act of 1974.

SUBMITTING CHANGES TO COMMITTEE ALLOCATIONS, FUNCTIONAL LEVELS, AND BUDGETARY AGGREGATES

Mr. DOMENICI. Mr. President, section 310(c)(2) of the Congressional Budget Act, as amended, provides the chairman of the Senate Budget Committee with authority to revise committee allocations, functional levels, and budgetary aggregates for a reconciliation conference report which fulfills an instruction with respect to both outlays and revenues. The chairman's authority under 310(c) may be exercised if the following conditions have been satisfied:

1. The conferees report a bill which changes the mix of the instructed revenue and outlay changes by not more than 20 percent of the sum of the components of the instruction, and,

2. The conference agreement still complies with the overall reconciliation instruction.

I find that the conference report on H.R. 1836 satisfies the two conditions above and pursuant to my authority under section 310(c), I hereby submit revisions to H. Con. Res. 83, the 2002 budget resolution. The attached tables show the current 2002 budget resolution figures as well as the revised committee allocations, functional levels, and budgetary aggregates.

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

CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 2002 - H. CON. RES. 83
REVISIONS TO CONFERENCE AGREEMENT
PURSUANT TO SECTION 310(c)(2)(A)

SECTION 101

(1)(A) Revenues (on-budget)

FY 2001	1597.318
FY 2002	1643.039
FY 2003	1702.895
FY 2004	1774.940
FY 2005	1847.188
FY 2006	1917.404
FY 2007	1998.677
FY 2008	2097.244
FY 2009	2208.199
FY 2010	2327.565
FY 2011	2453.350

(1)(B) Changes in Federal Revenues

FY 2001	-33.144
FY 2002	-60.449
FY 2003	-79.216
FY 2004	-89.395
FY 2005	-102.582
FY 2006	-122.179
FY 2007	-137.078
FY 2008	-145.566
FY 2009	-151.917
FY 2010	-161.737
FY 2011	-174.543

(2) Budget Authority (on-budget)

FY 2001	1567.519
FY 2002	1514.828
FY 2003	1673.766
FY 2004	1739.557
FY 2005	1821.708
FY 2006	1873.799
FY 2007	1952.072
FY 2008	2032.774
FY 2009	2110.659
FY 2010	2195.060
FY 2011	2286.341

(3) Budget Outlays (on-budget)

FY 2001	1514.367
FY 2002	1480.721
FY 2003	1646.751
FY 2004	1715.191
FY 2005	1798.018
FY 2006	1845.505
FY 2007	1919.562
FY 2008	2002.538
FY 2009	2079.757
FY 2010	2162.922
FY 2011	2252.592

(4) Deficits or Surpluses (on-budget)

FY 2001	82.951
FY 2002	162.318
FY 2003	56.144
FY 2004	59.749
FY 2005	49.170
FY 2006	71.899
FY 2007	79.115
FY 2008	94.706
FY 2009	128.442
FY 2010	164.643
FY 2011	200.758

(5) Public Debt

FY 2001	5607.681
FY 2002	5549.837
FY 2003	5609.362
FY 2004	5665.808
FY 2005	5730.367
FY 2006	5773.660
FY 2007	5805.998
FY 2008	5821.218
FY 2009	5988.315
FY 2010	6343.661
FY 2011	6720.963

(6) Debt Held by the Public

FY 2001	3190.193
FY 2002	2870.259
FY 2003	2645.586
FY 2004	2403.490
FY 2005	2149.356
FY 2006	1853.129
FY 2007	1528.959
FY 2008	1168.137
FY 2009	939.000
FY 2010	878.000
FY 2011	818.000

05/16/2001, Budget Resolution Conference Revised

CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 2002 - H. CON. RES. 83

REVISIONS TO CONFERENCE AGREEMENT

PURSUANT TO SECTION 310(c)(2)(A)

(13) Income Security (600)

FY 2001	BA	255.942
	OT	256.932
FY 2002	BA	280.412
	OT	278.694
FY 2003	BA	291.726
	OT	290.473
FY 2004	BA	303.109
	OT	301.499
FY 2005	BA	318.305
	OT	316.780
FY 2006	BA	325.713
	OT	324.264
FY 2007	BA	332.525
	OT	331.096
FY 2008	BA	347.396
	OT	346.068
FY 2009	BA	359.366
	OT	357.792
FY 2010	BA	370.774
	OT	369.066
FY 2011	BA	382.756
	OT	380.582

CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 2002 - H. CON. RES. 83

REVISIONS TO CONFERENCE AGREEMENT

PURSUANT TO SECTION 310(c)(2)(A)

(18) Net Interest (900)

FY 2001	BA	274.305
	OT	274.305
FY 2002	BA	256.470
	OT	256.470
FY 2003	BA	249.738
	OT	249.738
FY 2004	BA	245.171
	OT	245.171
FY 2005	BA	238.631
	OT	238.631
FY 2006	BA	234.349
	OT	234.349
FY 2007	BA	230.627
	OT	230.627
FY 2008	BA	226.065
	OT	226.065
FY 2009	BA	220.389
	OT	220.389
FY 2010	BA	213.152
	OT	213.152
FY 2011	BA	205.363
	OT	205.363

05/17/2001, Budget Resolution Conference Revised

CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 2002 - H. CON. RES. 83
5/26/01 REVISIONS TO CONFERENCE AGREEMENT (AS PREVIOUSLY REVISED 5/16/01)
PURSUANT TO SECTION 310(c)(2)(A)

SECTION 101

(1)(A) Revenues (on-budget)

FY 2001	1556.654
FY 2002	1668.665
FY 2003	1695.042
FY 2004	1761.614
FY 2005	1847.328
FY 2006	1911.699
FY 2007	1992.555
FY 2008	2091.019
FY 2009	2200.801
FY 2010	2312.134
FY 2011	2509.266

(1)(B) Changes in Federal Revenues

FY 2001	-73.808
FY 2002	-34.823
FY 2003	-87.069
FY 2004	-102.721
FY 2005	-102.442
FY 2006	-127.884
FY 2007	-143.200
FY 2008	-151.791
FY 2009	-159.315
FY 2010	-177.168
FY 2011	-118.627

(2) Budget Authority (on-budget)

FY 2001	1568.430
FY 2002	1515.220
FY 2003	1672.629
FY 2004	1738.664
FY 2005	1819.803
FY 2006	1874.417
FY 2007	1952.934
FY 2008	2033.241
FY 2009	2111.217
FY 2010	2197.088
FY 2011	2288.213

(3) Budget Outlays (on-budget)

FY 2001	1515.278
FY 2002	1481.112
FY 2003	1645.614
FY 2004	1714.298
FY 2005	1796.113
FY 2006	1846.124
FY 2007	1920.424
FY 2008	2003.004
FY 2009	2080.316
FY 2010	2164.950
FY 2011	2254.463

(4) Deficits or Surpluses (on-budget)

FY 2001	41.376
FY 2002	187.553
FY 2003	49.428
FY 2004	47.316
FY 2005	51.215
FY 2006	65.575
FY 2007	72.131
FY 2008	88.015
FY 2009	120.485
FY 2010	147.184
FY 2011	254.803

(5) Public Debt

FY 2001	5649.256
FY 2002	5566.177
FY 2003	5632.418
FY 2004	5701.298
FY 2005	5763.812
FY 2006	5813.429
FY 2007	5852.750
FY 2008	5874.662
FY 2009	5988.315
FY 2010	6343.661
FY 2011	6720.963

(6) Debt Held by the Public

FY 2001	3231.768
FY 2002	2886.599
FY 2003	2668.642
FY 2004	2438.980
FY 2005	2182.801
FY 2006	1892.898
FY 2007	1575.711
FY 2008	1221.581
FY 2009	939.000
FY 2010	878.000
FY 2011	818.000

CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 2002 - H. CON. RES. 83
5/26/01 REVISIONS TO CONFERENCE AGREEMENT (AS PREVIOUSLY REVISED 5/16/01)
PURSUANT TO SECTION 310(c)(2)(A)

(13) Income Security (600)			(18) Net Interest (900)		
FY 2001	BA	255.942	FY 2001	BA	275.216
	OT	256.932		OT	275.216
FY 2002	BA	279.366	FY 2002	BA	257.908
	OT	277.648		OT	257.908
FY 2003	BA	289.549	FY 2003	BA	250.778
	OT	288.296		OT	250.778
FY 2004	BA	300.683	FY 2004	BA	246.704
	OT	299.073		OT	246.704
FY 2005	BA	314.563	FY 2005	BA	240.468
	OT	313.038		OT	240.468
FY 2006	BA	324.398	FY 2006	BA	236.283
	OT	322.949		OT	236.283
FY 2007	BA	331.088	FY 2007	BA	232.926
	OT	329.659		OT	232.926
FY 2008	BA	345.193	FY 2008	BA	228.735
	OT	343.865		OT	228.735
FY 2009	BA	356.863	FY 2009	BA	223.450
	OT	355.289		OT	223.450
FY 2010	BA	369.089	FY 2010	BA	216.865
	OT	367.381		OT	216.865
FY 2011	BA	381.604	FY 2011	BA	208.387
	OT	379.430		OT	208.387

SENATE COMMITTEE BUDGET AUTHORITY AND OUTLAY ALLOCATIONS PURSUANT TO SECTION 302 OF THE CONGRESSIONAL BUDGET ACT
BUDGET YEAR TOTAL 2001
(in millions of dollars)
Revised 5/26/01 pursuant to section 310(c)(2)(A)

Committee		Direct spending jurisdiction		Entitlements funded in annual appropriations acts	
		Budget Authority	Outlays	Budget authority	Outlays
Appropriations					
General Purpose Discretionary		640,803	617,507	0	0
Memo:	*on-budget*	*637,372*	*614,136*		
	off-budget	*3,431*	*3,371*		
Highways		0	26,920	0	0
Mass Transit		0	4,639	0	0
Mandatory		332,768	316,432	0	0
Total		973,571	965,498	0	0
Agriculture, Nutrition, and Forestry		26,339	22,544	29,963	12,133
Armed Services		50,881	50,764	54	54
Banking, Housing and Urban Affairs		11,512	4,075	0	0
Commerce, Science, and Transportation		394	(3,472)	751	749
Energy and Natural Resources		2,691	2,609	40	51
Environment and Public Works		39,185	1,838	0	0
Finance		708,307	705,691	169,158	169,328
Foreign Relations		11,369	10,433	0	0
Governmental Affairs		60,669	59,270	0	0
Judiciary		5,064	4,847	264	264
Health, Education, Labor, and Pensions		9,726	8,740	1,852	1,851
Rules and Administration		112	68	0	0
Veterans' Affairs		1,249	1,245	23,556	23,465
Indian Affairs		267	233	0	0
Small Business		(375)	(475)	0	0
Unassigned to Committee		(330,341)	(313,341)	0	0
TOTAL		1,570,620	1,520,567	225,638	207,895

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SENATE COMMITTEE BUDGET AUTHORITY AND OUTLAY ALLOCATIONS PURSUANT TO SECTION 302 OF THE CONGRESSIONAL BUDGET ACT
BUDGET YEAR TOTAL 2002
(in millions of dollars)
Revised 5/26/01 pursuant to section 310(c)(2)(A)

Committee		Direct spending jurisdiction		Entitlements funded in annual appropriations acts	
		Budget Authority	Outlays	Budget authority	Outlays
Appropriations					
General Purpose Discretionary		546,945	537,091	0	0
Memo:	*on-budget*	*543,366*	*533,566*		
	off-budget	*3,579*	*3,525*		
Highways		0	28,489	0	0
Mass Transit		0	5,275	0	0
Conservation		1,760	1,232		
Mandatory		358,567	350,837	0	0
Total		907,272	922,924	0	0
Agriculture, Nutrition, and Forestry		21,175	17,856	22,293	13,209
Armed Services		53,053	52,964	54	54
Banking, Housing and Urban Affairs		8,417	1,273	0	0
Commerce, Science, and Transportation		13,452	9,630	805	801
Energy and Natural Resources		2,543	2,435	40	56
Environment and Public Works		41,494	1,799	0	0
Finance		703,971	703,440	185,672	185,713
Foreign Relations		11,706	10,454	0	0
Governmental Affairs		62,982	61,610	0	0
Judiciary		5,195	4,669	264	264
Health, Education, Labor, and Pensions		10,179	9,419	1,804	1,822
Rules and Administration		87	33	0	0
Veterans' Affairs		1,620	1,622	26,902	26,762
Indian Affairs		272	280	0	0
Small Business		0	(100)	0	0
Unassigned to Committee		(329,947)	(320,947)	0	0
TOTAL		1,513,471	1,479,361	237,834	228,681

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SENATE COMMITTEE BUDGET AUTHORITY AND OUTLAY ALLOCATIONS PURSUANT TO SECTION 302 OF THE CONGRESSIONAL BUDGET ACT
5-YEAR TOTAL: 2002-2006
(in millions of dollars)
Revised 5/26/01 pursuant to section 310(c)(2)(A)

Committee	Direct spending jurisdiction		Entitlements funded in annual appropriations acts	
	Budget Authority	Outlays	Budget authority	Outlays
Agriculture, Nutrition, and Forestry	69,640	52,349	106,745	71,186
Armed Services	305,980	305,551	274	274
Banking, Housing and Urban Affairs	59,463	2,355	0	0
Commerce, Science, and Transportation	72,789	50,419	4,493	4,468
Energy and Natural Resources	11,145	10,947	200	230
Environment and Public Works	181,030	8,380	0	0
Finance	3,767,770	3,765,024	1,086,697	1,086,656
Foreign Relations	59,747	54,108	0	0
Governmental Affairs	337,994	331,886	0	0
Judiciary	22,667	22,405	1,320	1,320
Health, Education, Labor, and Pensions	48,155	46,411	8,972	8,995
Rules and Administration	436	414	0	0
Veterans' Affairs	9,989	9,964	148,529	147,804
Indian Affairs	1,103	1,116	0	0
Small Business	0	(200)	0	0

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SENATE COMMITTEE BUDGET AUTHORITY AND OUTLAY ALLOCATIONS PURSUANT TO SECTION 302 OF THE CONGRESSIONAL BUDGET ACT
10-YEAR TOTAL: 2002-2011
(in millions of dollars)
Revised 5/26/01 pursuant to section 310(c)(2)(A)

Committee	Direct spending jurisdiction		Entitlements funded in annual appropriations acts	
	Budget Authority	Outlays	Budget authority	Outlays
Agriculture, Nutrition, and Forestry	114,692	80,210	225,304	156,220
Armed Services	671,521	670,656	549	549
Banking, Housing and Urban Affairs	132,028	(3,390)	0	0
Commerce, Science, and Transportation	164,611	118,775	10,178	10,292
Energy and Natural Resources	22,064	21,882	400	430
Environment and Public Works	371,833	15,995	0	0
Finance	8,335,364	8,328,746	2,663,216	2,662,654
Foreign Relations	122,819	113,442	0	0
Governmental Affairs	743,601	733,189	0	0
Judiciary	45,724	44,848	2,640	2,640
Health, Education, Labor, and Pensions	102,173	97,860	17,950	17,973
Rules and Administration	875	916	0	0
Veterans' Affairs	19,277	19,318	317,909	316,669
Indian Affairs	2,112	2,108	0	0
Small Business	0	(200)	0	0

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Ms. CANTWELL. Mr. President, I support efforts to provide hard-working Washingtonians and all Americans with tax relief such as eliminating the marriage penalty, making college tuition tax deductible, providing estate tax relief, and assisting workers in saving for their retirement.

That's why I voted for the amendment offered by Senator DASCHLE that would have provided roughly $900 billion in tax relief, including immediate $300 refund checks for all American taxpayers, given all income taxpayers a tax cut by creating a new ten percent income tax bracket, provided marriage penalty relief right away, as opposed to years from now as in the conference report, wiped out the estate tax for the vast majority of taxable estates, established a permanent research and development tax credit to stimulate research and innovation, provided a deduction for college tuition, enhanced incentives for retirement savings, and created a package of energy conservation and efficiency tax incentives, among other important provisions. This amendment also made sure that Social Security and Medicare are protected and reserved sufficient funds to enact a Medicare prescription drug benefit.

Unfortunately, that amendment failed and instead the Senate today considered, and passed, a $1.5 trillion tax cut. When you take away all the gimmicks, some estimate $1.9 trillion. This cost explodes to over $2 trillion when you add interest costs and exceeds $4.3 trillion in its second ten years. I believe that the bill we have passed today is short-sighted and fiscally irresponsible. Comprehensive tax relief must be measured against the need to maintain fiscal discipline, and stimulate economic growth through continued federal investment in education and job training, as well as giving relief to citizens in times of surplus. The conference report passed today fails this test.

The tax cut is based on the promise of budget projections for the next ten years—projections that are notoriously inaccurate. Ten years is just about the worst planning horizon possible—too long for accuracy, too short for completeness. Moreover, these tax cuts are premised on a surplus that may or may not appear. Budget projections are notoriously inaccurate and, therefore, highly likely to be wrong, especially when projected out ten years. Indeed, the nonpartisan Congressional Budget Office says its surplus estimate for 2001 could be off in one direction or the other by $52 billion. By 2006, this figure could be off by $412 billion. It is very likely that we will only be able to afford this tax cut by raiding the Social Security and Medicare trust funds.

We need to invest in our nation's economic future by making a commitment to research and development to maintain our status as a global leader. Even though the Senate included a permanent extension of the research and development tax credit in its version of the bill, that provision was dropped in conference. That was a mistake. We need to do more, not less, in these times of economic uncertainty to stimulate investment and spur our economy forward.

The country is at a critical juncture in setting our fiscal priorities: our choices are maintaining our fiscal discipline and investing in the nation's future education and health care needs, or cutting the very services used daily by our citizens. I am afraid that today we have gone down the wrong path. Our approach should be more balanced. We should provide tax relief to all Americans but retain our ability to invest in our citizens education and pay down the debt. This will best help continue and enhance our long-term economic strength.

Mr. NELSON of Florida. Mr. President, I rise in opposition to the conference report to H.R. 1836, the reconciliation tax legislation. I strongly support paying down our national debt. I support fair tax cuts, marriage penalty relief, and estate tax repeal. I voted for a substitute for a $900 billion tax cut, and another substitute which provided for a $1.2 trillion tax cut.

But this bill does not meet my criteria that the Social Security and Medicare trust funds will not be touched now or in the future. Because of the fiscally irresponsible way the bill was drafted, with gimmicks like changing the beginning and ending dates of key tax provisions, this bill is flawed public policy that will in fact cost our country much more than the $1.35 trillion allowed by the budget resolution.

As a fiscal conservative, I cannot in conscience, nor in substance, vote for this bill. This legislation is the height of fiscal irresponsibility.

In order to make the tax cut fit into the limits of $1.35 trillion over 10 years imposed by the budget resolution, this bill suspends the tax cuts in the ninth year, reverting to the status quo of current law with no tax cuts in the tenth year. This is fiscal deception at its worst.

If the tax cut is extended in the tenth year by future Congresses, as expected, the cost then becomes $1.53 trillion over 10 years, which breaks the budget agreement, and therefore, throws us into fiscal chaos.

This legislation greatly increases the likelihood that the Federal Government will use up all of the projected surplus and there will not be any left over to pay down the national debt without raiding the Medicare and Social Security trust funds. That would be tragic.

And if there are additional investments needed over the next decade, as there certainly will be, such as for education, the environment, health care, and national defense, then the federal budget will be written in the red ink of deficit spending.

In other words, we would be spending more than we have coming in, and therefore, increasing the national debt.

I will not take such a risky course with our economy, and I must express myself in the strongest possible terms.

Mr. CORZINE. Mr. President, I rise in strong opposition to this conference report.

I have been in the Senate for 143 days, and I have felt honored to serve with senators from both sides of the aisle. Today, however, we vote on a conference report that fails the tests of intellectual honesty, fairness, and fiscal responsibility.

The conference report is not intellectually honest. It cynically includes a variety of provisions designed to hide its true costs. Some provisions are not effective for several years. Some are sunsetted after a few years. And all are eliminated after 9 years. In addition, the conference report fails to extend the research and development tax credit, it fails to extend many of the other expiring provisions that we know will be extended, and it fails to provide relief from the alternative minimum tax that we all know will be necessary. These are nothing more than deceptive inventions to shoehorn tax provisions that far exceed $1.35 trillion, the limit agreed to in the in the budget resolution. These deceptions are intended to divert the American people from the real costs of the legislation. Ultimately, they will only reinforce the public's cynicism about politics.

The conference report also is fundamentally unfair. It would provide tax benefits averaging more than $50,000 for the top one percent, whose average incomes well exceed one million dollars. Meanwhile, the overwhelming majority of ordinary taxpayers, 72 million of whom are in the 15 percent tax bracket, will receive no marginal rate relief at all. That is not fair, and it is not right.

As a matter of fairness, how can the top one percent of taxpayers, who pay 22 percent of federal taxes, receive 38 percent of this legislation's benefits? Where is the tax relief for those working Americans who carry the heavy burden of payroll taxes, sales taxes and property taxes?

Finally, Mr. President, this conference report is fiscally irresponsible. In fact, this tax bill returns America to a dangerous formula for fiscal affairs which runs the risk of promoting financial instability as this legislation unfolds. We surely jeopardize the financial stability of Social Security and Medicare by limiting federal revenues which could be used to shore them up for the impending retirement of the baby boomers, and to provide a prescription drug benefit for seniors today.

But maybe the most important financial consideration is the 180 degree turn from our recent commitment to fiscal responsibility and the reduction of our public debt. The return to fiscal irresponsibility in the 1990's led to the greatest expansion we have enjoyed since World War Two. We have experienced thriving entrepreneurship and productivity gains. 22 million jobs have been created. Two million businesses were established. And we have enjoyed the longest period of low inflation in decades. All of this is now at risk.

Once global financial markets—currency, debt, and equity—begin to fully understand the long-term implications for fiscal discipline, I fear in the intermediate or long-term we will have instability in these markets. That instability potentially will limit investment due to rising interest rates, a depreciating dollar and lower equity valuations. It may take some time for the full impact of this tax package's implications to be understood, but I believe the analysis will come and the problems will occur.

We all support a legitimately sized and directed tax cut. It is unfortunate that we have chosen this tax cut, which limits our ability to secure Social Security and Medicare for the long-term, which will make it impossible to pay off our national debt, and limit our ability to deal with important domestic and defense priorities we all say we support.

I hope that my colleagues will reflect on the concerns I have outlined with respect to intellectual honesty, fairness and financial stability, and vote no on the conference report.

Mr. CRAIG. Mr. President, I rise in support of the Conference Report for H.R. 1836, the Economic Growth and Tax Relief Reconciliation Act of 2001.

I commend the leadership and hard work of the chairman and ranking member of the Finance Committee, as well as the many colleagues who have actively helped shape this bill. This bill is a true accomplishment, and a truly bipartisan one at that.

As an adoptive parent, myself, I especially want to comment on one section: Section 202, for the extension, expansion, and improvement of the adoption tax credit and adoption assistance programs.

I am happy to note that this section is virtually identical to the Senate floor amendment proposed by the Senator from Louisiana, Ms. LANDRIEU, and myself. This is a perfect example of a bipartisan effort that will accomplish much good for so many people in need.

The adoption provisions include the following:

Extending the regular adoption tax credit, and the exclusion from income for adoption assistance programs, making them permanent, like the currently-permanent special needs adoption tax credit; Increasing both the tax credit and the income exclusion to $10,000; For families adopting special needs children, de-linking the special needs credit from cumbersome and inflexible IRS regulations that currently exclude a wide range of legitimate adoption expenses related to these children; Protecting the benefit of the adoption tax credit by allowing the credit against the alternative minimum tax, permanently; and Making both the adoption credit and exclusion for assistance available to more families—and more children needing adoption—by lifting the cap on income eligibility to $150,000.

It is not possible to overstate the importance of these provision to the many families and many children who have hoped to build an adoptive family, but have found so many barriers to doing so. In agreeing to include these provisions in this conference report, the Congress has taken a giant pro-adoption and pro-family step forward. More children will have loving and permanent homes. I thank my colleagues for that.

Overall, this bill signals a great day in America. The Congress has delivered the tax relief the American people voted for when they put George Bush in the White House, and elected this Congress.

There has never been a more important time to reduce the tax burden—right now Americans are more heavily taxed than at any time in history and pay more in taxes than they spend on food, clothing, and housing combined.

This tax relief agreed upon today is a quality example of how Republicans and Democrats can work together to get the job done for the American taxpayer.

This bill means relief for every American who pays taxes. Compared with their current tax burdens, this bill provides the most relief to modest—and middle-income families. It is good for small businesses and jobs, and it will help jump-start the economy at a critical time. This bill means hard-working Americans and their families will have a little more freedom, and the Federal Government a little less control over their lives.

I commend my colleagues for passing this bill, and I applaud our President for having the vision and tenacity to initiate this tax relief and see it through to becoming law.

Mrs. FEINSTEIN. Mr. President, I rise today in support of the reconciliation conference report currently pending before the Senate.

I do so for a simply reason: I strongly believe that when the Government is in position to be able to return money to the American taxpayers, we should.

Likewise, I believe that when times are tough the Government has an obligation to consider increasing taxes to meet the need of the Nation. This is what we did in 1993, when I first came to the Senate and we were facing mounting deficits and an increasing national debt.

And today, thanks to those hard choices, the budget is in balance and we have surplus projections for the next decade. We are in a position to return some of the hard-earned money of the American people.

This approach to taxes—that the Government taxes when it must, and decreases taxes when it can—is the approach that I took when I was mayor of San Francisco, and it is the approach that I continue to follow to this day.

Additionally, I believe that this tax package is important to my State, California, which today stands on the precipice of a major economic slowdown.

California is the largest taxpaying State in the Nation, with some 13 million income taxpayers. In fact, California is a net contributor to the federal budget, giving more in taxes than we receive in benefits.

Today, as many of my colleagues are aware, a serious and acute energy crisis is causing businesses in California to shut down, and people to be laid off of work.

Already this year it is estimated that between $25 and $30 billion have been taken out of the California economy to be spent on increased energy costs. If things continue on the same course this figure will mushroom in the months ahead. This is a major problem, and one whose impact will not just be limited to California.

In my judgment the benefits provided under this tax package are important, at this time, to help California and Californians face the economic challenges created by this energy crisis. For example, the creation of the new 10-percent income tax bracket, for example, will result in an annual tax cut of $300 for an individual, $600 for a couple for all California income taxpayers. This new 10-percent bracket is retroactive, and for people seeing their energy bills spiral up and up, receiving these refunds checks will be a big relief.

Likewise, this conference report has accelerated the tax relief in the upper tax brackets, so that middle class families in the 28-percent and 31-percent brackets will see their tax bills decrease in 2001 and 2002, with the lower withholding rates going into effect this July, just as the energy crisis in California is projected to reach a new plateau.

And the child credit provisions, refundable as per the Senate-passed bill, will provide much-needed assistance to California families earning as little as $10,000—and there are 1.5 million households in California that make between $10,000 and $20,000.

As I discussed on the floor earlier this week, I also believe that other provisions of this bill—providing marriage penalty relief, estate tax relief, providing pension and education incentives, and making a down payment in addressing the alternative minimum tax problem—are likewise important to assure the continued long-term economic health of the California economy, and will benefit many hard-working American families.

I would not argue that this is the perfect bill. Nor would I claim that it is the exact bill that I would have drafted.

Some of my colleagues, for example, have raised concerns that the size of this tax package may threaten to undermine future fiscal stability. I share these concerns. But I would remind my colleagues that although this bill may be larger than some on our side contemplated at the beginning of the year, it is also far smaller than the proposal put forward by the President. And I would also remind them that this bill contains ''sunset'' provisions—critical to my decision to support this legislation—which will allow us to revisit the components of this bill in the future, and make adjustments if and as need be.

The bottom line is that I believe that this is a bill that will provide significant relief to the people of California and the people of the United States. I urge my colleagues to join me in support.

Mr. BINGAMAN. Mr. President, I rise to note that on today's vote on the tax reconciliation bill conference report, I will be pairing with my colleague, Senator DOMENICI. My position on this tax bill is well known, as is Senator DOMENICI's. Were I actually casting a vote, it would be a ''no'' vote, just as it has been in the Finance Committee and on the Senate floor previously. I have grave concerns about this bill and its implications for our future budgets, and its implications for New Mexico, and I remain opposed to the substance of this conference report.

Since he had important commitments in New Mexico during the past 48 hours, Senator DOMENICI is unable to be here for today's vote, and he has made a personal request that I pair with him. As a courtesy to my colleague. I have agreed to do so, and would ask Senate records to reflect my position on this bill as a ''no'' vote.

(At the request of Mr. DASCHLE, the following statement was ordered to be printed in the RECORD.)

● Mrs. BOXER. Mr. President, just as I voted no on the Senate version of this tax bill because it was fiscally irresponsible, raided Social Security and Medicare, and would force cuts in investments in working Americans, including education, so too do I oppose this conference report. It is even worse, and if I were able to be present for the vote, I would vote no.

The top marginal tax rate—that for the wealthiest of Americans—is reduced even more than in the Senate bill. Instead of dropping to 36 percent, it drops to 35 percent. And with other changes in the bill, the administration is claiming that the top rate has been effectively reduced to 33 percent.

The refundability of the child tax credit—a key to helping children in low-income families—has been changed. By indexing the eligibility threshold, it will leave children behind.

And I continue to oppose the repeal of the estate tax. This overwhelmingly benefits the wealthiest Americans. Only 2 percent of Americans are subject to the estate tax.

All of this means, that the richest 1 percent of Americans, earning an annual average salary of over $1.1 million, will, according to The Washington Post, receive about 40 percent of the tax cut. That is unfair.

Finally, this tax bill plays a game with our fiscal future. To meet the target of $1.35 trillion of tax cuts over the next 10 years, all of the tax cuts in this bill expire in nine years. Why? Because if they were in effect 10 years from now, the cost of this bill would be astronomical, and it would be very clear to the American people that this tax bill is nothing but a riverboat gamble with our children's future.●

Mr. LIEBERMAN. Mr. President, I am deeply disappointed with the tax bill that we are voting on today. As I have expressed for some months now, I believe that we can afford a significant and responsible tax cut and I would very much like to vote for one. However, the bill that we are considering today has come back to us from the conference committee as an even more irresponsible piece of legislation than the already bloated and gimmicky bill that we passed out of the Senate earlier this week. With a wink and a nod, this legislation backloads and sunsets provisions in order to squeeze a tax cut of at least $1.7 trillion into a reconciliation package requiring a much smaller $1.35 trillion tax cut. Even more alarming, because so many provisions of this bill are heavily backloaded, the full cost can really be seen only by examining the cost in the second 10 years, from 2012 to 2021. This is the first period in which all of the measures in the bill would be fully effective. This bill would cost more than $4 trillion during its second ten years.

This tax cut squanders the hard-earned prosperity that our country has built over the last several years of historic economic growth. It returns us to the fiscal nightmare of the 1980s. This huge tax cut will bust the budget, resurrect the deep deficits of the past, and drive our economy into a ditch. For these reasons I will vote against this bill and urge my colleagues to do so as well.

Ms. SNOWE. Mr. President, I rise in support of the bipartisan conference report on the fiscal year 2002 tax cut reconciliation package that provides much needed tax relief for the American people, including a provision that I and Senator LINCOLN and others fought to retain: a new refundable per child tax credit for low-income, working families.

I first want to thank and commend Chairman GRASSLEY and Ranking Member BAUCUS for working so closely together to develop a fair and balanced tax bill that passed the Senate by a vote of 62 to 38 last week—and for fighting to retain the structure and focus of that package so effectively in the ensuing House-Senate conference. Because of their efforts—and the manner in which they so successfully defended the Senate's position—I believe the conference report we are now considering deserves at least the same level of bipartisan support as the original Senate bill, and urge its adoption.

No package could truly be said to produce fairness without including a refundable child tax credit. That's why, as part of the original Senate package, I worked with Senators LINCOLN, KERRY and BREAUX—as well as both the Chairman and Ranking Member—to include a provision that builds on the President's proposal to double the $500 per child tax credit by making it refundable to those earning $10,000 or more, retroactive to the beginning of this year. That's why I offered an amendment last week that called for the retention of this provision in the House-Senate conference—an amendment that was adopted by a vote of 94 to 4. And that's why, during the conference, I continued to fight to retain this provision in the face of strong resistence by detractors.

Through these efforts—and because of the unyielding support of Chairman GRASSLEY and Ranking Member BAUCUS—families earning the minimum wage will be able to receive a refundable per child tax credit for the first time. Let there be no mistake, this is introducing a wholly new concept with respect to that child tax credit, and one that is most assuredly warranted.

How will this help? In its original form, the tax relief plan would not have reached all full-time workers—the tax reduction would have disappeared for wage-earners with net incomes of less than about $22,000. Indeed, without refundability, there are almost 16 million children whose families would not benefit from the doubling of the Child Tax Credit. To give an idea of how many children we're really talking about, that's about twice the population of New York City or about thirteen times the entire population of my home State of Maine.

Thanks to this provision, the bill now provides a substantial tax credit to a total of 37 million families and 55 million children nationwide who might otherwise have gained no benefit from the proposal to simply double the per-child credit.

Many of these are families earning minimum wage, struggling to make ends meet in addition to paying their share of State and local taxes, payroll taxes, gasoline taxes, phone taxes, sales taxes, and property taxes. All told, the average full-time worker earning the minimum wage pays more than $1,530 in payroll taxes, and more than $300 in federal excise taxes.

This is no small burden to working families already living on the fiscal edge. In fact, despite America's strong economy, one in six children live in poverty, and the number of low-income children living with a working parent continues to climb. My provision to make the child tax credit refundable will give these families a hand up as they strive for self-sufficiency, and give these kids the hope of a childhood without poverty.

When fully phased-in, the partially refundable credit will provide a benefit of up to 15 cents on every dollar earned above $10,000 per year, adjusted for inflation. Likewise, the maximum refundable credit will rise from $500 to $600 this year, increasing to $1,000 by

2011. Families with more than one child would also receive a refundable credit based on their income.

Will this tax relief solve all the financial problems faced by eligible families? No. But it will help to purchase essentials, like groceries, heating fuel, or electricity. And it sends an important message of encouragement that we want those who work hard and strive to improve their lives to succeed. Refundability shows that tax relief is for all full-time working families.

With these kinds of adjustments, we take a critical first step in ensuring that the balance of this package in its totality will help lower and middle income taxpayers.

The fact of the matter is that the case for tax cuts has never been more compelling. As a percent of GDP, federal taxes are at their highest level, 20.6 percent, since 1944—and all previous record levels occurred during time of war or during the devastating recession of the early-1980s, when interest rates exceeded 20 percent and the highest marginal tax rate was 70 percent.

The fact of the matter is, it would be irresponsible not to return a reasonable portion of the surplus—which is really just an overpayment in the form of taxes—to the American taxpayer. And there should be no mistake—if we fail to enact meaningful relief package, we will fail both working families and the economy upon which their work depends.

And let us not forget that this package is nearly 25 percent smaller than was proposed by President Bush in his budget. Let us not forget that it will utilize less than one-half of the projected surplus over the coming 10 years, 45.7 percent, excluding both Social Security and Medicare surpluses.

In fact, even with a $1.25 trillion tax cut over the coming ten years, we will still have about $1.5 trillion available for other priorities, including the funding of a new prescription drug benefit and additional debt reduction. This package is neither unreasonable nor irresponsible.

Just as importantly, many of us fought hard to ensure that the benefits of this tax cut package will be weighted toward those who need relief the most—middle and lower-income taxpayers—and that weighting has been retained.

We have before us a thoughtful proposal that addresses concerns I, myself, had with the distributional effects of the original package. And it does so in a variety of meaningful ways—retroactively creating a new ‘‘ten percent’’ bracket, providing much-needed AMT relief for middle-income families, and ensuring marriage penalty relief for all couples while bolstering the Earned Income Tax Credit.

And that's not all. The bipartisan education package that the Finance Committee reported in March is included in this bill, along with a new deduction of up to $4,000 for higher education tuition paid—a provision that I sought along with Senators TORRICELLI and SCHUMER. With the cost of college quadrupling over the past 20 years—a rate nearly twice as fast as inflation—this provision will provide critical assistance to individuals and families grappling with higher education costs.

It also includes the bipartisan IRA and pension package—introduced separately by Senators GRASSLEY and BAUCUS that will not only strengthen and improve access to pensions and IRA's, but also enhance fairness for women who frequently leave the workforce during prime earnings years, and suffer from reduced retirement savings accordingly.

Again, this is a balanced and fair package. In looking at the various analyses of the changes we made to the package, the Joint Tax Committee estimates that those earning less than $50,000 will see their share of federal taxes drop from 14.3 percent under current law to 14 percent in 2006. Conversely, in the same year, the share of federal taxes paid by those with incomes of $100,000 or more will increase from 58.4 percent to 58.7 percent.

Moreover, as a result of the refundability of the child tax credit, according to Joint Tax, those in the $10,000 to $20,000 income range will see their share of federal taxes reduced from 1.5 percent to 1.4 percent—a reduction of $3 billion. And by 2006, this level is down to 1.1 percent.

And in terms of the overall package, it is worth noting that creation of the new 10 pecent bracket accounts for $421 billion, while reductions in all other brackets amount to $420 billion—that's 50 percent of the cuts going to the lowest bracket alone.

As for the compromise we developed that results in a reduction of the uppermost bracket from 39.6 to 35 percent, it's worth noting that many individuals in that bracket are small business owners whose business-related income is taxed as personal income.

According to the Treasury Department, in 2006, 63 percent of the tax returns that would benefit from reducing marginal rates in the top two brackets would be reporting some income or loss from a business. And in my home State of Maine, for example, about 97 percent of all businesses are small business.

The reality is, small businesses have played a central role in our Nation's economic expansion. From 1992 to 1996, for example, small firms created 75 percent of new jobs—up 10.5 percent—while large-company employment grew by 3.7 percent. So why—when we're talking about such a tremendous impact on individuals and the economy—when the top corporate tax rate is 35 percent—why should we continue making small business men and women pay more?

And let's face it, the economic impact of this tax cut cannot be dismissed. In fact, given the warning signs in our economy, I believe the timing of this tax package is fortuitous. One Business Week article spoke of a terrible first quarter, stating that ‘‘The earnings of the 900 companies on Business Week's Corporate Scoreboard plummeted 25 percent from a year earlier—The first quarter profit plunge was the Scoreboard's sharpest quarterly drop since the 1990–91 recession.''

Productivity fell at a 0.1 percent annual rate in the first quarter—the first quarterly drop in six years. And layoffs are at their highest levels since they were first tracked in 1993, with major corporations announcing more than 572,000 job cuts this year. Little wonder, then, that the unemployment rate has risen to 4.5 percent, with April's job loss the largest since February 1991.

Even more ominous is Business Week's recent observation that if wide layoffs of high wage earners continue, the likelihood of recession becomes even greater.

And the Washington Post noted recently that Federal Reserve cuts in interest rates have been the most aggressive since the second quarter of 1982—the worst recession since the great depression—and that observation came before the most recent half-percent rate cut.

And while it is true that a tax cut may not actually prevent a recession, if one is in the offing, I well remember the words of Federal Reserve Chairman Alan Greenspan, who came before the Finance Committee in January.

Chairman Greenspan stated that tax cuts, while perhaps not having an immediate effect, could act as ‘‘insurance'' should our recent downturn prove to be more than an inventory correction—that it could soften the landing and shorten the duration of any recession should it occur. And let's keep this in mind as well—‘‘blue chip'' economists have indicated just this week that they are factoring the tax cut in their projections.

Given our growing economic uncertainty and the grim repercussions it could have, I am pleased that—as I urged on the floor last week and in a letter to the Senate conferees—the final conference report ensures that even more money will be in the hands of taxpayers this year than was originally anticipated in the Senate bill. Specifically, by providing for the delivery of refund checks to taxpayers this fall—$300 for single taxpayers and $600 for couples—tax relief will be accelerated during the current year, and hopefully help get the economy back on track.

I think the American public often thinks about tax cuts the way they would think of winning the lottery—it would be great if it really happened, but it in reality it really only happens for ‘‘the other guy''—that tax cuts will only apply to someone else—and if they do happen, they'll be so small as to have no appreciable effect on everyday life.

Well, the American people should know that this tax cut applies to everyone, and especially those who could use the break the most. And that's true not just on paper, but in reality—in the real world.

This is no phantom tax cut—this is real, this is balanced, and this is fair. And what this all comes down to is, if you're really serious about cutting taxes, you should support this package that begins the process of providing some relief given, once again, the status of our economy and the tax burden on the American people.

We know we're never going to get unanimity on an issue of this magnitude. But we can have progress and we can come to some kind of consensus. This package represents a bipartisan effort that, in the aggregate, is good for our future and good for the American taxpayer today. And it deserves our support. Thank you very much.

Mr. ROCKEFELLER. Mr. President, I rise today in strong opposition to this fiscally irresponsible conference report. Today, this tax cut perpetrates a fraud on the American people.

Their hard work created this surplus and this opportunity to sustain our economy and strengthen Social Security and Medicare. But no one should be fooled that this conference report is anything but an irresponsible, unfair, and politically motivated giveaway to the wealthiest in our society.

I deeply regret that we have failed to take this historic opportunity to provide a meaningful tax cut to all Americans, and at the same time, continue to make real progress paying down our national debt and reserve sufficient resources to invest in our future.

I voted for a $900 billion tax cut that would have allowed us to provide all Americans with an immediate and meaningful tax cut across the board and that included important education and energy provisions, and would have allowed us to pay down the debt and provide a Medicare prescription drug benefit, as well leave room for other West Virginia priorities.

The conference report's tax cut is far too large to protect West Virginia's priorities and its future whether it's education, a Medicare prescription drug benefit, federal investments in roads and aviation safety, or safer communities. In fact, the true cost of this bill is probably over $1.7 trillion over the 10 years of the budget. And because of backloading of the tax cuts, which means that the effective dates for many of the tax cuts don't occur for at least 5 years, the tax cut cost will explode in later years.

Even more farcical, the conferees have hidden even more of the true costs of the tax cut by making it appear that it will expire, and taxes substantially rise, after 2010. The Chairman and Ranking Member of the Committee know this is simply not what will happen, but they have nevertheless used this gimmick to make it appear that they have held to the Senate-passed Budget Resolution. It is ludicrous to think that the Congress would impose a quarter of a trillion dollar tax increase on the American people in 2010 when this tax cut proposal expires. These tax cuts will be extended, and their cost will thus explode to $4 trillion and more. That's not responsible, and it's bad economic policy.

What's even worse, this bill is just not fair to hardworking Americans who created the surplus.

This tax conference report simply gives too much to the wealthiest Americans and does too little to reduce our national debt. This tax plan endangers our ability to provide a desperately needed Medicare prescription drug benefit to 39 million American seniors and taps into the Medicare Trust Fund. It threatens Social Security just when our ''baby boomers'' start to retire. It leaves us too little to invest in our children's education, and jeopardizes our efforts to improve our Nation's transportation infrastructure. It chokes our ability to improve our national defense and veterans health care—ironically, just as many Members of Congress are planning to return to their states to honor their veterans on this coming Memorial Day. This tax bill short-circuits critical components of a balanced energy policy to invest in clean coal research and encourage alternative fuels and energy efficiency.

And this tax giveaway will, undoubtedly, return us to the huge budget deficits we worked nearly a generation to eliminate. All of us remember the consequences of the Reagan tax cut—two decades of spiraling deficits. And for my state of West Virginia, the consequences were devastating. As a Governor, I know how my state suffered. I don't want to return to those days, and West Virginians don't either. This proposal, regretfully, sets us on that path.

As the second ranking Democrat on the Senate Finance Committee, I was officially named a conferee on this tax legislation. I had hoped to work hard to improve the Senate-passed bill where we could, and, at a minimum, retain the Senate's provisions. While the Senate's tax proposal was backloaded and cost the same unaffordable $1.35 trillion, it included some essential improvements for lower and middle income families. As grave a mistake as I believe this tax package is, and as dangerous as I believe it will be for our Nation's economic future, I was prepared to support these Senate provisions in conference and do what I could to prevent further erosion of the already tilted tax cut for the rich. I deeply regret to report, however, that neither the Minority Leader nor I were included in the negotiations of this bill. We were presented with this conference report after it had been completed and at the same time my nonconferee colleagues learned of the package's content. I note this procedural point only to raise my concern that we have deviated from the traditional committee processes and from any semblance of true bipartisan negotiating, to our Nation's and the Senate's ultimate detriment. The Chairman's repeated assertions that this matter has been conducted in an open and inclusive process does not reflect reality.

Let me outline the most obvious problems with this irresponsible tax cut. The tax conference report has several fatal flaws. It plays games with the effective dates of the tax cuts in order to mask the real cost of this tax proposal. Those games mean that married people won't get relief from the marriage penalty for 5 years, until 2006. The reason why married people have to wait for their tax cut is because the conference report chose to give even more money to the wealthiest Americans at their expense.

The top income tax rate that was reduced from 39 percent to 36 percent in the Senate bill is now lowered to 35 percent by the terms of the conference report—that's a 1.6 percent deeper cut than any other income tax bracket. While there is no reduction in marginal rates for the 15 percent income tax bracket—where most Americans and most West Virginians pay their last dollar of tax—there is a 4.6 percent reduction for the wealthiest Americans who need it the least. West Virginians will not be fooled by that; they will see that this is unfair. When we get the best analysis from the experts, it will no doubt document just how much is robbed from middle income taxpayers to finance the tax break for the wealthiest. Only 0.3 percent of West Virginians are in the top income tax bracket. And let's not be misled by the rhetoric that the wealthy get more of the benefit only because they pay more taxes. Of course, the wealthiest Americans pay a significant share of Federal taxes—about 22 percent. The President's proposal would have given those wealthiest Americans 43 percent of the tax cuts. This conference report will give them roughly 38 percent of the entire tax cut. They pay in 22 percent, but they get 35 percent of the surplus. I can't explain why they have been rewarded with more of the surplus than they deserve at the expense of hard-working West Virginia families, and I can't support it. I can't support a tax cut that gives about 15 percent of our Nation's surplus to the bottom 60 percent of taxpayers, and 38 percent to the top 1 percent.

The estate tax provisions of this bill, also a benefit solely for the wealthy, begin almost immediately—in 2002, but middle income married couples are told they must wait for their relief until 2006. The estate tax is also totally repealed in 2010. But another startling fact about this tax bill is that the entire bill—even the tax relief for lower and middle income people, the child credit, and EITC improvements, all sunset in 2010 in order to pretend that this bill really costs $1.35 trillion over 10 years. We know that this is a sleight of hand. We know Congress won't sunset or trigger off the tax cuts in 2010. So the true cost of this bill, while it purports to be $1.35 trillion—will be well over $4 trillion in the next 10 years. The Senate-passed bill cost $1.35 trillion over 10 years, but to finance the upper income tax cut, that time-frame was shortened by a year so about $90 billion could be used to transfer it to the wealthiest Americans.

I should note that there are needed provisions to help lower and middle income families with children in this bill that I think we can all be proud of, even as they are set in the context of a tax bill for the wealthiest Americans. I do not support this massive irresponsible tax cut. But I do support the provisions to make the child tax credit partially refundable. I do support the provisions to increase the Earned Income Tax Credit, EITC, and to simplify and reduce errors in the EITC. As the Chairman of the National Commission on Children years ago, we issued a bold bipartisan report calling for a fully refundable child tax credit of $1,000. The child credit and EITC provisions of this bill are a major step in that direction, and it will help millions of children and their families. I believe that tax relief should be directed towards the families that need it the most: the parents who are working and playing by the rules, but struggling to raise their children on low-wages. I cannot support this overall package because I do not believe it helps the majority of West Virginia families. But some of its provisions, like the partially refundable child tax credit, the EITC, and the education provisions will help families in my state who need and deserve help.

The Senate-passed tax bill, bloated as it was, included a permanent extension of the R&E tax credit. The conference report fails to include this provision. The R&E tax credit is a highly successful way of giving businesses an extra incentive to invest more in research and experimentation that is highly beneficial but otherwise can be beyond the reach of private companies. This investment benefits all Americans by allowing companies to expand our understanding of science and technology, and by enabling the marketplace to bring better products and services to everyone. Congress should permanently extend the credit, rather than leaving companies in limbo every few years about whether it will be merely extended, in order to provide businesses with the certainty they need to engage in long-term planning and resource allocation. If businesses can count on the credit, they can make the long-term, continuous investments that are necessary for real breakthroughs.

I am glad that this conference report included pension provisions that will help some middle income families save and improve portability. Again, here, I would have done more for the majority of taxpayers that need to be encouraged to save, but the balance of the bill is an important savings tool.

Finally, the sad fact is that this tax cut is now so large that it commits every dime of the surplus for tax cuts and current obligations, leaving nothing—0—for Medicare solvency, new defense needs, or any other future or unanticipated emergencies.

I will conclude by saying I regret that we are passing this bill today without much opportunity to review its details, but knowing that overall it gives too much to those who already have much, and reserves too little for our Nation's most important priorities. I cannot support this tax bill, and I hope that my fear that this bill will endanger our Nation's economic future will be proven incorrect. It will unquestionably make meeting the many needs of my state more difficult.

Mr. MCCONNELL. Mr. President, this bill is about righting wrongs in the tax code that are so flagrant as to transcend partisan rancor. It is not fair to penalize Americans for marrying. It is not fair to penalize Americans for dying. And it is not fair to ask the American citizen to pay more taxes than ever during a peacetime economy. The average American works almost two hours a day, or more than four months a year, to pay his or her federal tax burden. Tax Freedom Day did not arrive until May 3rd this year, the latest date ever.

It is fair, however, to help families shoulder the costs of raising children and to encourage Americans to save their hard-earned money for retirement and for education. This bill does just that. One provision of this bill of which I am extremely proud of is the proposal to make savings from qualified state tuition savings plans tax free. We are all aware of the high costs of obtaining a college education. Even when you account for inflation, we have seen a steady and stifling increase in the costs associated with attending an institution of higher learning. One of the most promising tools available to families who are trying to save for these rising costs is the qualified state tuition savings plan. These plans aide those families trying save for college by using the power of compounded interest. For those families who use a state tuition savings plan to save, compounded interest can be a blessing. For those who must borrow to afford tuition, compounded interest can be a heavy burden.

My home state of Kentucky has been at the forefront of those states offering such plans, and in 1994 I introduced the first legislation to make savings from qualified state tuition savings plans tax free. Since that time, it has been my pleasure to work with my colleagues Senators SESSIONS and GRAHAM to enact several measures to facilitate the use of these savings tools with the eventual goal of making qualified state tuition savings plans tax-free. Earlier this year, I once again introduced legislation, the Setting Aside for a Valuable Education, SAVE, Act to do just that. I am honored at the tremendous support for this provision from the members of the Finance Committee and I thank them for again including it in their bill. I also want to express my profound gratitude to the House and Senate conferees for including this important provision in the Conference Report.

Indeed, it is fair to say that this tax bill restores tax fairness and promotes financial flexibility with respect to our most basic American institutions—education, marriage, children, and retirement. The next generation of Americans will have better access to education because of this bill. They will marry without paying a penalty. They will pay less to the Government, and therefore, will have more money to raise their families. They will be able to save more money to retire with dignity. And finally, when their parents pass away, they will not have to sell a family business to pay a death tax. These are not Democratic or Republican goals, these are American ideals.

So, you might ask, why are our opponents complaining? I don't think they are complaining about restoring tax fairness and financial flexibility to American families. No, I think their real complaint is that we did so while doing what our opponents have always claimed was impossible—lowering taxes and protecting Social Security and Medicare, and paying down the debt, and continuing to balance the budget. For years we heard that any tax cut, no matter how fair it may be, would rob Social Security, balloon the national debt, and raid domestic spending. But now we have called their bluff: we have tax fairness that is fiscally responsible. We finally are shedding some light on the real, albeit unacknowledged, complaint of our opponents—that there won't be as many spending sprees in Washington over the next 10 years.

Frankly, I wish we could do more in the way of tax relief. For fairness sake, I wish we could repeal the death tax and the marriage penalty immediately. And I wish we could push income tax rates even lower.

We have spent a lot of time arguing about what Americans want when it comes to tax relief. Well here's a novel idea—let's ask them. A Zogby poll found that 8 out of 10 Americans think the maximum tax rate should be less than 30 percent. Fox News reported similar results. And Gallup found that 65 percent of Americans feel like they pay too high a federal income tax.

My office has been filled with constituents coming to complain about the death tax. As hard as it may be for some of my Democratic colleagues to believe, most of these constituents are not tycoons. No, they are small business owners, and they are fed up with the estate tax looming over their families and their businesses. If only a tiny fraction of small businesses are affected by the estate tax, as our opponents constantly claim, why are all these people calling, writing, and coming to see me? I'll tell you why. It's because they, and others who own small businesses, all pay a price for the death tax. Some may have to sell their businesses before they die to avoid the death tax, and many of them pay a fortune in estate planning fees to avoid the death tax. For those that can't escape the tax and whose heirs may be forced to sell their businesses. Both the heirs and the communities served by these small businesses suffer tremendously. Our opponents rarely compute these collateral costs when they wave their partisan statistics.

And to those who continue to argue about reform, rather than repeal, of the death tax, I say this: it simply is not fair, as a moral, political, or philosophical matter, to tax someone for dying. Dying is not a choice, Mr. President, but passing on hard-earned assets to loved ones is a choice, and one that our Government should not penalize by making Americans visit the undertaker and the IRS on the same day.

To close, and to re-emphasize the issue of fairness, I want to crystallize the two sides of this debate. Imagine if you overpaid your mortgage bill to the bank for ten consecutive years. Because that's what we're about to do—overpay our bill to the Government for the next ten years. My guess is that everyone in this chamber would demand his or her money back from the bank. I don't think we would accept listening to the bank tell us that it had devised other plans to spend our money. Indeed, we would be absolutely outraged at the very idea that the money wouldn't be returned to us immediately.

And this is the crux of the debate: There are those, myself included, who believe that taxes paid over and above the cost of government belong to the American people—that the money should be returned to them immediately for them to spend as they choose. And then there are those who believe that taxes paid over and above the cost of Government still belong to the Government and that the Government has the right to choose whether to return it to the taxpayers or to spend it as they see fit. Well, I am proud to say that I believe that this surplus belongs to the American people, and I am glad we are going to give it back to them.

Mr. MCCAIN. Mr. President, I rise to oppose the Conference Report on the Reconciliation bill. I do so after having expressed hope that the progress we made in the Senate bill to scale back the benefits going to the top rate taxpayers to make room for more tax relief to lower income Americans would prevail in the final tax bill.

During the debate on the Senate version of the tax reconciliation bill, I had urged my colleagues that substantial tax relief to middle income Americans should be our top priority. While I regret that my amendment to cut the top rate by one percent to 38.6 percent so millions more middle class Americans would fall into the 15 percent tax bracket failed on a tie vote, Senator GRASSLEY did move in that direction in the Senate bill by insisting that the top rate should be cut to only 36 percent. As a result, I reluctantly voted for the bill but pledged to vote against the Conference Report should further reductions in the top tax rate be made at the expense of the majority of Americans who are in much greater need of tax relief.

Unfortunately, the Conference Report did just that by jettisoning the commendable work both Senators GRASSLEY and BAUCUS did in crafting a Senate reconciliation bill that provided more tax relief to middle income Americans. This Conference Report lowers the top rate cut to 35 percent, at the cost of delaying, for several years, much needed tax relief for married couples unfairly penalized by our tax code.

I regret having to vote against this Conference Report. We had an opportunity to provide much more tax relief to millions of hard-working Americans. I supported a $1.35 trillion tax cut despite my concern that a tax cut of that size would restrict our ability to fund necessary increases in defense spending. But I cannot in good conscience support a tax cut in which so many of the benefits go to the most fortunate among us, at the expense of middle class Americans who most need tax relief.

Mrs. LINCOLN. Mr. President, today we have the opportunity to demonstrate that bipartisanship is working in Washington.

We have before us what is no longer just the President's tax plan.

Just a few short weeks ago, the majority of our colleagues in the other body rubber stamped President Bush's plan that heavily tilted tax cuts to the rich while delaying most of them until after 2006. That plan would not have helped my State or many other southern States for that matter. In fact, almost 50 percent of the wage earners in Arkansas would not have received a tax cut under President Bush's original plan.

But with the input of Senate moderates, both Republican and Democrat, we have created tax cut opportunities for millions of low and middle income taxpayers almost immediately. We have stubbornly refused to give in to the argument that because people work for less than $21,000 a year, they don't deserve a tax cut. They may not earn enough to pay income taxes but they are surely taxpayers in every sense of the word. They are hard working Americans who pay payroll taxes, sales taxes, excise taxes and just about every other form of tax other than the Federal income tax.

I am proud that the final plan before the Senate today recognizes their contribution to our economy.

I want to extend my gratitude to my colleague on the Finance Committee, Senator SNOWE from Maine. Together we have stood fast in our insistence that the child tax credit should be refundable so hard-working, low-income families would receive a tax cut. By doubling the child tax credit and making it refundable up to $1,000, this tax plan rewards hard work and recognizes that all Americans truly deserve a tax cut. I mean no disrespect to my male colleagues in this body, but I believe this provision might not exist in this plan had women not had a seat at the Finance Committee table.

Senate moderates have changed the President's original plan in other important ways.

The amount of income subject to the alternative minimum tax will be increased immediately. This is a critical issue which the President ignored. In fact, his original plan would have accelerated the pace at which middle income taxpayers are forced into the alternative minimum tax category. His tax cut would have actually resulted in a tax increase for some unfortunate taxpayers.

The revised tax plan will allow people to increase their contributions to IRAs and 401(k) plans, an extremely important change in an era when we have seen America's national savings rate drop to its lowest point in 40 years.

Another change expands the 15 percent tax bracket for married couples so that more of their income is subject to the lower tax.

And, while I believe that the top income tax rate of 35 percent could still be higher, I am gratified that Senate moderates forced a substantial increase from the President's original 33 percent rate.

We can thank bipartisanship in the U.S. Senate for making this plan better and one that truly accomplishes the promise of a tax cut for all Americans. The real thanks, however, goes all the way back to 1993 and to the American people. When our nation was deep in the deficit ditch, the U.S. Congress went to the people of this great nation and asked them to bare the burden of program cuts and higher taxes in order to balance the budget. We now have a balanced budget and budget surpluses and we can now responsibly lift that burden with gratitude to the citizens of this country.

I want to especially thank three of my distinguished colleagues on the Finance Committee, Senators GRASSLEY, BAUCUS and BREAUX, who have earnestly negotiated the final terms of this bill during the last days. I believe that in most important aspects, it remains true to the principles advanced by the Senate earlier this week.

MASSIVE TAX CUTS STARVE NATIONAL NEEDS

Mr. BYRD. Mr. President, 8 years ago, this Congress built a bridge so that future generations would be able to cross from budget deficits to budget surpluses. That bridge resulted in lower interest rates, a booming economy, and provided the nation with an opportunity to fix Social Security and Medicare and retire the national debt.

The senate today blew up that bridge, and plunged our grandchildren and ourselves into the deficit ravine below.

I have spoken many times in recent months about my concerns regarding the size of this tax cut. The events of recent days do not change these concerns, as the fundamental dynamics of the fiscal year 2002 budget and appropriations process remain the same.

While I would favor a much smaller tax cut, the fiscal year 2002 budget resolution that was put into place in April, and this $1.35 trillion tax cut package that was passed today, will make it impossible for this Congress to come up with the appropriations necessary to fully address our Nation's priorities.

I fear that this tax cut will return us eventually to annual deficits and impede our efforts to retire the national debt.

I fear that this tax cut will consume vital resources that could otherwise be used to ensure the long-term solvency of Social Security and Medicare and provide for a prescription drug benefit.

I fear that this tax cut will put this Congress in a position where it will be unable to adequately finance our nation's fiscal and human infrastructure needs. For all of the promises being made as the senate debates the education reform bill, the Congress will not have the funds it needs to appropriately address these necessary reforms.

The administration has tried to assuage these fears by promising the best of all worlds: massive tax cuts that will maintain budget surpluses without draining resources away from infrastructure investment and retirement programs.

Abraham Lincoln said in his 1862 Message to Congress that ''we cannot escape history. We of this Congress and this administration will be remembered in spite of ourselves.''

History will hold us accountable for what we did here today in passing this monstrous tax cut. This tax cut, which mainly will benefit the wealthy, is based on pie-in-the-sky projected surpluses which probably will not materialize. History will not forget that the national needs of today and of future generations have been sacrificed for the sake of carrying out a political promise made in the heat of a political campaign last year.

The PRESIDING OFFICER. The Senator from Massachusetts, Mr. Kennedy, is next on the list.

Mr. BAUCUS. Mr. President, I do not see any Senators seeking time. I will have to, therefore, suggest the absence of a quorum.

The PRESIDING OFFICER. The Senator from Oklahoma, Mr. Inhofe.

Mr. INHOFE. Mr. President, I seek recognition.

The PRESIDING OFFICER. Is there objection? The Senator from Nevada.

Mr. REID. What is the request?

Mr. INHOFE. I was going to request a few minutes, instead of going into a quorum call.

Mr. REID. We have a unanimous consent agreement. I think it would be best for everyone if we could move forward under the time agreement. Senator CONRAD.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. Mr. President, I support a significant tax cut for all Americans. I proposed and voted for a $900 billion tax cut. I think that is a level we can afford, one that will accommodate protecting the Social Security and Medicare trust funds, one that will permit us to set aside money to strengthen Social Security for the future, one that will allow us to reserve resources for important domestic priorities.

I cannot support this conference report because it does not permit us to protect Social Security and Medicare. It threatens to put us back into deficit. It threatens to put us back into building debt after a decade of getting our fiscal house in order.

This morning's Washington Post labels this conference report for what it is, ''Tax Fraud.'' It says:

> The House-Senate tax cut conferees came up with a way, yesterday, to stuff even more cuts into the bill without appearing to break the cost ceiling that Congress virtuously imposed on itself earlier in the year.

They went on to say:

> Without apparent embarrassment, they adopted the mother of all accounting gimmicks. To keep the supposed 10-year cost of the bill at $1.35 trillion, they will pretend that major provisions expire after nine years.

What they have done is alter the calendar. In a bill that is to cover 10 years, they just took off the last year. What is the effect of that? The Washington Post says:

> This is a permanent tax cut masquerading as temporary. But the masquerade is all that matters. The accounting conventions allow the conferees to claim that they've done what they said they would. Once again what they've really done is mortgage the long-term future for short-term political gain.

They go on to say:

> When the gimmicks are removed from the bill, the true cost is three times what the sponsors pretend—perhaps $4 trillion over [the second] 10 years.

Instead of a $1.35 trillion tax cut, which is what was agreed to just weeks ago, the true cost of this bill over the period of the budget is $1.7 trillion.

Those who have said they somehow negotiated a reduction from what the President was seeking, to be more fiscally responsible, have come back with a conference report that does not do it. It does not reduce the size of the President's proposal because they take the 10 years, and put it into 9. If you make an honest assessment of the full 10-year cost, you are at $1.7 trillion.

The accounting gimmicks do not end there. As the Washington Post indicated, this bill is massively backloaded. It is advertised, in the first 10 years, as costing $1.35 trillion. But in the next 10 years it explodes in cost because they have backloaded provision after provision after provision. The result is that the cost absolutely explodes right at the time the baby boomers start to retire. They are digging a deep hole for the United States.

The New York Times labeled it ''The $4 Trillion Tax Cut.'' They said:

> The tax cut's $1.35 trillion price tag is a deception. The figure was calculated with an array of artificial devices that disguise the true cost. Some of the tax cuts to be enacted abruptly expire before the 11-year period is up. . . .

This was written before the last gimmick was inserted, the gimmick of just taking an entire year out.

Remember that Republicans, a couple years ago, tried to put 13 months into a 12-month year as a gimmick to disguise the effect of their budget proposals. This time they have taken an entire year off the calendar.

The New York Times goes on to say:

> Other provisions are phased in slowly, with most of them not fully enacted until 2009, 2010 and 2011. This means that although the tax cut technically costs $1.35 trillion in the first decade, its cost in the second decade—when the baby boomers will all be retired—is more than $4 trillion. The tax cut cannot be paid for except by raiding the Social Security and Medicare trust funds. It is a scheme that seems deliberately aimed at wrecking the basic American retirement programs, perhaps to force their dismantling or privatization.

I think the New York Times and the Washington Post have it right. We are in a period of surplus now. But we all know that in the next decade we move to massive deficits. That is when this tax cut, because of the way it has been designed, absolutely explodes: from $1.35 trillion, it balloons to $4 trillion in cost over the second 10 years.

When one examines the real budget—the defense expenditures the President is asking for, the alternative minimum tax that must be fixed, the education expenditures the Senate is in the midst of approving now—as we consider the education bill, the emergencies, and just the average emergencies we have experienced over the last 10 years, fast forward them to the next 10 years: We are not only going to be raiding Medicare, we are going to be raiding the Social Security trust fund as well.

We estimate that this bill, when combined with the real budget reflecting what will actually be spent over the next 10 years, will be raiding the Medicare trust fund by $311 billion and raiding the Social Security trust fund by $234 billion. Make no mistake, this vote has real consequences.

It is not just that it is fiscally irresponsible. In fact, this bill is a monument to fiscal irresponsibility. But in addition to that, this bill is not fair. The top 1 percent get more than twice as much of the benefit as the bottom 60 percent. In fact, the bill has been made much worse in terms of its fairness when you compare what left the Senate to what has come back in the conference committee. The top 1 percent get nearly 38 percent of the benefits. The bottom 60 percent get less than 15 percent of the benefits.

This bill cannot pass any fairness test, or any fiscal responsibility test. It does not pass the fundamental test we ought to apply to any tax bill. This final tax bill is clearly unfair. The top 20 percent get 71 percent of the benefits. The bottom 20 percent get 1 percent. Seventy-one percent of the benefits to the top 20 percent; 1 percent to the bottom 20 percent.

We heard our colleagues say that this bill is much more fair than the Bush proposal. Well, it is a little bit more fair but not much more fair. Seventy-one percent of the benefits in this bill go to the top 20 percent. In the President's proposal, 72 percent of the benefits went to the top 20 percent.

One of the things I think is most revealing about this proposal is what happens to the various tax brackets. It is fascinating what has come back from the conference committee. Those who are the wealthiest among us get by far the biggest rate reduction—by far. Those who are in the top 1 percent, who on average earn $1.1 million a year, they get a 4.6 percentage point reduction, which is, in overall percentage, about a 12-percent reduction in their marginal rate. They are getting 4.6 points of reduction in a 39.6-percent bracket. That is about a 12-percent reduction.

The other brackets get 3 percentage points. They roughly average between 8 and 11 percent of rate reduction. So those at the very top get the very most. And the final bracket, the 15-percent bracket, where 70 percent of the American taxpayers are, gets no rate reduction—none, zero. You talk about a bill that is weighted to the very top, the very wealthiest; this bill is a testimony for campaign finance reform.

Have we learned nothing from the past? We tried this same approach in the 1980s, and it skyrocketed the deficits and the debt, and it took us 15 years to end it.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. CONRAD. Mr. President, I ask unanimous consent for 30 additional seconds.

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

Mr. CONRAD. Mr. President, some have said: But we are paying down the debt. Make no mistake, we are paying down the publicly held debt, but the gross debt is going up, because the debt to the trust funds is skyrocketing under this proposal.

Let me just end. This is a chart that shows what is happening to the gross Federal debt. It is $5.6 trillion today. At the end of this period, it is going to be $6.7 trillion. The debt is not going down, the debt is going up. This bill ought to be defeated.

The PRESIDING OFFICER. The Senator's time has expired.

The Senator from Connecticut.

Mr. DODD. Mr. President, I commend our colleague from North Dakota for his very thoughtful presentation. He has laid out the arguments against this tax bill rather well.

Mr. President, we all are familiar with the famous expression of George Santayana which says that those who fail to remember the mistakes of history are destined to repeat them. I regret that we are about to do that today with the vote on this tax bill.

There are a handful of us here today who were on this very floor in this Chamber 20 years ago when a similar, although smaller, tax cut was being proposed. No one doubts today the damage that proposal had on our economy over the ensuing years. Its author, in fact, the head of the Office of Management and Budget, has written extensively about the huge mistakes that Congress made in the early 1980s in crafting a tax proposal that was way out of balance, and had no sense of proportionality in terms of the economic needs of the country.

It took us more than a decade to recover from that tax cut. Luckily, we began doing so in the early 1990s and, ultimately, we reached the point we are at today where we are enjoying budget surpluses.

I am sure my colleagues are familiar with the mythological figure Sisyphus, the King of Corinth, who was condemned to roll a heavy stone up a hill only to have it roll down again as it neared the top. This legislation is much like Sisyphus's dilemma. Just as we start to produce surpluses, to reduce that $220 billion a year in interest payments on our national debt that don't build a new school, that don't make anyone healthier, and don't contribute to the environment, just as that rock gets up to the top of the hill, we are about to let it fall back upon us by adopting a proposal that sends us right back in the wrong direction.

I am for a tax cut, and I believe we have plenty of room for one. But a tax cut of this size that eats up $1.35 trillion of the surplus in the coming years is the height of irresponsibility, especially since we don't have any real clear idea of how this Nation's economy will look 3, 4, 5, let alone 10 years from now.

I regret deeply we are limited to this short amount of time to debate a proposal of this importance and significance in light of what our country experienced as a result of a similar tax cut. I hate to say this to my colleagues—I said it in 1981; I will repeat it today, 20 years later—we are about to make the same mistake again. The difference is, we will not have the time to correct it as we did with the mistake made 20 years ago. At the very hour that millions of Americans will look to us for Social Security and Medicare, this proposal is going to create a train wreck with those programs.

I urge, in the waning moments of this debate, that those who may be wavering to please think again, not about the Democrats or Republicans, liberals or conservatives. This is an excessive tax cut and one that we cannot afford. I urge our colleagues to reject this proposal. Go back to the drawing board. It is only May. We have plenty of time to do this in a far more thoughtful, prudent, and balanced way.

For those reasons, I urge rejection of this conference report and urge our colleagues, whom I know have worked very hard on the Finance Committee, the Ways and Means Committee, to go back and try again to see if they can't come up with a more balanced approach that treats all taxpayers fairly and leaves room for the needy investments that America must make if it is going to be the great power of the 21st century that it has been in the 20th.

With that, I yield the floor to my colleague from Massachusetts.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, this is the final vote on a tax cut which is far larger than the country can afford. It has been pushed through Congress by the Republican leadership in unprecedented haste without adequate debate. They have sought at every turn to avoid a serious discussion about national priorities. They pretend that we can have it all—that this massive tax cut will not affect our ability to adequately fund our education and health care needs, to reduce the debt, and to financially strengthen Medicare and Social Security for future generations. This view is a fantasy. The reality is that this tax cut will have a direct and substantial effect on our ability to fulfill our responsibilities in each of these areas.

Let's focus on one of these priorities—education. The budget resolution on which this $1.35 trillion tax bill is based also eliminates $308 billion of funding for education which had the support of a majority of Senators. We recognized that those funds are essential to providing a quality education for every child. Yet the enormous size of this tax cut is incompatible with real education reform. Sadly, Republican priorities place the needs of the wealthiest taxpayers for new tax breaks above the needs of America's school children. Democrats support a substantial tax cut—one that would cost nearly a trillion dollars over the next 10 years and one that would give working families a fair share of the tax benefits. Under Democratic plans, the vast majority of American families would receive the same, or even more, tax relief than the Republicans provide, but at a fraction of this bill's cost. That is possible because the Republican bill gives such a huge windfall to the rich. Four hundred and fifty billion dollars will go to the wealthiest 1 percent of taxpayers. This tax cut reported from the conference committee is clearly excessive. It is neither fair nor affordable.

The conference report gives even larger tax breaks to the rich than the Senate tax bill did. It reduces the rate of the top income tax bracket by an additional percent, but still fails to provide any reduction in the 15 percent tax rate that nearly three quarters of all taxpayers pay. The extra dollars consumed by reducing the top income tax bracket come from budget gimmicks that make the bill even more fiscally irresponsible in the long run.

Over one of every $3 of tax breaks in this conference report will go the wealthiest 1 percent of taxpayers. Once the tax breaks are fully implemented, the richest 1 percent will receive an average tax cut of over $37,000 each year—more than the pay most families take home in an entire year. The $37,000 a year that this bill provides to the wealthiest 1 percent could pay the salary of a new teacher in most school districts. But now there won't be funds for new teachers. The Republicans decided that wealthy taxpayers need the money more.

Education is far and away the most important concern of Americans, so I offered a number of amendments to protect education from the adverse effects of the most extravagant parts of the tax cut. Again and again Republicans chose tax breaks aimed exclusively at the wealthiest 1 percent of Americans, people with average incomes of $1.1 million, over full funding of elementary and secondary education for disadvantaged children, over full funding for the Individuals with Disabilities Education Act, over teacher quality improvements for all students, over increased access to safe after-school activities, over bilingual education, over Pell grants, over HOPE Scholarship Tax Credits, and over Head Start. The President's rhetoric may say ''leave no child behind,'' but this tax bill leaves a whole generation of children behind. It leaves them behind so that the very wealthiest taxpayers can get a half-trillion dollars in new tax breaks. If we do not have adequate resources to provide all our children with a quality education, then we certainly don't have the excess revenue that justifies new tax breaks for millionaires. Nationwide, there are 129 million income tax returns filed each year, but only 900,000 of these report income in the top marginal income tax bracket, which is presently 39.6 percent. These are the wealthiest men and women in America, and tax cuts that exclusively benefit them should not displace the education funding that the Senate has already agreed is necessary.

Only by the use of smoke and mirrors and budget gimmicks has this tax bill been made to comply with the mandate of the budget resolution to report a tax bill costing $1.35 trillion over eleven years. But the real cost are even higher. The real costs of this bill explode in the out years. Most disturbing of all is the extreme use of back-loading to conceal the enormous cost of these tax cuts when they completely take effect. The rate reduction is not fully implemented until the year 2006. Marriage penalty tax relief does not even begin until the year 2005. The amount of the child credit does not reach the full $1,000 until the year 2010. The estate tax is not repealed until that year as well, so that almost none of the cost of the repeal shows up until the year 2011.

These tactics are the height of fiscal irresponsibility. The excessive cost of the bill in the first decade is troubling enough. But that cost will more than triple in the following ten years. A $1.35 trillion tax cut in the first 10 years will mushroom to substantially more than $4 trillion in the next 10 years—precisely when the nation will confront unprecedented new costs in Medicare and Social Security from the retirement of the baby boom generation. Funds urgently needed to strengthen these basic programs are being consumed by reckless tax cuts. The Republican leadership could easily have accepted the recent Senate vote on the Harkin budget amendment reducing the size of the tax cut by 20 percent and investing the resulting $250 billion in education over the text 10 years. A responsible proposal like that would enable vital improvements to be made in education throughout America, while still leaving $1 trillion for tax cuts that both Democrats and Republicans support. Unfortunately, they refused.

Across America, 12 million children live in poverty—but we currently provide the full range of title I Federal educations services to only one in three of these children. Four of every 10 children in poverty are taught by teachers who lack an undergraduate major or minor degree in their primary field. Gym teachers are teaching math. English teachers are teaching physics. Nearly one in five first-through-third graders are attempting to learn in overcrowded classes of 25 or more students. In these cases, some students inevitably lose in the competition for essential teacher time.

In addition, over 7 million latchkey children are left alone to fend for themselves after school each day, without constructive after-school activities to keep them off the streets, out of gangs, and away from drugs and other dangerous behavior. Even though Head Start ranks as the public's favorite government program, inadequate funding continues to deny Head Start to half of all eligible children.

Students with disabilities suffer from the same Federal neglect. The Federal Government has long promised to fund 40 percent of disability education. Yet it still only funds 17 percent. For years, parents and States have called on the Federal Government to live up to its commitment to disabled students. Almost 14 million children attend schools in inadequate facilities—schools that are overcrowded with classes held in hallways and trailers and schools that are crumbling and unsafe. Seven million children attend schools with severe safety code violations.

While money may not guarantee quality education, it is impossible to provide quality education in today's schools without substantial new investments. ''Reform'' without resources will have no real impact on what takes place in America's classrooms.

The massive tax cut contained in this bill will shortchange an entire generation of children. Nowhere are Republicans' misplaced priorities clearer. After all the talk about the importance of education to children's lives and the Nation's future—after all the talk about unmet needs in the Nation's schools—after all the Senate votes to increase investments to meet the most basic education needs, the Republican tax cut crowds out new investments in education. It tells millions of children who attend inadequate schools that they don't count. If the Federal Government lacks the resources to provide both, shouldn't the education of our children take precedence over new tax cuts for the wealthiest taxpayers? Who in this Chamber would openly declare that the wants of 900,000 millionaires are more important than the needs of millions of school children? That, in essence, is what we are voting on today.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. GRASSLEY. Mr. President, I thought we were going to let the Senator from Minnesota speak.

Mr. REID. Would the Senator from Massachusetts yield his time to the Senator from Minnesota?

Mr. KENNEDY. I yield my remaining time to the Senator.

The PRESIDING OFFICER. The Senator from Massachusetts has 2 minutes 19 seconds remaining.

Mr. KENNEDY. I yield that to the Senator from Minnesota.

The PRESIDING OFFICER. The Senator yields his 2 minutes 19 seconds to the Senator from Minnesota.

Mr. WELLSTONE. Mr. President, I rise to strongly oppose this conference report. As I have said consistently, I support tax relief, and have voted for more modest alternative tax cut packages. But I believe in tax cuts that reward work, not wealth. That are distributed fairly across the economic spectrum, with a special emphasis on relief for those most in need, who bear an unjust proportion of the tax burden, including payroll taxes, already—working families. The original Senate bill did not meet this test. Sadly, when confronted by the priorities of the most extreme elements of the House Republicans, the conference committee has made a bad bill even worse—more grossly unfair, with more of the benefits tilted toward the very wealthiest Americans.

The worst possible outcome for this decade would be a return to a 1980s mentality of huge tax breaks for the rich, increases in a bloated military budget, and neglect of our social infrastructure, including key insurance programs like Social Security and Medicare. Yet that appears to be where the President and the Congressional majority would have us go. We are making a terrible mistake if we pass this conference report today.

I can't say it more plainly than that. We are making a grave mistake. If the economy goes south, this conference report will almost certainly leave us without sufficient funds to make key reforms in Medicare like providing for a new prescription drug benefit, or for reforming Social Security in a way that will secure its future for generations to come. The costs of these tax cuts, so obviously backloaded, will explode just at the time when a huge generation of baby boomers prepare to retire in 10 years. And they will be left holding the bag, along with the generations that come after.

The American people should not have any illusions about what we are about to do. The economy and hard choices made in the past have endowed us with budget surpluses. In a time of growing economic uncertainty, it's not yet clear how large they'll be; private economists, the Congressional Budget Office, and even White House (OMB) estimators have all readily acknowledged the uncertainty of their projections. But it's clear there is some surplus, and Congress has to decide how to spend it.

If we had crafted a fairer, more modest tax bill, the benefits of which would have been distributed according to some principles of fairness, I would have supported it. But this conference report is nothing but a Robin Hood in reverse raid on the federal treasury. When fixes to the Alternate Minimum Tax and interest costs are added in, the tax cut will cost over $2 trillion over the next ten years. The cost will likely top $4 trillion over the following ten years (2012–2022). A vote for this bill is a vote to squander the opportunity to address our nation's most pressing problems. We could lift up all children and restore the shining promise of equal opportunity by investing in the education and health care of our kids, over 20 percent of whom still live in poverty in this country. We could move to restore the dignity of older Americans by providing affordable prescription drugs, long-term care, and securing the Social Security system. We could invest in responsible, long-term energy policies which protect our environment while boosting our energy capacities. Instead, we are today almost certainly deciding to ignore these priorities for years to come. We are surrendering on environmental conservation and protection. We are surrendering on investment in clean energy technologies. We are surrendering on tax relief for low and middle income Americans. And we are surrendering on decisions to invest in the health, character, skills and intellect of our kids.

But it isn't just that we are spending nearly the whole surplus for the foreseeable future in one vote. It is what we are spending it on: tax cuts for the rich, the powerful, the connected.

These tax cuts are still overwhelmingly weighted toward the wealthiest Americans: 35 percent of the benefits go to the wealthiest 1 percent of Americans. Altogether, 55 percent of the cuts go the wealthiest 10 percent, while less than 16 percent of the cuts go to the 60 percent of American families who earn $44,000 or less.

Put another way, 80 percent of Americans will get 30 percent of the benefits in the bill, while 70 percent of the benefits in the bill will go to the 20 percent of Americans with the highest incomes.

There are provisions of this bill I support. There is modest tax relief in this bill that goes to those who most need it. But not nearly enough. And the price we pay for this meager relief for working families is tax cuts three times larger targeted to the richest Americans. That's not a deal that I would want to explain to the working people in my state.

Consequently, Americans who earn between $27,000 and $44,000 will get an average tax cut of merely $596. But the wealthiest Americans, with an average income of over $900,000, will see an average cut of $44,536.

Additionally, 10 million children, 1 in 7 children, live in families that will still get no benefit from the legislation, because the parents or guardians do not earn enough to qualify for the tax cuts in the bill.

In contrast, in 2010, the plan fully repeals the estate tax. This will cost the Federal Government $30 billion in that year alone and will cost nearly $1 trillion over the next 10 years. Yet the vast majority of estates, and nearly all small business and farms, will already be exempted from the estate tax when the repeal goes into effect because of the other estate tax reforms in the bill. By 2010, under the bill, a couple would be able to shield $7 million from estate taxes. Full repeal on top of those high exemptions will only benefit the richest of the rich.

In Minnesota, in 1999 only 636 estates paid any estate tax. Only 636 estates out of the nearly 5 million people who lived in my State. Only 36 of those estates were valued at over $5 million!

Now let me give credit where credit is due. At the strong insistence of some of us on the Democratic side, the child credit expansion that is included in the bill is a significant improvement over the President's proposal. It would be refundable to families earning more than $10,000 per year, phasing in at 15 percent of earnings above that amount. So, for example, a family earning $11,000 a year would get $150 and a family earning $16,000 would get $900 as a refund from the IRS. If this provision becomes law, half a million children will be lifted out of poverty. This proposal offers some modest relief for certain low and moderate income families with kids, and the Committee should be applauded for at least including a partially refundable child credit in this bill.

However, the partial refundability provision in this bill would still leave 10 million very poor children behind. That includes every child of a parent who works full-time at the minimum wage. Children left behind with the partial-refundability proposal include: 2 million children with a disabled parent; more than 300,000 children who live with a grandparent or other family members who are not working because they are retired; more than 6 million children whose parents work during all or part of the year; and 4 million children whose parents together worked at least 26 weeks—or half the year.

Like the Reagan tax cuts of the early 1980s, this bill is too big, and fiscally irresponsible. It is grossly unfair. Its benefits go mostly to the wealthiest Americans. It will crowd out critical investments in education, health care, protecting the environment, energy conservation and renewables, and other key priorities for years to come. It will severely limit our ability to protect Social Security and Medicare, just as the baby boomer generation is preparing to retire.

In conclusion, Mr. President, as we get ready to vote, I thank my colleagues for all their cooperation on this vote and say, with a twinkle in my eye, to my good friends on the other side, that in some ways this tax cut has finally made me a fiscal conservative because, as I look at what is going to happen in the out years, I see a huge erosion of the revenue base.

I am so worried that at the very time people reach the age where they qualify for Social Security and Medicare, we are not going to have the resources. This is a mistake. It is a profound mistake, though I understand the good intentions and goodwill of, for example, the Senator from Iowa, Mr. GRASSLEY.

On another point: Whatever happened to the President's goal of leave no child behind? Whatever happened? The Senator from Massachusetts is absolutely right.

The huge victory here—if you want to call it that—for those who believe there is no positive role for Government to make in the lives of people is that there will not be the revenue. So for those children who come from disadvantaged backgrounds, we are not going to have the funding for title I. We won't be able to make the commitment to make sure the children are kindergarten-ready or that higher education will be affordable. We won't be able to renew our national vow of equal opportunity for every child.

I believe these tax cuts are directly antithetical to what our country is about, which is equal opportunity for every child. That is why I will vote no.

The PRESIDING OFFICER. The Senator from Iowa, Mr. GRASSLEY, is recognized.

Mr. GRASSLEY. Mr. President, do I have 5 minutes?

The PRESIDING OFFICER. The Senator is correct.

Mr. GRASSLEY. Mr. President, I yield the first 2 of my 5 minutes to the Senator from Texas, Mr. GRAMM.

The PRESIDING OFFICER. The Senator from Texas, Mr. GRAMM, is recognized.

Mr. GRAMM. Mr. President, I had the great good fortune of being here 20 years ago and being involved in the

Reagan tax cuts—tax cuts that let working people keep more of what they earned and ignited the golden economic age in which we live.

One of the advantages of living a long time and serving in public office a long time is that you get an opportunity for a day such as this when, 20 years later, we are cutting taxes again. This is a great day for the people who do the work and pay the taxes and pull the wagon in America and who often get forgotten by their Government.

It is obvious in listening to our colleagues that it is a sad day for those who desperately wanted to spend this money here in Washington, DC, but I hope my colleagues find some solace in the fact that working men and women sitting around their kitchen tables trying to make ends meet will use this money far more effectively to promote their interests and America's interests than we would use it spending it here in Washington, DC.

I thank our distinguished chairman, Senator GRASSLEY, for his leadership in making this day possible. I reserve the remainder of the time for Senator GRASSLEY.

Mr. GRASSLEY. Mr. President, we have now come to the end of our many days of deliberation over the tax cut bill. This will probably be my final bill during my brief tenure as chairman of the Finance Committee, and so, I want to make a few closing remarks about the bill before us this morning.

This bill represents an enormous bipartisan effort. This bill has had bipartisan participation from its very creation, all the way through to its completion in conference with the House. The bill before us today was drafted in concert with Senators BAUCUS, BREAUX, and many others on the Finance Committee from both sides of the aisle—all of whom I consulted with personally. I thank you all for your insights and guidance in designing this bill.

I would also like to thank Chairman BILL THOMAS of the House Ways and Means Committee. His responsiveness to the difficulties we face here in the Senate was refreshing and very constructive. But most of all, we should thank President Bush. It was his leadership and vision that led us to this historic moment—as we prepare to enact the largest individual income tax cut in 20 years.

We took as a starting point President Bush's efforts to provide income tax relief to all Americans. This legislation includes the four main elements of President Bush's goals for providing tax relief to working families: the bill before us today provides an across the board tax cut and creates the new low 10 percent rate requested by the President; the bill reforms and repeals the death tax, which the President wanted; the bill provides marriage penalty relief, which the President and Congress have sought for a very long time; the bill also includes a $1,000 refundable child credit, which was specifically requested by the President. Sixteen million more children will be helped by our bill. In addition, the bill contains an extensive education incentives package, pension and IRA enhancements, and AMT relief.

This tax bill is a victory for Republicans. It is a victory for Democrats. It's a victory for the President, but most importantly, it is a victory for the taxpayers of the United States.

Now for some of the details. First, the conference bill reduces marginal rates across-the-board and applies the President's 10 percent rate retroactively to January 1st of this year. The Treasury Department will issue rebate checks to American taxpayers to remit any excess taxes that have been withheld on their 10 percent earnings earlier this year. The 28 percent, 31 percent and 36 percent rates will be reduced by 3 points over the next several years.

The first one point rate reduction will take effect on July 1—just a month from now.

The rebate checks and immediate rate reductions will provide a stimulus that our sluggish economy very much needs. In addition, the 39.6 percent top marginal rate will drop to 35 percent. While we don't go as far as the President in reducing the top rates—and I would add we didn't go as far as I would like—we also address the hidden marginal rate increases caused by current law that denies deductions for personal exemptions and itemized deductions.

Those laws will be repealed, thus eliminating these hidden marginal rate increases and removing another complexity from the Code. We provide marriage penalty relief for married families—for families where both spouses work and where only one spouse works.

The President's desire to expand the child credit to $1000 is met in this bill. And in response to the concerns of Senators SNOWE, LINCOLN, BREAUX, JEFFORDS, and KERRY the child credit was expanded to help millions of children whose working parents do not pay income tax.

And lastly, we heard America's voices and have reformed and repealed the death tax. Starting January 1 of next year, the unified credit is increased to $1 million and the top rate is cut to 50 percent. The burden of the death tax is reduced and will be eliminated—as called for by President Bush. This effort is due to the work of many Senators but I would particularly note the efforts of Senator KYL and Senator LINCOLN.

In addition, the bill contains many provisions targeted for education. Elements include expansion of prepaid tuition programs to help families pay for college—long advocated by Senators COLLINS, MCCONNELL, and SESSIONS. In addition, we provide college tuition deduction thanks to Senators TORRICELLI, SNOWE, and JEFFORDS, as well as an expansion of the education savings accounts—in honor of Senator Coverdell—thanks to the work of Senator TORRICELLI and the Majority Leader. In addition to President Bush's proposals for tax relief for working families, we also included the Grassley-Baucus pension reform legislation which probably would not have made it in the bill without the longtime support of Senators HATCH and JEFFORDS.

In addition to maintaining the basic framework of the bipartisan agreement, we were able to retain some of the important amendments added to the RELIEF Act on the Senate floor. The key amendments we kept were keeping with the major focus of the bill—providing benefits for working families. First among these is that the adoption credit is extended and expanded effective 2003. I have been a long advocate on this matter, but I want to recognize the critical work of Senators LANDRIEU and CRAIG in this matter. Further, we were able to retain the goal of giving employers greater tax incentives to provide child care to their employees—long advocated by Senator KOHL.

In addition, we kept the policy advocated by Senator JEFFORDS of expanding the dependent care tax credit—which assists families facing the difficulties of providing care for children and spouses with special needs. We include Senator BINGAMAN's amendment offered in committee that allows the IRS to provide greater relief to families who are in a disaster area.

Finally, we retained the Senate amendment championed by Senator FITZGERALD that excludes from income payments made to survivors of the Holocaust. America is a society of opportunity. Over 60 percent of all families will at one time or another be in the top fifth of income in this country.

This bill will provide the American taxpayer with the greatest amount of tax relief in a generation. And they deserve it. It is wrong that in a time of surpluses we are still imposing a record tax burden on workers. With passage of this bill, struggling families will have more money to make ends meet; parents and students will be able to more easily afford the costs of a college education.

A successful business woman will be able to expand and hire more people; a father finally getting a good paycheck after years of work will be able to better provide for his aging mother; and, a farmer can pass on the family farm without his children having to sell half the land to pay estate taxes. The examples are endless of the great benefits that we realize when we give tax relief to working families. I would remind my colleagues again that the hallmark of this bill is that relief for low-income families comes first.

The marginal rate drop to 10 percent is immediate, and the effects of that reduction will be placed in taxpayer's hands this year. The child credit expansion to low-income families is immediate. Over 16 million more children will be helped by the provisions of this bill. In addition, the numbers show that once again, our bipartisan bill makes our tax system even more progressive. That is, at the end of the day upper income families would be paying a greater share of taxes than lower income taxpayers.

I also have a message for those who claim this bill benefits the rich at the expense of the poor, and that it will jeopardize Medicare and Social Security. Those things just aren't true. This is a bipartisan bill. We'll spend at least $3.5 trillion on Medicare in the next 10 years. That's more than 2.5 times the size of the tax cut. We wouldn't put forward bipartisan legislation that jeopardizes Medicare and Social Security. So I hope Americans will rest easy that this tax bill doesn't short-change one group of Americans at the expense of others.

My message to taxpayers is this: Substantial tax relief is on the way. The Government will ease its grip on your wallet. You deserve this. Now, the last time the Senate considered this bill, it turned the bill over and over and around and around. Some Members tried to huff and puff and blow this bill down. That didn't work. Like a house made of bricks, our bipartisan bill is standing strong. But apiece of legislation is only as good as the last vote it survives. Today, we are faced with a crucial vote. Let me say it again: This is a bipartisan bill.

I have described this legislation to remind Senators of the balanced approach that took place in crafting this bill; to highlight the fact that it reflects the views and priorities of a wide range of members on both sides of the aisle. I can assure my colleagues on the other side of the aisle that if Senator BAUCUS had not been present at the creation of this bill—it would have been a very different piece of legislation.

It is because of his efforts that there are many elements in this bill that members on the other side of the aisle can enthusiastically support. I am tired of reading in the press the constant carping of Senator BAUCUS' efforts to draft a bipartisan bill. It seems that while many are happy to talk about bipartisanship that can't stand to see bipartisanship practiced. We saw that happen the last time we brought this bill to the floor of the Senate.

I urge my colleagues to stop the petty partisanship and put the American taxpayers first. Now it is time for the Senate to send this much needed tax relief to the President for signature. America is waiting, and America is watching. Let's send them this historic tax relief package today.

Mr. President, I have 3 minutes, and I yield 1 minute to Senator HATCH.

Mr. HATCH. Mr. President, I am grateful that I was a conferee in this monumental historic event. I personally congratulate Chairman GRASSLEY and the ranking member, Senator BAUCUS. Both worked very well together. Of course, Chairman THOMAS and House Leader ARMEY and Speaker HASTERT did a terrific job, as did JOHN BREAUX, who has worked so magnificently through the years.

Six months ago nobody thought the President would win on a $1.35 trillion tax cut. It is amazing. He hung in there. He stood for what he believed, and I believe the American people are going to be the beneficiaries.

I want to highlight one thing. There are 16 million additional children who directly benefit from the refundable child credit contained in this comprise. This is one of the best bills for children and families I have seen in years and I just wanted to make that clear to everybody. The rate reductions and every other provision will benefit America.

This conference report is not perfect, just as no political compromise is perfect. I, like many of our colleagues, would have greatly preferred a larger tax cut of at least $1.6 trillion. Ideally, the top marginal rate should have come down to no more than 33 percent, with corresponding reductions in all the other brackets. The alternative minimum tax still will afflict millions of Americans. And, I greatly regret that the permanent extension of the research and experimentation credit was not accommodated in the final product.

On the other hand, Mr. President, this conference report includes the necessary elements that will make it stand out as landmark legislation. It does so much for the people of Utah and for the people of America. It begins to reverse the flawed philosophy that says the government knows best how to spend the taxpayers' hard-earned money. It cuts taxes for every American who pays them. It will stimulate the economy and provide incentives to keep it strong in the future. It acknowledges the importance of families, as well as the need for providing a good education for our people. It also includes strong incentives for all Americans to increase their savings and prepare for their own retirements. It recognizes the gross unfairness of the confiscatory death tax and begins immediate relief with repeal within a decade. It makes great strides against the unfairness of the marriage tax penalty in a way that does not punish those families where one spouse chooses to stay at home. On the whole, it is a very good bill.

Although this tax cut bill is the capstone of our budget agreement, I also look at it as just the beginning. The beginning of what I hope will be more bipartisan work this Congress to make the tax code even more fair and certainly more simple. And, what I hope will be continuing cooperation between the President and the Congress.

I again want to extent my congratulations and gratitude to the chairman of the Finance Committee, Senator GRASSLEY, for his extraordinary dedication to bipartisanship and his tireless dedication to accomplishing the triumph that is represented in the conference report that lies before the Senate today. Without his perseverance and persistence in sticking to the goal at hand despite many obstacles, this victory for the American taxpayer would not have been possible.

Likewise, I thank Senator BAUCUS for the major role he played in getting us to this point today, and for his courage in the face of opposition of many in his own party. He, along with Senator BREAUX, have shown all of us what it means to rise above partisanship and pure politics for the sake of what is good for the nation. They, together with the others in the soon-to-be majority party who supported this bipartisan tax cut, have my respect, my gratitude, and my promise that I will continue to reach across the aisle to work with them to further improve our tax system in the future.

My fellow conferees deserve a lot of credit for accomplishing this difficult task. Congressman THOMAS, the new chairman of the Ways and Means Committee, demonstrated toughness, dedication, knowledge, and compassion in representing the House position. I also want to commend Speaker HASTERT and Leader ARMEY for their tireless support and contributions. On the Senate side, Senators MURKOWSKI, NICKLES, and GRAMM put in many long, difficult, and late hours in helping us find our way through the differences in the House and Senate bills to reach the compromise.

Mr. President, most of all, I want to extend my congratulations to President George W. Bush. The tax cut the Senate just passed is a testament to his vision and his willingness to carry out with single-mindedness a campaign promise that many, frankly, took lightly and considered highly unlikely if not impossible. This is what real leadership is all about, and I commend him for it.

This is a great day in the United States Congress. I am proud that I was able to be part of it.

I thank my colleagues.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. GRASSLEY. Mr. President, there will be a lot of speeches about the substance of the legislation and, obviously, I think it is a good piece of legislation or I would not have negotiated the final product. I think it is good for the economy. It is surely good for working men and women of America to have tax relief. It is surely good for fiscal discipline within our Government as we make sure that the Government must squeeze every dollar of value out of every penny that we spend.

I think leaving this money in the pockets of the taxpayers rather than sending it to Washington will help us with our fiscal discipline. Most importantly, I think the process by which this product is before us is much more significant than the product because the control of the Senate hangs in the balance—even over the next several years, it seems to me, regardless of the exact numbers.

The Senate is known for its bipartisanship to pass legislation. I hope that the work Senator BAUCUS and I have done in a bipartisan way to bring this product of tax relief to the American taxpayers and to this body for it to become law serves as an example not only for the entire Senate but also will continue the tradition of bipartisanship that we have had in our committee.

I hope that we do, in fact, look upon the Senate as being very closely divided for a long period of time, and for whoever is in control, it is very important that we continue this bipartisanship in the Senate.

I yield the floor, and I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

Mr. CRAIG. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. BINGAMAN (after having voted in the negative). Mr. President, on this vote, I have a pair with the Senator from New Mexico (Mr. DOMENICI). If he were present and voting, he would vote ''yea.'' If I were permitted to vote, I would vote ''nay.'' I therefore withdraw my vote.

Mr. AKAKA (after having voted in the negative). Mr. President, on this vote, I have a pair with the Senator from Wyoming (Mr. ENZI). If he were present and voting, he would vote ''yea.'' If I were permitted to vote, I would vote ''nay.'' I therefore withdraw my vote.

Mr. NICKLES. I announce that the Senator from Wyoming (Mr. ENZI) and the Senator from New Mexico (Mr. DOMENICI) are necessarily absent.

I further announce that if present and voting, the Senator from Wyoming (Mr. ENZI) and the Senator from New Mexico (Mr. DOMENICI) would each vote ''yea.''

Mr. REID. I announce that the Senator from California (Mrs. BOXER), the Senator from Massachusetts (Mr. KERRY), the Senator from Washington (Mrs. MURRAY) are necessarily absent.

I further announce that the Senator from Vermont (Mr. LEAHY) is absent attending a funeral.

I also announce that the Senator from Iowa (Mr. HARKIN) is absent attending his daughter's wedding.

I further announce that if present and voting, the Senator from California (Mrs. BOXER), the Senator from Iowa (Mr. HARKIN), the Senator from Massachusetts (Mr. KERRY), and the Senator from Vermont (Mr. LEAHY) would each vote ''nay.''

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 58, nays 33, as follows:

[Rollcall Vote No. 170 Leg.]

YEAS—58

Allard	Frist	Murkowski
Allen	Gramm	Nelson (NE)
Baucus	Grassley	Nickles
Bennett	Gregg	Roberts
Bond	Hagel	Santorum
Breaux	Hatch	Sessions
Brownback	Helms	Shelby
Bunning	Hutchinson	Smith (NH)
Burns	Hutchison	Smith (OR)
Campbell	Inhofe	Snowe
Carnahan	Jeffords	Specter
Cleland	Johnson	Stevens
Cochran	Kohl	Thomas
Collins	Kyl	Thompson
Craig	Landrieu	Thurmond
Crapo	Lincoln	Torricelli
DeWine	Lott	Voinovich
Ensign	Lugar	Warner
Feinstein	McConnell	
Fitzgerald	Miller	

NAYS—33

Bayh	Dodd	McCain
Biden	Dorgan	Mikulski
Byrd	Durbin	Nelson (FL)
Cantwell	Edwards	Reed
Carper	Feingold	Reid
Chafee	Graham	Rockefeller
Clinton	Hollings	Sarbanes
Conrad	Inouye	Schumer
Corzine	Kennedy	Stabenow
Daschle	Levin	Wellstone
Dayton	Lieberman	Wyden

PRESENT AND GIVING A LIVE PAIR, AS PREVIOUSLY RECORDED—2

Akaka, against	Bingaman, against

NOT VOTING—7

Boxer	Harkin	Murray
Domenici	Kerry	
Enzi	Leahy	

The conference report was agreed to.

Mr. ENSIGN. I move to reconsider the vote by which the conference report was agreed to.

Mr. BROWNBACK. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

MORNING BUSINESS

Mr. ENSIGN. Mr. President, I ask that there now be a period of morning business, with Senators allowed to speak for up to 10 minutes each.

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

LETTER OF DECISION

Mr. DASCHLE. Mr. President, I ask unanimous consent that the following letter, which I received from Senator JEFFORDS this week, be printed in the RECORD.

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

U.S. SENATE,
Washington, DC, May 24, 2001.

Hon. THOMAS DASCHLE,
Democratic Leader,
Capitol, Washington, DC.

DEAR SENATOR DASCHLE: I am writing to you, Vice President Cheney and Senator Lott, to inform you of my decision to become an Independent and caucus with the Senate's Democrats for organizational purposes once the conference report to accompany H.R. 1836 is transmitted to President George Bush for his signature.

My change in affiliation is to become effective at the close of business on either the first day of session following the upcoming Memorial Day recess, or the close of business on the date of such transmittal, whichever occurs later. I hope it will assist the Senate if the recess is available to the Leaders to discuss and decide the numerous transition issues the Senate will face.

Sincerely,

JAMES M. JEFFORDS,
U.S. Senator.

HONORING THE BUFFALO SOLDIERS

Mr. DEWINE. Mr. President, I rise today to submit a Resolution to honor a group of Americans who have dedicated their lives to serving and protecting our Nation.

As we approach Memorial Day, we should take time to remember the sacrifices and achievements of our armed forces. In doing so, I would like to recognize the heroic African Americans who served in the Ninth and Tenth Horse Cavalry Units of the U.S. Army. These units first were established at the end of the Civil War and eventually were ordered to the Western Frontier, where they earned the name ''Buffalo Soldiers.'' These men were instrumental in the realization of our Manifest Destiny by guarding settler communities and securing new western land. These brave American soldiers continued to serve our country in the Spanish-American War as part of Theodore Roosevelt's Rough Riders and again in during World War II, both in Europe and here at home as our domestic defense in California against a possible Japanese invasion.

The Buffalo Soldiers were truly brave Americans to which our country owes a great debt. I would like to draw special attention to a soldier in their ranks—Colonel Charles Denton Young. Colonel Young was a lifelong resident of my home state of Ohio and contributed greatly to his country. He graduated from West Point in 1884 as only the third African American to ever receive a diploma from the Academy. Owing to his strength, perseverance, mental and physical toughness, and a natural ability to lead, Young eventually was promoted to the rank of Colonel, which was the highest rank ever achieved by an African American at that time.

Leading his men on the battle field, however, was not the only way Colonel Young had an influence on the people around him. He took an active role in his community as an educator and mentor to students at Wilberforce University in Ohio. Colonel Young was a person whom others wished to emulate, and continue to emulate today, as Secretary of State Colin Powell has cited Colonel Young as one of his earliest role models. I believe I can speak for all Ohioans when I say that we are extremely proud of Colonel Young and his contributions to our nation, and I believe that America has great cause to share in this pride.

I ask that when celebrating the great accomplishments of our armed forces this Memorial Day, we do not forget