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 of children to come.

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 said that this concord 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 10 years. The cost of the 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 certainely 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 and interest costs of the wealthiest Americans, with an average cut of merely $596. But the wealthiest Americans, with an average income of over $900,000, will see an average cut of $44,536.

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 window is closed 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 368 of those estates were valued at over $5 million! For those children who come from disadvantaged backgrounds, we are not going to have the resources. 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 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 par-