

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 impor-

tant 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.