

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God is going to take them, he takes them only in 2010, because that is the only year that the estate tax is repealed.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.