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.