

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 next 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 education 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.