and all that money, and you know where their friends are. You know who their defenders are.

(Mr. JOHNSON assumed the Chair.)

Mr. SARBANES. Will the Senator yield for a question on that chart momentarily?

Mr. DASCHLE. I am happy to yield.

Mr. SARBANES. If I understand this chart, if you are in the top 1 percent of the wealthiest Americans, under the President's proposal you would receive a tax cut that would equal the income—not the tax cut—of approximately six earners in the lowest 20 percent of the income scale. In other words, the people in that income scale have an average income of about $9,000 year, as I understand the chart. They would get a tax cut of $66 a year. They get $9,000 in total income, while the upper 1 percent will get a tax cut just shy of $54,000. The tax cut alone is equal to the earnings of six people in the bottom 20 percent of the income scale.

Is that correct?

Mr. DASCHLE. The chairman of the Banking Committee has put his finger on exactly what it is we are trying to focus on here—the disparity and the extraordinary maldistribution this tax cut represents. There is an unbelievable disconnect here between those at the lowest end who have already seen cuts in education and health care, declines in their retirement accounts, and who are probably in many cases working three or four minimum wage jobs, attempting to make a living. They get a $66 tax cut. Those making an average of $1.1 million a year get a tax cut of more than $53,000. In fact, some in this category make more than $700 million a year and who knows the size of the tax cut these people would get?

The sad thing is—and the Senator from Maryland makes such a good point—that those people who have virtually no tax cut available to them are the very ones who have seen their purchasing power decline.

Since 1997, we have seen the real earnings of full-time minimum wage workers, over half of whom are women and heads of households, decline from $11,560 to $10,300. But can we get a minimum wage vote on this floor? Can we get the kind of support on a bipartisan basis required to deal with this situation? No. We can get the support for that $53,000 tax cut for the top 1 percent. But I can't find the Republican support nor the administration support and leadership required to deal with this extraordinary and sad consequence of the government's inaction on the minimum wage.

Mr. CORZINE. Mr. President, will the leader yield for a question?

Mr. DASCHLE. I would be happy to yield to the Senator from New Jersey.

Mr. CORZINE. Did I hear the leader suggest that we are talking about taking $2 trillion out of the Social Security trust fund to fund the other things that are going on with regard to economic policy? If I am not mistaken, I think I saw a chart that projected $2 trillion and how we would utilize the Social Security trust fund. I think those are payroll taxes from working Americans from all walks of life.

Then, if I am not mistaken, as I looked at your chart where the tax cuts are actually going, it would appear to me that we are using the Social Security trust fund to fund tax cuts for those at the very high end of the marginal tax brackets.

Is my analysis from looking at your charts correct? Does the leader have a comment on that?

Mr. DASCHLE. The distinguished Senator from New Jersey makes a very good point. Probably no one can make that point with greater credibility than can he.

Let me just simply compare this chart. You have seen an increase in the draw down of the Social Security trust fund. We have actually spent $2 trillion of Social Security. We put those resources into this tax cut, providing $53,000 per year to the top 1 percent of income earners in this country. You have seen an income transfer from those paying payroll taxes—largely at the lower end of the income scale—to those at the upper end of the income scale. This represents an income transfer in the opposite direction from poor working people to those at the very top.

Mr. CORZINE. If the leader will bear with me a second, if we look at the table he has with regard to the second level, it looks as though some of the individuals who will benefit the most from this tax cut—it is almost inconceivable that we are using payroll taxes for men and women at WorldCom and Enron. It is just hard to believe.

Mr. DASCHLE. I know the Senator from New Jersey remembers this. But I recall the House passed their economic stimulus package, and part of that package included a $254 million retroactive tax cut for Enron. The administration saw no problem with that. Our Republican friends were anxious to vote for it. In fact, when we stopped it, we were called obstructionists. But that was the kind of obstructionism that stopped Enron from getting $254 million from their taxes.

To summarize, what ought to be going up is coming down and what ought to be going down is coming up. What ought to go down is the raid on the Social Security trust fund. It is going up. What ought to go down are interest costs, but they are going up. What ought to go down is the national debt, but it is going up. What ought to go down are foreclosures, health care costs, and job losses, but they are going up. What ought to go up—economic growth—is going down. What ought to go up is business investment, the market, retirement accounts, consumer confidence, and the minimum wage. They ought to go up. But in these last 18 months, every single one of these factors has gone down.

This will be the subject of a lot more discussion, debate, and hopefully illumination over the course of the next several weeks and months. But we have to change these arrows. We have to ensure that economic growth goes up. We have to ensure that the stock market, retirement accounts, pension funds, consumer confidence, and the minimum wage go up. We have to do what we did in the 1990s—have an economic performance that gives people the sense that they can live in dignity and in confidence, knowing their retirement accounts and Social Security checks are going to be there.

We have to end the job loss, deal with health care costs, and make sure we reduce the raid on the Social Security trust fund.

I hope Republicans and Democrats can do for economic security what we are attempting now to for our national security—recognizing that this won't change unless we do it together, and recognizing that while this national security issue dealing with Iraq may be accomplished with one resolution, it is going to take a lot more than one resolution to turn our economy around. It is going to take the same kind of discipline we demonstrated in the 1990s. It is going to take the same kind of commitment on a bipartisan basis for these issues to be addressed, and a lot more consequential.

As busy as we are and as important as the effort on Iraq is, I hope this administration will dedicate some of its time this week to economic security as well, to these declining numbers, to this atrocious record, to a recognition that it takes leadership not only with regard to international and foreign policy but leadership here at home and economic policy as well. We haven't seen it to date, and the time has come for leadership on this as well.

I yield the floor.

EXTENSION OF MORNING BUSINESS

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. Mr. President, I ask unanimous consent that the time the majority used in excess of our half hour be extended to the minority for morning business.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

The Senator from Maryland.

UNEMPLOYMENT BENEFIT INSURANCE

Mr. SARBANES. Mr. President, I thank the distinguished majority leader for his excellent presentation with respect to the state of our economy. He has described in very straightforward terms the serious economic problems we confront: weak economic growth, rising job losses, declining business investment, a falling stock market, eroding consumer confidence, and a deteriorating Federal Government fiscal position.

Just this morning, the Wall Street Journal reported:

What looked like a brief dip in economic activity a month ago looks increasingly like a protected slowdown. . . . The Federal Reserve said Tuesday that industrial production fell 0.3 percent in August from July, the first decline since December, when the recession was ending.

The majority leader made a compelling case, in my view, for focusing the attention of the Congress and the President on the urgent economic challenges we confront at home, as well as the significant security and foreign policy challenges we confront abroad.

I wish to take a few moments to focus briefly on a very pressing economic challenge that is before us right now and which ought to be addressed before the end of the year: the problem of the long-term unemployed and the need to extend unemployment insurance benefits. I urge the administration to submit to the Congress a proposal for the extension of unemployment insurance benefits.

On September 9, the New York Times ran a front page story entitled, ''Long-Term Jobless Rose by 50 Percent Last Year.'' The article stated—and I now quote from it—

. . . the number of people who have been jobless for months has climbed to a level more typical of a deep downturn. Almost three million people nationwide have been out of work for at least 15 weeks, up more than 50 percent from a year ago. Half of them have not worked for at least 6 months. Another million Americans appear to have dropped out of the labor force in each of the past two years, no longer looking for work or counted as unemployed. . . . Many people who have not worked in months have begun spending retirement savings that were already diminished by the stock market's fall. Others are considering low-wage jobs at a fraction of their old pay. In either case, their stretches of unemployment could define their financial futures for years.

It goes on to say:

Many unemployed people . . . see little sign that companies will soon begin hiring in large numbers. And some are growing increasingly nervous because unemployment benefits that were extended . . . will expire soon.

I want to make a very simple but important point in light of this rise in the long-term unemployed and the challenge that it presents. I strongly urge the administration to address it and to send the proposal to the Congress.

We extended the unemployment compensation program earlier this year to provide an additional 13 weeks beyond the basic 26 weeks. But this program is scheduled to end on December 31 of this year, which means that someone who is then in the 27th week of their benefits at the end of 2002 could receive no further unemployment benefits. This program is scheduled to end at the very time when the number of long-term unemployed is not coming down, but is increasing.

The projections on the unemployment front are not encouraging. The CBO predicts the unemployment rate will remain near 6 percent until the second half of next year. When we enacted the extension, it was at 5.7 percent. Unemployment is projected to stay high well into next year, while the extension is scheduled to expire on December 31 of this year.

Now, in previous recessions—and it is important to note this—we extended the increase in the time period to collect unemployment benefits. Back in the recession of 1990–1991, unemployment benefits were extended five separate times. In fact, not only were they initially extended by 13 to 20 weeks but then the period was lengthened again to between 52 and 59 weeks. I am very frank to tell you I think we have to confront this situation.

States are reporting larger increases in the exhaustion of unemployment benefits during this recession than during the last recession. So for those people who have been thrown out of work—and I am not going to go through the litany of it; much of it has hit the dot-com industry—they either have or are close to having exhausted their unemployment benefit payments. They are going to be in even deeper trouble once they cross that threshold and exhaust their unemployment benefit payments.

I am not seeking anything that is out of the ordinary in terms of past experience, but I think these benefits must be extended.

Let me make one final point. The temporary provision of additional Federal benefits to the unemployed, in the wake of economic downturns, has long served a dual purpose. Beyond providing needed income support to those whose spells of unemployment are lengthened by recessionary conditions, it is also very well designed to give the economy a boost.

Unemployment benefits are quickly injected into the economy. Benefits can be paid immediately through the existing unemployment insurance system. They are targeted to areas where the downturn has hit the hardest. They go to areas with large concentrations of newly unemployed who qualify for benefits. They stimulate demand where it has deteriorated the most. They are very effective in boosting the economy. And, of course, they come to the rescue of people who have found themselves out of work and are under extreme stress in order to meet the financial demands of supporting themselves and often their family as well.

So we need to extend unemployment benefits. We need to fill in the weaknesses in the system. We need to give the people who have lost their jobs, and are now confronting a very severe situation, some support in these trying circumstances.

We have extended unemployment benefits before repeatedly. It has worked. It has been seen to work. We need to do so again. I very strongly urge the administration to face this challenge and to send to the Congress—promptly and immediately—a proposal with respect to unemployment insurance benefits that would help to assure that the millions of people across the country, who already have or may in the future exhaust their unemployment benefits, will not find themselves without any income support at the same time that they are confronting an economy in which job restoration is not taking place.

If job restoration were taking place, and the economy was on the upswing, and one could reasonably say to people, well, opportunities are returning and, therefore, you can find work. But that is not what is happening. You have people facing an economy which is softening, as the Wall Street Journal reported just this morning, as they said, ''What looked like a brief dip in economic activity a month ago looks increasingly like a protracted slowdown. . . .''

We must at a minimum provide this assistance.

I yield the floor.

EXTENSION OF MORNING BUSINESS

Mr. REID. I want to make sure the record is clear. I asked earlier, whatever time Senator DASCHLE used be given to the Republican side in morning business, so that their morning business time would be extended by whatever time we went over morning business, which had been a half hour, plus whatever extra time he used.

How much time would that be, Mr. President?

The PRESIDING OFFICER. It would require 5 minutes.

Mr. REID. OK. And then whatever time Senator SARBANES used, that would also be given to them to speak in morning business. Is it clear the extra time used by Senator DASCHLE and the time used by Senator SARBANES would be given to the Republicans so they could speak in morning business, and that would delay our going to the homeland security bill for whatever additional time that is? I ask unanimous consent that be the order.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

The PRESIDING OFFICER. The Senator from Texas.

Mr. GRAMM. Mr. President, I listened intently as the majority leader spoke. I remind my colleagues, we are debating homeland security and that we are preparing for a debate and a vote on Iraq.

I don't think it ever does any harm, however, to talk about the fact that the country has additional challenges. I guess I would express two sources of disappointment with the speech the majority leader gave. The first source of disappointment would have to do with the absence of a program to deal with a single one of these problems.

Anybody who goes back and listens to that long litany of woe would say: What did the majority leader say we are supposed to do about it? One would