

are debating today homeland security. We are also engaged in another significant debate about international security in the context of Iraq and the war on terror. But as Senator DASCHLE reminded us, we also have to be concerned about economic security in the United States.

Frankly, the economic numbers we have been seeing lately do not give much confidence to the American people that their economic security is being protected. As the vice chairman of the Joint Economic Committee, I have the opportunity to review, along with the staff, the reports that are coming in about our economy. It is clear that GDP is growing, but too slowly to make much of a dent in the unemployment rate. People who have lost their jobs face a much more difficult job market, and many are beginning to exhaust their unemployment benefits.

Everyone is facing increased premiums for health care. Employers are cutting back their contributions to health programs. They are being stressed in terms of adequately funding pension programs. These are the real concerns of Americans today all across this country.

When we look at the numbers, when we look at the reports, the conclusion is, obviously, we are still in an economic slump. Indicative of this are the figures I have on this chart. This is the record of job growth, but it is not growth at all, it is job loss during the Bush administration. In January 2001, there were 112 million jobs, today, August 2002, 110 million jobs—a loss of over 2 million jobs that have not yet been replaced in this economy.

The unemployment rate in August was 5.7 percent. That is one and a half percentage points higher than it was when President Bush took office. The number of unemployed Americans was more than 2 million higher in August than it was when President Bush took office, as indicated by this chart.

There is also another telling statistic that is within these unemployment numbers. The number of long-term unemployed Americans—those who have been unemployed more than 26 weeks—has increased significantly. This chart reflects that increase. In January of 2001, 648,000 Americans had been unemployed more than 26 weeks; in August 2002, 1,474,000 Americans were unemployed more than 26 weeks—a significant jump. It is significant not just in terms of numbers but in terms of something else: Americans exhaust their basic unemployment benefits after 26 weeks. Unless we have an extended benefit program in place, after 26 weeks American workers have no support as they look for jobs, as they try to support their families, as they try to make ends meet. This problem is not going away.

Although as part of the stimulus package we have passed extended benefits, they are scheduled to expire at the end of this year, so we have a real obli-

gation in these remaining days to protect a basic tenet of economic security in this country, and that is to provide extended unemployment benefits.

The 1,474,000 will increase, and these individuals will not have the support they need to provide for their families. The little bit of growth we have seen so far is not going to head off a jobless recovery.

It should be noted that when President George Herbert Walker Bush was President and we were in a recessionary period in 1991, the unemployment rate rose another full percentage point in the 15 months after the GDP started to grow again. So we can likely see increased unemployment.

There are forecasters who have suggested our economic growth will be about 2.8 percent for the rest of the year—that is the Blue Chip consensus forecast—but the economy has to grow at more than 3 percent to generate the kind of new jobs that will reverse this unemployment situation. No consensus forecaster fully expects that type of growth going forth. As a result, most economists suggest and predict that unemployment rates will rise to 6 percent. Again, this is a real challenge to the safety and security of the American family, just as real as the threats we are debating in terms of homeland security and international security.

The conclusion, as one looks at these numbers and the economic performance from the time the President took over, is that President Bush's economy looks a lot like his father's economy. It is in recession, unemployment is growing, it will continue to grow, and yet there has not been an adequate response to this problem by the White House. He seems to have one proposal with respect to every economic question, and that is cutting the taxes of the wealthiest Americans.

As this chart indicates, this is the effect of the proposed tax cuts of President Bush, tax cuts that were enacted last year. At year 10, when they are fully realized, the average benefits, based on income level, will be as portrayed in this chart. The lowest 20th percentile of Americans will receive about \$66 a year in benefits. It goes up to about \$375 for individuals making around \$20,000, \$600 for those making about \$39,000 a year. The real gain, the real benefit, goes to the very wealthiest Americans—\$55,000 roughly, on average, for the top 1 percent. That is their annual savings for the tax benefits generated by the Bush tax proposal. This is not fair, and it is not smart. Unless we get all Americans participating fully in our economy, having the disposable income to go to the store to keep consumption up, to keep demand up, we are not going to have an economy that works for any American. Indeed, this is a glaring example of what some criticized Democrats for—class warfare. What is more unfair, inequitable, and slanted toward a class than this tax cut which favors the wealthiest Americans?

In addition to these tax numbers, we have to understand that these tax cuts have put enormous pressure on other programs that are decisive for every American, but particularly important for low-income Americans: Medicaid Programs, Medicare Programs, a host of other programs that need Federal support. That support has been strained dramatically because of the pressure of the tax cut.

We are at a point now where we have to act. We have to act in the very short run to restore extended unemployment benefits for the growing number of long-term unemployed Americans. We have to act, also, to resist the temptation to make all of these tax benefits permanent. However unfair this situation is, it will be compounded, and it will be compounded dramatically, if we make the tax cuts of the last year permanent.

We have to go ahead and focus on those issues that are critical to the welfare of the American family today, for their economic security today. We have to be concerned about pensions, their strength. We have to protect, I believe, Social Security, which is the bedrock of America.

I wonder how many employees of Enron and WorldCom and other companies 2 years ago would have considered their Social Security as just a trivial benefit compared to their expanded and ever-growing 401(k) plans. Today, I suspect, they see their Social Security benefit, their defined benefit, as a lifeline, allowing them to make ends meet, or at least giving them a little extra to get through.

We have to be strong in terms of protecting the bedrock program, Social Security. We have to be concerned about rising health care premiums and prescriptions drug costs. None of these problems can be addressed unless we provide the leadership, the resources, and the attention the American people demand.

Let me conclude by saying, again, there is at least one thing we must do in the next several weeks: Extend long-term unemployment benefits. Unemployment, long term, is growing. It will continue to grow for many months. American workers deserve the opportunity for some support as they look for new jobs. They deserve the opportunity to help their families as they get through a very difficult period of time.

I yield the floor.

#### MORNING BUSINESS

Mr. REID. Mr. President, under the previous order, we go into a quorum call and, following that, Senator LIEBERMAN will be recognized. I ask unanimous consent that the Senate now proceed to a period of morning business until 3 p.m. today, and, following the morning business being terminated, the Senator from Connecticut, Mr. LIEBERMAN, the manager of the bill, be recognized.

There is a lot of work going on regarding homeland security and different ways of moving forward. Senator LIEBERMAN and his staff and Senator THOMPSON and his staff and the two leaders have been working.

I also note that at 2 p.m. there is a gold medal ceremony in the Capitol Rotunda for General Shelton. I think the time would be well spent if we were not working directly on the bill so people would not have to worry about procedure.

I ask unanimous consent we go into morning business until 3 p.m., and at 3 p.m. Senator LIEBERMAN be recognized, and during that period of morning business the majority and minority have equal time of 10-minute limitations.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. REID. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. WARNER. Mr. President, I ask unanimous consent the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### VIOLENCE IN THE MIDEAST

Mr. WARNER. Mr. President, in the past 24 hours the world awakened again to another tragic incident causing great damage, death, harm, and destruction to the people of Israel. There are now news reports that, understandably, the Israelis are positioning their forces such that they, first and foremost, have to defend their sovereignty and the people of their nation, but that could again result in injury and death to others.

Regrettably, this has gone on for a very long time. Speaking for this one Senator, I feel it as an obligation on me, and I share that obligation with my colleagues, to address this subject and to put forth our own ideas as best we can fashion them. I am about to do that again. For the fourth time I have taken this floor and spoken about a concept I have had. I once again share it with my colleagues in hopes, if they have a better idea, if this administration has a better idea, then put it forward.

My thoughts were expressed on the floor on May 2 of this year in the CONGRESSIONAL RECORD, page 3812; June 21, CONGRESSIONAL RECORD, page 5891; July 24, CONGRESSIONAL RECORD, page 7299.

On August 2, roughly 6 weeks ago, I wrote the President of the United States. Copies were sent to his principal Cabinet officials having responsibilities in these areas. I am going to read that letter because it embraces my thoughts. Even though it was 6 weeks ago, I still steadfastly believe this is one approach to this tragic situation that deserves consideration.

I fully understand our President and his Cabinet are heavily engaged with

regard to critical considerations on Iraq and the United Nations. But I believe there is a connection between the ongoing crisis and the unsettled situation and the death and destruction in this tragic conflict between Israel and the Palestinian people.

Six weeks ago I wrote to the President. This is the first time, of course, I have made public this letter. I respect the President of the United States of whichever party. In these 24 years I have been privileged to be in the U.S. Senate, I have written on occasion, as each of us do, to our Presidents. But I try not to write the letter and within the same day or days release it. So this is the first time I have released this letter. It was 6 weeks ago, August 2 of this year:

DEAR MR. PRESIDENT, the Nation recently celebrated our traditional 4th of July holiday—normally a time of joyful reflection about our history and patriotism. Thankfully, it was a peaceful day for America, but we entered that holiday period confronted with yet more warnings of possible terrorist attack. It is, indeed, prudent that our citizens be warned of such threats, even when specifics are lacking. However, if these warnings continue indefinitely, our people will begin to wonder what is the root cause of this hatred toward America and what is our government doing about it.

For the first time in the over 200 year history of our Republic we, under your leadership, are establishing a Department of Homeland Security and designating a new military command, U.S. Northern Command, to protect the fifty states. We've taken bold steps at home; others must join us in taking bold steps abroad.

As we all know, the scourge of terrorism in our 21st Century world is a complex, multifaceted problem. There is not a single cause, but many, including: disparate economic development around the world; lack of political and economic opportunity in many regions; the alarming spread of radical, fundamentalist religious dogma's—especially Islam—amongst those feeling disenfranchised from the mainstream; and, the parallel rise in ethnic conflict after decades of oppression by Communist and other tyrannical regimes.

In this environment of perceived hopelessness and despair for many of the world's youth, certain seemingly unsolvable events continue to fan the flames of anger and hatred that lead to irrational acts. This is manifested in the individual acts of terror we witness almost daily on the streets of Israel and in the recruitment of angry young men and women into radical terror organizations that encourage them to vent their anger in the most destructive, often suicidal, of ways.

Finding solutions for the conditions that have bred this hate and total disregard for peaceful solutions will be complex, but it must be systematically addressed. Clearly, you and key members of your Administration have shown, and continue to show leadership in this area.

But, we must ask the question, can more be done by others?

The prolonged Israeli-Palestinian conflict contributes, in part, to the unrest and anger in the Arab world. How much it contributes cannot be quantified, but it is a significant and growing factor. This conflict, often presented in a distorted and biased manner to citizens of Arab nations, must be confronted, if we are ever to meaningfully address the disaffection and dissatisfaction felt by the people of this region.

Each act of violence by either side in this unending conflict further erodes hope for a peaceful future for the people of Israel, the people of Palestine and others throughout the Middle East. In fact, each act of senseless violence in the Middle East further erodes hope that someday we can feel secure from terrorism here at home. All reasonable options to bring about an end to this violence and indiscriminate loss of life must be considered. We can never abandon hope. We must act in a way to renew hope in this land of faith, and we must continue to consider all options.

May I respectfully submit the following concept for your consideration concerning the use of NATO peacekeepers. My recommendation would be for you to request that the North Atlantic Council (NAC) formally consider a proposal to use NATO forces as peacekeepers. If the concept is acceptable to the NAC they could commence to draw up a plan for peacekeeping. Once consensus had been achieved within the NAC, the NAC would so advise the Government of Israel and the Palestinian Authority, making it clear NATO would assist, only if the two sides establish a genuine cease fire, and both sides accept NATO's plan. Further, both sides must commit to cooperate in preventing further hostilities until negotiations have been successful to the point that NATO forces could be withdrawn and a substitute security plan has been put in place. Obviously, these steps are and will be very challenging, but they are achievable, especially in light of the bold, balanced vision you have articulated for a resolution of this conflict.

The basic thoughts in this letter have been stated by me previously in speeches on the floor of the Senate, and in my remarks to a recent gathering of NATO ambassadors on Capitol Hill, and in open hearings of the Senate Armed Services Committee with the Secretary of Defense present. Time is of the essence. I am concerned that recent events in the region, including the unfortunate Israeli attack that killed women and children as Israeli forces pursued Palestinian terrorists and the subsequent terrorist attack on Hebrew University, will further delay meaningful progress toward peace.

I strongly encourage you to explore this option with our NATO allies, and determine if they are willing to consider such a proposal. The time for discussion and consensus building is now. When the conditions for a cease fire and negotiations are right, we must be able to act quickly and decisively with a credible peacekeeping force.

I believe a NATO force would be credible for the reason that Europe is perceived as being more sympathetic to Palestinian views and the U.S. as more sympathetic to Israeli views. NATO can bond these viewpoints to act as one with peace as its unifying goal, and dispel these perceived biases. NATO troops are trained and "ready to roll" on short notice. NATO is an established coalition of nations with a proven record of successful peacekeeping in the Balkans. Clearly, there are risks, but NATO peacekeepers can—with the cooperation of Israel and the Palestinian people—bring stability to this troubled region; stability that will allow for meaningful negotiations that have a chance to end the violence.

This is not a conclusion that I have reached lightly. Some of my colleagues in the Senate, as well as noted journalists and others, have discussed with me the broad issues associated with this proposal. Mine has been one of the many voices calling for well-defined principles and restraint in the employment of U.S. forces around the world. I fully recognize the risks to U.S. forces and our alliance partners. I strongly feel this is one of those unique circumstances that demand every resource and idea we can bring