Some people have said: Well, no, we want to take away some of those tax cuts. We want to take away some of the tax cuts for the upper 1 or 2 percent. I will tell you, that will not work. I was one of the architects of that plan. I was the principal sponsor, with Senator MILLER, to cut taxes on capital gains and dividends. If you try to do that and say, ''We will leave the rate at 15 percent for everybody in America except for the upper 1 or 2 percent,'' that will not work.

To tell everybody in America, ''Your capital gains rate is going to be 15 percent, unless you make over $200,000, and your rate is going to be 25 percent higher,'' that is a real disincentive. Or to tell corporations, ''We are going to tax proceeds on corporate dividends at 15 percent, and, oh, if you have income over $200,000, we are going to tax yours at 35 percent''—and under some proposals it would be much higher than that; they want to increase maximum rates maybe well beyond 39.6 percent—that is distorted, and it will undermine the whole idea of saying: Wait a minute; let's not tax corporate dividends twice.

If you tax some corporate dividends at 39.6 percent on the corporate side, and have a corporate rate of 35 percent on top of it, you are taxing corporate dividend distributions of 75 percent plus, and you are discouraging people from making investments in corporations and distributing those proceeds to their owners. Therefore, it would be very counterproductive.

So those who are making those recommendations have not thought them through. I do not think they will work. Or if they did work, it would be very counterproductive, and you would see GDP declining; you would see jobs declining, and you would see a very stalled or stagnated economy.

I think we can be proud of the fact we passed the tax bill last year. The President signed it, and it has had a positive impact. Those are the facts, just the facts. I compliment my colleagues, and particularly Senator MILLER, who made it happen.

Madam President, I yield the floor.

Mr. REID. Madam President, how much time is left on the majority side?

The PRESIDING OFFICER. There is 2 minutes remaining on the majority side.

Mr. REID. We will wait until their time expires.

Madam President, how much time is remaining on the majority side?

The PRESIDING OFFICER. There is 10 seconds.

The Senator from Nevada.

BUDGET DEFICITS

Mr. REID. Madam President, I am going to yield in a minute to my friend, the distinguished Senator from New Jersey. But I would hope everyone who has heard all these speeches understands the country has a deep problem with these huge deficits. The largest deficit in the history of the world, the history of our country, was last year. This year we will exceed that.

I hope everyone understands there is spending going on like a bunch of drunken sailors here, and the spending is being paid for with borrowed money.

Madam President, I yield 15 minutes to my distinguished friend from New Jersey.

The PRESIDING OFFICER. The Senator from New Jersey.

ECONOMIC DISTRIBUTION

Mr. CORZINE. Madam President, I thank my distinguished colleague from Nevada. I very much appreciate him pointing out one of the great flaws in the discussion I am hearing on the floor. It seems we only want to focus on a very short period of time and a very limited measurement or metric on how well the economy is doing.

I have been on the floor over the last 6 or 8 weeks trying to address issues on the budget, taxes, and growth in our economy. I feel very strongly that we need to have this debate. I am glad it is happening because the American people, I think, actually understand what is happening in their pocketbook and their own sense of where we are in the economy. It is a lot different than this tsunami of good news that is being quoted and cited.

People like to talk about statistics. We need to deal with what is actually going on in people's lives. That is why a whole series of us have come down and asked that question Ronald Reagan asked in the 1980 Presidential campaign: Are you better off than you were 4 years ago?

Remember, 4 years ago, we had come through a period of creating 22.5 million jobs. This is an administration that has overseen the loss of 1.8 million jobs. So we have had the loss of 1.8 million jobs, after creating 22.5 million jobs, when we saw real income growing every single year. Now we are asked to say: Wow, isn't it wonderful we have seen such a change in the last 2 or 3 or 4 months? And at what cost has that come?

As the Senator from Nevada said, we have the largest deficits in the history of mankind. You can always spend yourself into economic growth. Maybe that is what we are doing, but it is coming at a huge cost to this generation and future generations.

But that is not what I wanted to talk about today. I want to talk about who is better off than they were 4 years ago. There is a clear, commonsensical view among people, at least in the State of New Jersey, whom I live with every day, that things are not so well in their home, in their bank accounts, in their financial condition.

I will go through some of the data. Are they better off? We have had flat wages for the last 3 and a half years. To be absolutely accurate, average weekly earnings have grown 1 percent over 4 years. College tuition costs, on the other hand, are up 28 percent at the same time; up 13 percent in New Jersey last year at State schools. Gas prices are over $2 a gallon, up 34 percent in a 4-year period. Family health care premiums are up 36 percent. These are expenses people have to pay every day out of their budgets.

Some cite macrostatistics such as the GDP is growing. What is happening is, individual average weekly earnings are up 1 percent. Health care costs are up 36 percent. Gas prices are over $2 a gallon, and there has been a 28-percent increase in college tuition. It is off the charts.

State and local taxes in almost every State in the country have gone up in the last 4 years. In New Jersey, the average property tax has gone up 7 percent each year because the Federal Government is not picking up its responsibilities, such as Leave No Child Behind, and with other mandates we have put on them for which we then don't provide the money. Now we are hearing we are going to be cutting back on some of that.

There is a case for middle-class Americans to say things are not so great. Average weekly earnings are up 1 percent. We have everything else in our budget going off the charts.

It is possible, though, when we look at this picture of middle-class America getting squeezed, that there are people who are actually doing well in this world. That is what I want to talk about because there are some people who are better off than they were 4 years ago. It comes from the concept that there is a ladder in America. People like to get on that ladder and climb up and have great opportunity. This is a country that has aspirations that are a part of people's lives.

But we seemingly want to make sure the people at the top of the ladder are doing really well and we are squeezing the folks at the bottom. Average weekly earnings, as I said, had relatively flat growth. But HMO profits are up 50 percent. There is a correlation between that 38-percent increase in family health premiums to HMO profits. I used to be a CEO so I can talk about this with some knowledge. Compensation for people who are leading corporations is up 61 percent during the same period—one percent or zero-percent average weekly earnings growth for middle-class Americans, while CEO compensation is up 61 percent.

To give a little perspective, back in 1980 the average CEO made 31 times the lowest average worker in a corporation. Today it is over 500 times. It grew 61 percent last year. Somebody is better off, aren't they?

It strikes me that the numbers are working. Somebody is getting it and somebody is not. As I said, it is most visible when you compare HMO profits versus what is going on with health care costs for average Americans. It is tough to argue that things are a lot better when we are seeing growth in