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

search in vain, except for the hint of a program which I would have to say is sort of modeled after the Peronist economic program in Argentina today, which is to increase taxes and to spend more money.

In fact, I remind my colleagues, if we are as concerned as we say about the economy and about the security of our people, the logical place to start doing something about it is in the Senate. The plain truth is, if there has been one place where there has been inaction on issues relevant to the economy and relevant to the American people, it is the Senate.

In fact, the President proposed a budget in January. The House adopted a budget. The Senate not only has not adopted a budget, but we have made it eminently clear that we have no intention of adopting a budget.

I would have to say that if the majority is concerned about all these problems and the majority leader has the ability to bring a budget to the floor of the Senate tomorrow, a logical place to show that concern would be to do something about it by adopting a budget.

The plain truth is, we have adopted no budget, and we have continued to spend as if we still had the surplus that existed prior to the downturn and prior to the war.

In terms of prescription drugs for seniors under Medicare, the President has proposed a program. The House has adopted a program. But in the Senate, there is no program. The Finance Committee was never allowed to meet on the subject to put forward a bill. A hodgepodge of ideas came to the floor of the Senate. No consensus was built. It became a partisan issue. There was no action.

One thing that we could clearly do to bring stability to the economy and to promote job creation and economic growth would be to make the tax cuts permanent. What is more destabilizing to investment and economic growth than the fact that 9 years from today we will have the largest tax increase in American history? And it will occur automatically if we don't act.

In terms of homeland security, the President proposed a bill. The House acted. In the Senate, we have had inaction. We have had endless debate. We have talked about working together. We have talked about bipartisanship, but there is no bipartisanship on this issue. In fact, the Democrats have come forward with a bill that takes power away from the Presidency and the national security powers that President Carter had, President Reagan had, President Bush had, President Clinton had. But now, in the wake of thousands of our people being killed in a terrorist attack, suddenly our Democrat brethren say the President has too much national security power and they want to take some of it away from him. The American people are going to go absolutely crazy when they realize that this is the case.

In terms of welfare reform, the 1996 reforms were the greatest success in public policy in the postwar period. Now, the President has proposed a welfare reform bill. The House has adopted a welfare reform bill. But there is no action on welfare reform in the Senate.

Finally, the President proposed appropriations. Not one appropriations bill in its final form has passed the Congress, and only three have passed the Senate.

I would have to say there is a missing ingredient in the Majority Leader's speech when he talks about all the problems we face economically. When you look at the record of the Senate, let's begin at home. Let's begin to solve the problem where we live. That problem is in the Senate.

I will address two other issues because I know our Republican Leader wishes to speak. I would have to take exception, as I said last Tuesday that I would, on the issue about deficits. I do not understand how our Democrat colleagues can continue to stand up and moan and grown and cry about deficits as if they come from heaven, as if somehow God just said: We are going to have deficits. Deficits don't come from heaven; they are created right here on the floor of the Senate.

I would have to say that when we are talking about a commitment not to raid Social Security, when we are talking about concern about the deficit, I remind my colleagues, last Tuesday I stood right at that desk and raised a point of order that we were taking $6 billion right out of the Social Security Trust Fund. The Majority Leader led the fight to take it out.

Today, he is alarmed about the deficit. Today, he is upset about the deficit. Today, he is bemoaning the deficit. But Tuesday he helped create the deficit.

You can't have it both ways. You can't keep spending as if there is no tomorrow and then complain about the deficit.

Let me remind my colleagues, lest they think that suddenly the Government has become so tightfisted we are hurting our people: Over the last 5 years, inflation has been 1.8 percent on a year on average. Average family income has risen by 4.5 percent. And yet the discretionary spending of the Federal Government, driven largely by actions in the Senate—I am not talking about Medicare and Social Security and mandatory programs; I am talking about discretionary spending, something every family understands—at the time when family income was growing by 4.5 percent, discretionary spending, not counting the September 11 emergency funding, was growing by almost 7 percent.

When you look at what that means by program, this is the inflation rate, this red line, and this, by parts of the Government, is how fast the Government has grown as compared to inflation: six times as fast for Labor-HHS; five times as fast for Interior, five times as fast for Treasury. It goes on and on.

Yet the Majority Leader comes to the floor of the Senate today and says: We have a crisis. We need, in essence, to raise taxes—taxes are too low—so we can fund more spending.

Anybody who looks at the facts is going to conclude that not only have higher taxes and higher spending never helped any economy anywhere, but that we already have the higher spending and that we are creating these deficits as we go every day in the Senate.

Finally, I have to respond to this constant effort to try to pit people against each other based on their income. Envy destroyed ancient Athens; it destroyed ancient Rome. It is a dangerous thing for Americans to use, and it is outrageous, unfair, and unjustified.

Look at the people who make up the Senate and look at the families they come from and give me an argument that somehow there is some kind of elitism in America. It won't hold water. And we hear all this talk that these rich people are getting all these tax cuts—the top 1 percent. Senator DASCHLE reminds us they get the $50,000 tax cut. He didn't bother to point out that they are paying $400,000 in taxes. And as far as the low-income people who are not getting tax cuts are concerned, he didn't point out that they are not paying any taxes. Income tax cuts are for taxpayers. We have already been funding programs for nontaxpayers.

We had not had a real tax cut of any significance since 1981. And the reality is that our tax cut made the Tax Code more progressive and not less progressive. Under our tax cut, the top 1 percent of income earners will pay more taxes as a percentage than they pay now.

So I think what we are seeing here is that some of our colleagues are obviously embarrassed about the fact that we are not getting the job done in the Senate, and that the American people want a homeland security bill passed. I don't think changing the subject helps our effort.

In the end, if we are really concerned about those things—and we should be—we ought to go back and adopt a budget. We need to address these concerns the American public has. But it is never going to be enough to say that there is unhappiness in the country. Ultimately, you have to say what your program is to deal with it. The only program I heard today is we need more spending.

When Alan Greenspan was asked before the House Banking Committee what one thing we could do that would help the economy the most, he said: ''Stop spending.'' Yet, last Thursday, we added $6 billion to the deficit, led by the very people who, today—last Thursday, they were for deficits; today, they are against deficits. But you cannot be for something on Tuesday and against it last Thursday and have any credibility in that debate.

So, in the end, we have work to do here. In my opinion, we need to pass a homeland security bill. That is lives today. We have to deal with the Iraq situation. And nothing would make me happier than to do something to help the economy. But that something is not spending and it is not tax increases. In fact, it would be exactly the opposite.

I yield the floor.

The PRESIDING OFFICER. The Republican leader is recognized.

Mr. LOTT. Mr. President, how much time do we have in the designated time?

The PRESIDING OFFICER. There are 30 minutes remaining.

Mr. LOTT. Mr. President, I yield myself such time as I may consume. I will not take that much time, I am certain.

I feel a need to respond to Senator DASCHLE's comments a few minutes ago.

Before he leaves the Chamber, I want to say how much I appreciate, and the Senate appreciates, the Senator from Texas. He is going to be leaving this year. Maybe that is one of the reasons he is even more articulate than usual. He is saying what he really feels and thinks and is holding nothing back.

As I have said before—and I mean it sincerely—I don't know what we will do without him. We are going to have to create another one, although I am not sure it is possible. On behalf of the taxpayers of this country, and even those who might disagree with him sometimes, I say to the Senator that I appreciate him very much. He has certainly become a legend in this institution. We thank him for all he has done and all we know he is going to do. We hope he is very successful and pays his fair share of the taxes, which we hope to cut as the years go by.

Let me come back to what was said earlier. I think it was summed up in a headline this morning about the fact that Senator DASCHLE was going to make this speech. It says: ''Daschle to Attack Bush Fiscal Policies.'' Unfortunately, that is all it was. It was a litany of complaints, citing certain statistics or certain areas where there might be a concern.

My first reaction is, even if you accept all of that as being a problem—and a lot of it is—what is your plan? What do you plan to do about it? What is the legislative agenda? What do you recommend we pass in the 3 weeks or so we have left here?

The President has had an agenda. The President sent a budget here, but it was all foreordained that we would come to this point this year when we got no budget resolution on the floor and voted on. I asked, why did we not have a budget resolution? We had one for 27, 28 years in a row. Now, all of a sudden, we will not have one. I was told, it is too hard when the Senate is this closely divided. In 2001, when the Senate was divided 50/50, we wound up passing a budget resolution by a wide margin, including, I think, a dozen Democrats who voted with most, if not all, Republicans.

So while every Senator has a right to point out concerns about the economy and the country, I think they ought to be in a position of saying, OK, what are you going to do about it? What is your plan or budget? At the time we had no budget agreement, I made note of the fact that we were going to have some sort of meltdown at the end of the fiscal year; we were not going to have endorsement mechanisms; it was going to be hard to get appropriations bills done because there was no common number agreed to on the total amount. That is what happened.

The other thing that really bothers me is, not only is there no real plan from the Senate, in instance after instance the House passed good legislation and the Senate has not taken it up—over 50 bills. I am not talking about bills to create a ''watermelon recognition day''; I am talking about serious legislation, such as welfare reform. Surely we should have taken the next step to help people get off welfare, get training and education, and get what they need to get into a real job and pay taxes. That is the way you help the people and the economy. But welfare reform, the Senate is not going to act on that. We are still now working on homeland security.

Part of what we need to do for our economy in America is to reassure people that we are going to be safe and we are going to have the protections they need at home. They need to know that life, liberty, and the pursuit of happiness and the opportunity to make a decent living are going to be protected.

We are into the third week. Senator DASCHLE filed cloture to cut off a filibuster. Who is filibustering? It is not this side. There have been not more than three substantive amendments that have been given an opportunity to even be considered. Yet homeland security is languishing here in the Senate. Hopefully, we will get it done this week, or next week, or sometime, so we can get it before we go out.

We have not made the tax cut permanent. We should do that. The ridiculousness of the uncertainty of not knowing whether the tax cuts are going to be applicable in the years to come—when I go around the country, people say: Explain this to me. How can you do such a thing, have a tax cut and not know for sure whether it is going to be in place down the road? We have not done that.

Prescription drugs: We could have had an agreement if we had gotten a prescription drug measure together and debated it and voted on it in the Finance Committee. We could have reported out a bipartisan bill that would have come to the floor and would have passed. We could have a bill probably out of conference now that would help low-income elderly people who do need this help in the future.

So in instance after instance, as Senator GRAMM pointed out, the Senate has not produced any results. There has been no plan. We have done three appropriations bills. We are on the fourth one. Not one bill will go to the President by the end of the fiscal year. I know it is tough because, as majority leader, year after year I had to wrestle with the appropriations bills. We got them done; usually, one by one we got them through the process. In 1996, we actually got them all done, and I think we got them done very close to the end of the fiscal year. It was harder and harder after that.

But how can you complain about what is happening in the economy when you have such uncertainty in the Government—what is going to be available for transportation, education, health and housing? That is all out there with no result.

The only proposal I have heard from some Democrats as to what we should do to be helpful within the economy is to spend more—always add more money, no matter what the issue is. Whenever a proposal is made by the President or by Republicans, Democrats say: We will double you or triple you. They think that is the way you create jobs—more Government spending. The Government is what kills jobs in many instances because of the pressure of the tax burden, regulatory burdens, and all the other problems that come out of having these deficits.

So their only proposal is: Let's spend more. And they tip-toe around it, but they cannot quite bring themselves to say what they want to do is stop the tax cuts; they want tax increases.

We need to be giving more incentives for the economy to grow. Let me talk a bit about what has been done. I will show my colleagues the difference.

It has been very difficult, but we have gotten some of the President's very important agenda through both the Senate and the House or into conference.

One of the things we could do to help the economy and create more jobs is to have increasing trade. We need to open trade. We need to make sure our companies, our farmers, and ranchers have access to markets all over the world in a truly open and free trade arrangement. We did get that through, although I think it took us 7 weeks to get the trade bill done. It was a long stretch of time, once again, because of the way it was brought up.

We also did get an energy bill through the Senate. It is still pending in conference. I think that took us about 4 weeks.

We did pass effective tax relief to help Americans keep more of their money to buy what is needed for their children at the beginning of the school year. In fact, while I had my doubts about it at the time, the rebate that was included in the tax cuts in 2001 started hitting in August, September, and October when we were feeling the effects of not only a recession that started in 2000, but also the aftereffects of what happened on September 11. As

that money got into consumers' hands, they continued to buy what was needed for their families, and they have been the strongest part of the economy during a critical time.

We also had passed—and this is a case where it was bipartisan—tough corporate accountability legislation.

There are some other issues we still could do in the waning hours of this session, but I think to just make speeches and be critical of fiscal policies without offering any alternatives is the height of what we should not be doing in the Senate.

The emperor has no clothes, Mr. President. The leadership has not passed a budget. It has not passed appropriations bills. The Senate has not passed the prescription drug bill. We have not been able to get any traction on homeland security, and we have not even done pension reform. I would like people to know more about what they can count on with regard to putting money in IRAs or maybe taking money out of IRAs for education and what we are going to do in the future in terms of protecting 401(k)s and how stock options are going to be done. But that has not been brought up, and I am not sure it ever will be.

We have the opportunity in the next 3 weeks to do what must be done for our country: We can pass the Defense and military construction appropriations bills to make sure our men and women have what they need to do the job to protect America at home and abroad. We can pass this homeland security bill, create this Department that will bring some focus to our homeland security, and we can help with economic security by controlling spending and by passing such bills out of conference as the energy bill. If we do not deal with the energy needs of this country for the future, if we do not have an energy policy and someday we have a real shortfall, that could have a quick negative effect on our economy.

Those are the issues on which we can work in the next 3 weeks. Of course, we are going to need to stand up to our responsibilities and address the Iraq situation also. I think we will do that. We should focus on those issues we can do, where we can find agreement, and quit being critical without offering any alternatives.

Mr. President, I yield the floor. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

Mr. BYRD. Mr. President, what is the business before the Senate?

The PRESIDING OFFICER. Morning business.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is closed.

HOMELAND SECURITY ACT OF 2002

The PRESIDING OFFICER. Under the previous order, the hour of 1 o'clock having arrived, the Senate will now resume consideration of H.R. 5005, which the clerk will report.

The assistant legislative clerk read as follows:

A bill (H.R. 5005) to establish the Department of Homeland Security, and for other purposes.

Pending:

Lieberman amendment No. 4471, in the nature of a substitute.

The PRESIDING OFFICER (Mrs. CARNAHAN). The Senator from West Virginia.

AMENDMENT NO. 4644

Mr. BYRD. Madam President, for the information of my colleagues, I have no intention of speaking at great length. I hope that other Senators will come to the floor and engage me—not necessarily engage me, but Senators will come to the floor and speak on the amendment either for or against.

I would like to see other Senators who, I am sure, are as concerned about the pell-mell rush to ram the homeland security legislation through both Houses and put it on the President's desk before much time is to be had for debate and for a clear elucidation of the pros and cons with respect to my amendment. And there are other amendments by other Senators waiting. I also have some other amendments.

I do invite other Senators on both sides of the aisle to come to the floor and participate with reference, hopefully, to my amendment.

Yesterday, the administration and the congressional Republican leadership again chastised the Senate for not acting quickly enough to pass the President's homeland security measure.

Said the very able Senate minority leader:

I fear the Senate Democrats are fiddling while Rome has the potential to burn.

''It's being talked to death,'' added White House spokesman, Ari Fleischer.

We are said to have been debating this bill for 3 weeks now, 10 days of debate—3 weeks.

Ten days of debate is not too long, something like 3 weeks. It takes 3 weeks to hatch an egg. I believe the distinguished Senator from Tennessee would agree with me; we are both from the hill country. He is from the hill country of Tennessee, and I am from the hill country of West Virginia. It does not make any difference how much heat you apply to that egg, it still takes at least 3 weeks for that egg to hatch out. If I am wrong in that, I would like my colleague from Tennessee to tell me.

We are talking about something that was hatched by four men, are we not, in the dark subterranean caverns of the White House?

I think a bill of this importance should be debated long enough that the Senate will know and the people will know what we are talking about, what we are about to pass. This is no small piece of legislation. It is not legislation of little moment. It is very important legislation. In my speaking on this measure thus far, I have met with a great deal of apathy. I do not believe much attention is being paid to this bill. I had urged that we not act too fast to have this bill on the President's desk before the August recess or by the time the August recess began, and then there was the idea that we ought to pass it by September 11, the first anniversary of that tragic event which occurred in New York City. And I said, no, we need to take longer. I hoped that Senators would read the bill and that Senators' aides would read the bill and that the people over at the Congressional Reference Service, the legislative people over in the Library of Congress, would have an opportunity to read this bill before we voted on it.

We have been debating this now for a few days. We look ahead to the appropriations bills that must be passed before the end of the fiscal year, the proposed adjournment date of October 6, and the November mid-term elections. It seems to be a long time for deliberation on one bill, but merely having a bill on the floor or on the calendar and actually debating it are two different things. To have the bill before the Senate and to be actually debating it are two different things.

I have my eye further ahead, years ahead, to future Congresses and future generations of Americans. I am trying to look ahead. To my way of thinking, the attention which this bill has received on this floor seems exceedingly brief. We are in the midst of an enormous undertaking. We are talking about enacting a massive reorganization of the Federal bureaucracy, a radical overhaul of our border security and immigration system, and a powerful new intelligence structure that may forever change the way Americans think about their own freedoms. It is a mighty huge responsibility that we are taking on, and we are endeavoring to do it all in one fell swoop: do it now, do it here. We have heard that advertisement on television: Do it now, do it here.

I understand the pressures to move quickly today. We live in an age of instant coffee, instant replays, and instant messages. I suppose the drive for instant legislation is a natural outgrowth. But I prefer the taste of slow brewed coffee. And I like to study the fine print in legislation I am being asked to support.

I would like to know, for instance, just exactly how many Federal workers will be employed at this new Department. I saw a recent article in The