

declined in this country. Now, the rate of increase in those jobs has gone up and down over the last 50 years but never in the last 50 years has there been an actual decline in the number of private sector jobs until this last year.

The legislation introduced last week would do something about these problems by providing all States with an additional 13 weeks of temporary extended unemployment benefits. It would also authorize States with the highest levels of unemployment to get funds for an additional 7 weeks of benefits on top of the 13.

This is especially important to my home State of Michigan. Michigan has one of the higher unemployment rates nationwide, currently 6.2 percent.

The PRESIDING OFFICER (Mr. JOHNSON). The time controlled by the majority has expired.

Mr. LEVIN. Mr. President, I notice a number of our colleagues are in the Chamber, and my time has expired. I ask unanimous consent that I be given an additional 3 minutes to complete my remarks.

The PRESIDING OFFICER. Is there objection?

Mr. INHOFE. Reserving the right to object, I am sorry, I did not hear the Senator's question.

Mr. LEVIN. I ask unanimous consent that I be given an additional 3 minutes to complete my remarks.

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

Mr. LEVIN. I thank my friend from Oklahoma.

Mr. President, the legislation we introduced last week would do something about these problems by giving all States an additional 13 weeks of temporary extended unemployment benefits and would authorize States with the highest levels of unemployment to get funds for an additional 7 weeks of benefits above the 13 weeks.

As I indicated, my home State has one of the highest unemployment rates in the Nation, currently 6.2 percent. That is the seventh highest in the Nation, and it is almost a full percentage point higher than it was just a year and a half ago. More than 60,000 workers in Michigan currently receive Federal unemployment benefits, with an additional 50,000 Michigan workers having already exhausted their benefits.

Michigan's median household income fell by 4.1 percent last year. Only four other States fared worse. In the country as a whole, median household income fell 2.2 percent last year, the first drop since 1991. So this legislation is crucial for Michigan's hard-pressed workers and their families, as well as for workers across the land.

This is not just doing what is fair and what is right and what is equitable. Those reasons ought to be sufficient. In addition to that, providing additional benefits is a good stimulus for our ailing economy. The money we are talking about is money that will be spent. Those eligible to receive these benefits

are people trying to make ends meet on a day-to-day basis, people who need money to put food on the table, to buy a prescription drug, to make a car payment, to pay rent, or to pay a mortgage. They spend this money.

According to a 1999 Department of Labor study, every dollar invested in unemployment benefits generates \$2.15 in gross domestic product. This bill extending unemployment benefits will put money into the hands of people who need it, people who will spend it, and that is good for our economy, as well as for them, because it sustains the jobs other people still have.

There may be Members who will argue we cannot afford to extend unemployment benefits. Obviously, we should be concerned about our current budget situation. The 10-year surplus projection has declined by \$5.3 trillion, or 94 percent, since January of 2001. But our budget problem does not come from extending desperately needed benefits to out-of-work Americans.

The major problem is last year's \$1.5 trillion tax cut which provides more benefits to the top 1 percent of all taxpayers than it does the bottom 80 percent of taxpayers combined. According to analysts who reviewed the CBO numbers, last year's tax cut is the single largest cause for our evaporated surplus.

September 11 and its aftermath had an enormous impact on an economy that was already sputtering. The economy has not recovered. There are signs that it will not recover for a while longer. The tax cut has blown a hole in our budget, yet it is not just the centerpiece of the administration's economic policy, it appears to be the only economic policy we hear about from the administration.

Since Congress passed a bipartisan extension of unemployment benefits in March, nearly 2 million people have exhausted those benefits without finding new jobs. The ability for them to receive additional benefits has expired. Yesterday, Senator WELLSTONE attempted to pass this bill by unanimous consent, but was prevented from doing so. This issue should be one of our top priorities. We should not leave this year without extending these benefits for America's unemployed. I am hopeful that Democrats and Republicans in Congress will be able to come together as we have done in the past and support the Emergency Unemployment Compensation Act of 2002.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. LEVIN. I thank the Chair.

The PRESIDING OFFICER. Under the previous order, the next 1 hour shall be under the control of the Republican leader or his designee.

The Senator from Oklahoma.

#### THE ECONOMY

Mr. INHOFE. Mr. President, it is my intent today to make a few comments about someone I hold in such high es-

teem, perhaps in higher esteem than anyone else I can think of at this moment. Before doing that, I am compelled, however, to respond to some of the statements that have been made concerning the economy.

I think we all recognize our economy started turning south about 3 years ago. We did see this coming. I really do not like people saying—because I am always afraid someone is going to believe it—that somehow when we reduce tax burdens on individuals that is going to automatically reduce the revenues that would have otherwise come from those taxes.

History tells us just the opposite. In fact, yes, we are going to have a deficit. We understand that. We are currently in a war, and we understand even though the amount of additional money, some \$48 billion, that went into the war effort is totally inadequate, it is going to have to be more, and we are going to see deficits.

The other factor causing deficits is a downturn in the economy. We all know for every 1 percent drop in economic activity, that translates into \$24 billion of lost revenue. Turning that around, for every 1 percent increase in economic activity, revenue will increase by \$24 billion. It has been proven over and over throughout the history of this country that every time we have had the opportunity and the courage to reduce taxes, not raise taxes, it has resulted in increased revenues.

The best evidence of this is 1980. My colleague from Florida talked about the decade of the eighties, but let's look at what happened in the decade of the eighties.

In the 1980s, the total amount of money that was raised from marginal rates was \$244 billion. In 1990, that same figure was \$406 billion. We can see in a 10-year period revenue almost doubled, and that was the 10-year period when we had more reductions in marginal rates and in capital gains taxes and other taxes than any other 10-year period in this Nation's history.

Is this a Republican idea? No, it is a conservative idea. Liberals do not like to think we can return money to the people. They do not understand this adds to our economy. I hate to think of where we would be today if we had not had the tax cuts because they have, in fact, had a positive effect on the economy.

This is not a Republican idea. I remember a great President of the United States in the sixties. It was President Kennedy. President Kennedy felt Government needed to do more for the Great Society. He said we are going to have to have more revenues. He said: The best way to increase revenues is to decrease taxes. So President Kennedy decreased taxes and revenues increased.

Mr. President, I say to my liberal friends, I know they do not believe the private sector and individuals left with freedom in their hands can operate as well as Government can. They are wrong.