in a row, and Nasdaq hit a 6-year low. The Dow Jones is down 1,200 points since August 22. Oil prices just recently spiked to a 19-month high, and consumer confidence is at its lowest since November 2001.

Since the beginning of 2001, 2 million jobs have been lost, the first decline in the number of private sector jobs in 50 years. The U.S. poverty rate rose last year for the first time in 8 years.

Last year's administration spending and tax cut plan has resulted in today's collision course of more deficits, more debt, more economic insecurity, higher interest rates, lower economic growth and lower employment.

All of this is occurring right under our noses. Yet I do not believe that the administration is paying attention. I appreciate the ongoing dialog about a potentially impending war in the Middle East—but we also need to pay attention to the battles that we are already waging. We must do something to reinvigorate the economy. We must pay attention to our Government bottom line. We must not continue to raise the debt for our grandchildren to later pay off.

The ACTING PRESIDENT pro tempore. The Senator from Wyoming.

Mr. THOMAS. Mr. President, I want to make a few short comments before I turn it over to my friend from Iowa. I have been listening to my friend from Florida. He is blaming the administration for the deficit. I remind him who it is that spends the money. The administration cannot spend a dime unless it is authorized by the Congress.

We find ourselves in a Congress that doesn't even have a budget. When we talk about spending and deficits, we should talk about ourselves and wonder why we haven't done one of the things we have done every year, and that is have a budget. We don't have a budget.

So I agree, as a matter of fact, with the spending, but we need to take action.

SENATE AGENDA

Mr. THOMAS. Mr. President, there are a lot of rumors about where we are going in the next few days we have remaining, basically the rest of this week and I presume next week, as to what is going to be done. There is talk about pulling homeland defense. I hope that is not the case. Of all the issues we have before us, certainly that has to be one of the most important.

There is talk of bringing all the kind of politically oriented issues to the floor, knowing they will not pass, but to be able to say we tried. I don't think that is the best way to govern. It seems to me we have to make some priorities. We have a shortage of time. We have to decide what are the most important things that need to be done during that time. It seems to me they are fairly clear.

I hope we will address those things. Homeland defense has been on the floor for 4 weeks now. It is one that, obviously, is necessary. I don't think there is a soul here who believes we ought not to be doing that. We have argued about governmental employee unions. Certainly, the highest priority of this administration, and I think for the Congress, would be to put into place a homeland defense program, which we have before us.

The Iraq resolution apparently is coming to the floor, hopefully tomorrow, to be discussed a rather short time. It is very obvious that needs to be done.

We have passed no appropriations this year. We are supposed to have been finished with appropriations. Today, we start a new fiscal year—without the passage of any appropriations bills. Obviously, we plan to go with a continuing resolution for most of them, but we cannot do that for Defense or military construction. We have to decide those as priorities. Then we have to have a continuing resolution to carry on Government operations until sometime in the future—whether it is a November return, December, January or February, whatever. That has to be done and, I hope, in a clean way that allows us to move forward with attaching a great many things to it.

So that is where we are. Certainly, we are all aware of the necessity of accomplishing those things in a reasonably short time we have in which to do that. So I urge the leadership and all of us to try to decide how we handle those things and do them as quickly as we can, so we will be able to leave here when the time comes. These things must be done in the meantime.

I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from Iowa is recognized.

DEMOCRATIC LEADERSHIP'S ATTACK ON PRESIDENT BUSH'S FISCAL POLICIES

Mr. GRASSLEY. Mr. President, I want to respond to what has been a coordinated attack by the Democratic leadership on President Bush. This drumbeat, as we all know, started a couple of weeks ago. Our distinguished majority leader, Senator DASCHLE, took the lead on a Senate floor speech to question the leadership of President Bush. He was joined by others in the Democratic leadership who pummeled the President and used many colorful charts and other props to make their points. I was tempted to respond at that time, but, as you know, the Senate has been in debate on homeland security, so I didn't have an opportunity at that time.

It is probably good to reflect upon what was said 2 weeks ago and remind the public once again. The attack basically blamed the President for all that ails our economy. There was an article in the Wall Street Journal, dated September 18 of this year, the day the attacks started, summarizing the strategy of the other party and the substance of their arguments. I will put that article in the RECORD. I will quote from it:

> In a Senate floor speech he plans to make following the breakfast meeting with Mr. Bush, Mr. DASCHLE . . . expected to say the President's policies are responsible for U.S. job losses, weak economy, declining business investment, shrinking retirement accounts, an erosion of consumer confidence, rising health care costs, vanishing budget surpluses and record executive pay.

Indeed, we have seen our Democratic friends on several occasions use charts with the listing referenced in the article. Let me be clear on the attack because this kind of summarizes the various issues I am going to address. According to the Democratic leadership, the President's policies are the cause of job losses, weak economic growth, declining business investment, shrinking retirement accounts, an erosion in consumer confidence, rising health care costs, vanishing budget surpluses, and record executive pay—meaning record executive pay in the private sector.

I will tell you, Mr. President, that is an awesome amount of power that has been attributed to one individual—the President of the United States. But there is a little bit of irony here. The distinguished majority leader ascribes so much power to the President you could almost make the public believe the President is a king. Maybe this much power makes the President an emperor. Now, how many times have we heard another Democrat—the distinguished chairman of the Appropriations Committee, Senator BYRD—pull his Constitution out of his pocket and say the President is not a king. So who is right? Is it Senator DASCHLE, who has made the President such an imperial figure, or is it Senator BYRD, who says the President is not a king?

I think we need to work through this. My view is reality and history favor Senator BYRD's point of view that the President is only the President of the United States and not an imperial power.

So I want to go through the Democratic leadership's attack point by point. According to Senator DASCHLE, the President singlehandedly fired millions of workers. Funny, Mr. President, I thought employers laid off workers, not the President of the United States. It seems to me the President can fire political appointees, such as White House staff, but I don't think he can even fire Federal workers in America. Heck, right now we are hung up on the homeland security debate. That is a fight over the extent of the President's powers with respect to Federal workers in the Department of Homeland Security.

The next charge, Mr. President. All by himself, the President has slowed economic growth. Funny, I thought we had a global economic downturn, we had war on terrorism, we had overcapacity in telecom, and we had a bubble in the stock market during the Clinton years. These things might have had something to do with it—but not according to Senator DASCHLE. No.

Under the Democratic leadership's theory, all of these things are the fault of the President of the United States.

A third charge. Declining business investment is all George W. Bush's fault under the Daschle theory as well. Funny, I thought businesses made investment decisions, not the President of the United States. Actually, we had a stimulus package pushed by the President. Well, that hasn't had any effect, according to Democratic leadership. I guess the business cycle doesn't exist under Daschle economics.

The fourth charge. Democratic leaders blame recent decline in 401(k) accounts all on President Bush. Senator DASCHLE seems fixated on recent stock market decline. I have a lot of concern myself.

The Democratic leadership, however, seems very obsessed with assigning blame. By contrast, folks in the heartland, such as my State of Iowa, tell me they want us to look forward and do something. They do not want a bunch of political fingerpointing.

If we look forward, we see some very good issues in the area of retirement security. In fact, last year's bipartisan tax relief bill contained the largest expansion of tax incentives for retirement security in a whole generation. There is $50 billion in new incentives. I guess Senator DASCHLE's opposition to the largest increase in IRA and 401(k) account contributions in last year's tax bill does not make a bit of difference; it just does not matter. While some may want to find fault, constructive legislators can point to bipartisan initiatives on retirement security that workers can look forward to in the future.

Why scare workers? Why whip up anger? Why not work together? Why not recognize some good we do around here, such as the retirement security package that phases in as part of the bipartisan tax relief legislation?

Why not bring up the bipartisan Finance Committee pension bill which has been on the calendar for the last 3 months? I introduced it only this year as a consensus document, and the Finance Committee approved it. Let's get out of the partisan blame game and do some bipartisan work for the benefit of our workers. Let's build on what we did last year.

The fifth charge: Senator DASCHLE blames an erosion in consumer confidence all on President Bush. Funny, it seems to me that the President, although being a very important leader, cannot stimulate consumer confidence all by himself. What he can do is propose to return more taxpayers' money to the taxpayers so they have a brighter future. As policymakers in a time of slackening demand, we hope consumers will spend the extra tax dollars that were left in their pockets by this tax bill.

So the Bush tax cut, the largest tax cut in a whole generation, with checks to every taxpayer, which the Democratic leadership opposed, had a negative effect on consumer confidence? Give me a break. But that is the charge Senator DASCHLE has made. More money to spend for every American on their needs negatively affects their confidence? That is the charge.

It goes to tell you, this makes no sense. In the parlance of a hunter, that dog does not hunt.

The sixth charge: The Democratic leadership says rising health care costs are all the fault of the President. Funny, the last time I checked, the President of the United States was not a physician. He is not a nurse. He is not an insurance company executive. He is not a pharmaceutical executive. He is not a trial lawyer who sues physicians, nurses, and hospitals. The President of the United States does not send you a health care bill. But none of that matters. It just does not matter. No, ignore market dynamics and other conditions. According to Daschle economics, the President all by himself is responsible for these rising health care costs.

The seventh charge: Vanishing budget surpluses are all the President's fault, according to Senator DASCHLE. According to the Democratic leadership, their spending demands have never fit into the ledger. The recession does not matter. The money for rebuilding New York after September 11 does not matter. Bailing out airlines has no consequences on the budget, or fighting the war in Afghanistan and the war on terrorism have no consequences. These are all unanticipated bipartisan responses to unexpected events, and all that does not matter.

No, under Daschle economics, it is all the fault of President Bush. Just plain and simple, it is the President's fault.

Fairminded folks back home know it is not that plain. They know it is not that simple. And the folks in the heartland of America are right. I will get back to that in just a minute. I want to go to the eighth and final charge. And hold on to your hat. This one is pretty amazing.

According to the Democratic leadership, record executive pay is all the President's fault. Apparently, Senator DASCHLE thinks the President votes every share, controls every board of every corporation that has suffered from excessive executive pay. So folks such as Terry McAuliffe, the Democratic National Committee chairman who profited from insider deals, are somehow not accountable for their own actions. The boards of directors do not matter, according to Daschle economics.

Oh, and there is another thing. Just ignore the fact that a lot of these sweetheart insider deals occurred long before President Bush was ever sworn in on January 20, 2001. Do not let that little fact get in the way of the debate.

How can anyone take that charge seriously, that the President of the United States is responsible for excessive executive pay of corporations? The President no more sets executive pay than you or I do, Mr. President. It is true that we can affect how executive pay is taxed, or disclosure, but we do not decide the level of that pay.

Let's be clear: Either the President is an imperial figure or the charges made by the Democratic leadership are without merit. Both cannot be true in a modern global economy.

I will take a few minutes to talk specifically about the bipartisan tax relief package enacted last year. Despite the-sky-is-falling partisan opposition during the tax debate last year, the passage of time tells a very different story and it discounts the fictitious picture of doom and gloom portrayed last year by my big-spending friends, most on the other side of the aisle.

According to revised economic data released by the Federal Government in August, the economy started to falter earlier than previously believed. The figures from economists show that the economy started negative growth as early as January 2001, 20 days before President Bush was sworn in. This proves the economy needed a shot in the arm sooner rather than later to get things rolling again; quite frankly, even more so than we thought at the time we passed the tax bill.

What is more, the primary weakness causing the economy to sputter was lackluster business investment, not a waning of personal consumption and the expenditure by our consumers.

Clearly, the job-creating machine in America needed a tuneup, and that is just what the President set out to do when he took his oath of office. As a cornerstone of his campaign for the White House, the President made good on his pledge to return more hard-earned money to the working men and women of America.

As the chairman of the Senate Finance Committee at that time, I had the privilege of steering through Congress the largest Federal income tax cut in a generation.

The best way to grow the economy is not by growing Government, it is by allowing the industrious people of the United States to manage their own income.

Reducing marginal tax rates on income and investment was exactly the right policy prescription to cure sluggish business investments and prime the pumps that enable American entrepreneurs, small business owners, manufacturers, and corporate employers to grow the economy and create jobs.

It was the right policy. We thought so at the time. History now, learning that the recession started on January 1, 2001, and not in the fall 2001, as we had anticipated, it was absolutely the right policy to do. And we are fortunate it came along at the time it did, in the middle of that recession.

Letting workers, investors, entrepreneurs, employers, families, and retirees keep more of their money unleashes chain reaction because they spend two-thirds of the economy. They save it—not enough of our economy. They invest it—probably not enough of

our economy. But they open small businesses, creating jobs; they pay higher wages, or they buy a house, upgrade manufacturing equipment, pay for higher education. The list goes on.

It is a fundamental principle that policymakers need to remember. Money recycled through Washington does not squeeze the most bang out of our almighty dollar, and yet plenty of critics continue to blame the Republican tax cut rather than the bipartisan tax cut for the Federal budget shortfall. This was a bipartisan tax bill because one-quarter of the Democratic caucus in the Senate voted for the tax cuts. In an election year, too many candidates still like to divide the American electorate, and they do that in the demagogic way of pitting the rich against everyone else.

I am sure voters will get their fill of statistics claiming that the Bush tax cut hands out 40 percent of the benefit to the top 1 percent of the taxpayers. This is not merely misleading, it is outright false. Some folks must be under the impression that as long as something is repeated often enough, it will become true. That was how Adolf Hitler got to the top.

The facts certainly are thorny little details for the critics of the bipartisan tax relief package. According to the Joint Committee on Taxation, Congress's official nonpartisan scorekeeper, the Federal Tax Code became more progressive with the tax relief package passed in Congress last year, and taxpayers in the lower to middle income brackets get the biggest break.

For example, taxpayers with incomes between $10,000 and $20,000 will see their taxes reduced almost 14 percent when the tax cut takes full effect, whereas taxpayers with over $200,000 a year in income will see their taxes reduced by a mere 6 percent compared to that 14 percent.

As for the budget, the bipartisan tax cut was a minimal factor in the Federal Government's surplus to deficit situation. In its first year, the tax cut accounted for just 8 percent of the shortfall. Indeed, increased spending outpaced tax cuts by $6 billion. In other words, Congress spent $6 billion more than the taxpayers got back in their pocket from the tax bill.

Over the long term, the 10-year surplus declines from $5.6 trillion to $300 billion. The tax cut represents 33 percent of the decline. Those who are looking to lay blame need to point their fingers then at Congress's appetite to spend. Folks who decry the tax cut should instead weep for the hard-working taxpayer because of the bite that Uncle Sam takes out of their paychecks.

The Bush tax cut saved Iowa households $752, on average, in its first year. So I ask Iowans if they can't use that money and if that money probably has not been put to good use, now that the economy has slowed, to keep the economy out of recession once again.

Even with that tax cut, the Federal Government takes 19 cents out of every dollar earned. That is a record burden, higher than any decade since World War II. So thanks in part to the bipartisan tax cut enacted in the summer of 2001, things are starting to turn around. Weaknesses persist in the manufacturing and employment sectors, but regardless, the U.S. economy is as resilient as the spirit of the American people.

Lowering the tax burden in America triggers growth, creates jobs, spreads economic opportunity. Plus, tax cut opponents need to be reminded that a bigger economic pie will dish up a bigger slice of revenue to fulfill the Government's needs and priorities, including what is a result of the war on terrorism and the need for homeland security.

As the top Republican on the Senate tax-writing committee, I will continue to champion progrowth economic policies. That includes making last year's tax cuts a permanent part of the Tax Code.

We have, as I am told, maybe just a handful of days between now and the end of the session. There are a lot of bipartisan measures that are on the agenda that are going to be left undone because we have wasted the whole month of September not wanting to vote on a lot of critical issues.

We have the Enron-induced 401(k) refinements so that workers can control their own 401(k). We have prescription drugs for senior citizens on the agenda. We have the bipartisan approach to recapturing lost corporate tax revenue because corporations overseas set up shell corporations to avoid tax policy. We have welfare reform that needs to be reauthorized. We can go on and on.

Not just economic policy but the management of the Senate needs to be an issue in this election because with so much left undone on the Senate calendar that is bipartisan, there is no excuse for that not having been done because somebody does not want to take some hard political votes between now and the election that could have moved the Interior appropriations bill and homeland security along very quickly.

Management of the Senate is a very important issue in this upcoming election based upon what is left on the calendar's unfinished business.

The PRESIDING OFFICER (Mr. CARPER). The Senator from New York.

THE ECONOMY

Mrs. CLINTON. Mr. President, I rise to talk about hard-working Americans, their needs in our current economy, and the kind of obligations we owe to one another.

I have the greatest respect for the ranking member on the Finance Committee. Senator GRASSLEY is an extraordinarily effective advocate and Senator on behalf not only of the people from Iowa he represents but on behalf of Americans. Of course, we have a difference of opinion about what is the best thing to do to get the economy going, to start creating jobs, to put people back to work, and to make sure that the economic prospects are bright for our young people. That is an honest disagreement, but there could be no disagreement that we do, unfortunately, at this moment have what is called a jobless recovery.

That is half right. I think the jobless part is right. I think the recovery part is a bit of a stretch. Unfortunately, many hard-working Americans, from New York City to Des Moines to San Francisco, have been unemployed through no fault of their own but through the downturn in the economy, through the economic impacts of the disastrous and horrible terrorist attacks we suffered. I think we owe something to these hard-working Americans. Every other Congress, every other administration, has recognized that obligation.

When you do what you are supposed to, when you get up, you go to your job, and you do what you are asked to do to get the paycheck at the end of the week to support yourself and your family, that is what we want for all Americans. The goal of our economic policy in this wonderful free enterprise society that we cherish is to create enough jobs so everyone who is willing to work can work.

Unfortunately, we now have rising unemployment, and 1.2 million Americans have exhausted the safety net that has always been there for people who lose their jobs. That is called unemployment insurance. Believe me, no one I know wants to be on unemployment insurance instead of having a job. It does not provide enough benefits. It does not take you anywhere. It is the dead end of all dead ends, but it does provide subsistence support for you and your family. I have been talking with so many of the Americans, especially New Yorkers, who are unemployed. That is what they tell me. They have been looking for work.

The economy of the 1990s has receded. There are not enough jobs for the people who are looking for work. Many have told me heartbreaking stories of going to job fairs, of walking the streets, of answering every ad they can find, of absolutely making a nuisance of themselves to try to find some job opening to get working again. Unfortunately, there are not enough jobs right now.

We have an honest disagreement in this Chamber about the best way to start creating jobs again. It will not surprise my colleagues that I come from the Clinton school of economics. We need a balanced approach. Stimulate the economy, have targeted tax cuts, pay down the debt, and make investments that will lead to our Nation being richer, safer, smarter, and stronger.

The administration and my colleagues on the other side of the aisle have a different theory. Evidence does count for something. The evidence is on our side, not their side. Eventually