

The BIA school construction bond program would increase by about half the number of BIA schools that are currently being replaced or repaired each year.

Yesterday evening, I met with two officials from the Porcupine school board on the Pine Ridge Sioux Reservation. Those two gentlemen are with us this morning.

The grade school in Porcupine is 40 years old and overcrowded. The foundation is unstable. The boiler is unreliable. There is no cafeteria; the children eat their meals in the hallways.

The Porcupine elementary school is number two on the BIA's school construction replacement list. School board officials say they have been told that construction on a new school could start in July—not this year, not next year, not the year after that, but in 2008—more than 4 years from now.

The new Indian school bonding program would enable us to replace and renovate more schools faster.

For the sake of the children at the Porcupine elementary school, and all the children in crumbling and inadequate BIA schools throughout America, Congress needs to get the JOBS bill—with the BIA school construction plan—to the President and get this important program up and running as soon as possible.

Once the law is signed, we are going to insist that the BIA report regularly to Congress on how the BIA school construction program is being implemented and managed. We expect progress and results. We will not tolerate the lack of accountability that is documented in the two recent audits of the BIA's Office of Indian Education Programs.

This chart says it so poetically and prophetically. More than a century ago it was said the first time. Sitting Bull implored representatives of the Federal Government:

Let us put our minds together and see what life we can make for our children.

In that same spirit, we must now put our minds together and hold our Government accountable to keep the promises it made in trusts and treaties and laws to Native Americans.

I yield the floor.

The PRESIDING OFFICER. The Senator from Minnesota.

THE ECONOMY

Mr. COLEMAN. Madam President, I rise today to talk about continued progress for the American economy, especially back home in Minnesota.

I have been coming down to the Senate floor now from time to time to talk about how the policies of President Bush and a Republican majority, working across the aisle with some like-minded Democratic friends in the Congress, are putting America's economy back on track and Americans back to work.

I remember back in October when I came down to the floor and talked

about early signs of economic growth that would set the stage for the job creation we have been witnessing in the last 8 months. Right after I spoke, my friend the assistant Democratic leader challenged me a bit, questioning whether my prediction for a brighter economy were not a little premature.

As the saying goes, "There is nothing more horrible than the murder of beautiful theory by a brutal gang of facts."

What may have been a trickle of good economic news last October has cascaded into a steady stream of good news. Even that most persistent critics of the President's economic program must now concede. The economic engine of America is humming. Job growth is a reality.

Two weeks ago, I talked about a Minneapolis Star Tribune article appropriately entitled, "Minnesota Jobs Roar Ahead," which reported that Minnesota broke all kinds of jobs records in April when Minnesota experienced the largest one-month drop ever in its unemployment rate and more manufacturing jobs were created at a record pace as well.

Today, I want to talk a little about an article in my home town paper, the Saint Paul Pioneer Press, entitled "Factories on a Roll." The article highlights that U.S. Manufacturing activity expanded for the 12th consecutive month last month, and factories boosted employment to meet strong demand for their products.

This is true back home in Minnesota. A regional survey by Creighton University economists found that Minnesota's "Business Conditions Index" rose to a 10-year high.

Also, Minnesota enjoyed its best month-to-month gain in jobs in April since October of 1999. The progress of the last few months has led number of economists to describe Minnesota's economy as "spectacular" and "breathless," and indicates that employment opportunity in the manufacturing sector will continue to improve.

I stand by what I said in October. The President's commonsense tax relief has played the crucial role in helping the economy to rebound from the recession that began during the final months of the Clinton presidency.

More than 1.9 million Minnesota taxpayers saw their taxes decline this year under the President's tax relief. More than 1.2 million couples in Minnesota will benefit from the reduced marriage penalty and more than 475,000 couples and single parents will see an increase in their child tax credit.

I wonder if some folks on the other side of the aisle would still prefer I hold my tongue while we wait for more evidence. If so, I would suggest that perhaps "irrational exuberance" has given way to "unreasonable pessimism."

I would even go so far to say that one of the economy's chief risk factors today is those who continue to talk it down. And why? Could it be perhaps that for some, economic good news

might be political bad news? Much of the howling about the economy has fallen silent. But where is the consistency? If the President was to blame for the economy before, isn't he to be praised for its performance now? I can't wait to see how this one is spun.

The economy has overcome great obstacles and is firing on all cylinders in Minnesota and elsewhere. No, we have not died and gone to economic heaven; problems remain. There is good and bad in every economic period. But considering where we are and what we have come through, this is solid, broad-based and even historic progress.

I was optimistic last October. Why? Because this is what always happens when you give people control of more of their own paychecks.

Federal programs are not the engine of economic growth: Regular folks who save, invest and consume are. But that doesn't mean there aren't things we can do right now to help.

For the sake of working families across the country, we need to focus on maintaining that economic growth and jobs creation through a forward looking legislative agenda. We need to pass an energy bill, a highway bill, and important legal reforms that alone would create 3.5 million new, and good paying jobs.

We need to make permanent the President's tax code in enforcing this economic growth. We need to keep the economy going down the track it is on.

The optimist sees the light at the end of the tunnel. The pessimist assumes it is an oncoming train. With all the evidence in hand, it is time to doubt the doubters and call them to account.

Although we saw the signs last fall for the economic growth and jobs creation that was beginning to unfold, some folks had doubt. But, as President Franklin Roosevelt put it better than a half century ago, "The only limit to our realization of tomorrow will be our doubts of today. Let us move forward with strong and active faith." Hopefully this continued good news from Minnesota and across America will help the doubting Thomas's still among us.

I yield the floor.

The PRESIDING OFFICER. The Senator from Georgia.

Mr. MILLER. Madam President, I rise today to join with my colleagues in celebrating this anniversary. In 2001 and again in 2003, Congress had the wisdom to pass two bold tax cut plans. I firmly believe they were the key to turning around this economy.

When the President came to office, the economy was already taking a turn for the worse. Job growth was slowing down, the stock markets were moving in the wrong direction. A dose of strong medicine was needed. Our President came up with a bold plan for tax relief, to get more money out of Washington and put it back into the pockets of workers and the small business owners who earned it.

President Bush knows, as President Kennedy knew, and as President

Reagan knew, the best way to jump-start the economy is to leave more money in the hands of the American people.

When people and businesses can keep more of their own money in their own pockets instead of having to send it to the "National Center for Income Redistribution on the Potomac," it follows they will spend more and they will invest more and they will expand their businesses more. When that happens, the result is new jobs and a growing economy. That is exactly what has happened.

I was proud to be a cosponsor of those tax relief plans which lowered the tax bills for 111 million taxpayers, including 25 million small business owners. Americans have been using this extra money to pay their bills, get the kids in new clothes, or start a saving plans for themselves. Small businesses are investing in new equipment and expanding their operations. Workers are opening their 401(k) statements to see the numbers are going up instead of down.

As a result, our economy is on the upswing. We have had 10 consecutive quarters of economic growth. In the last 3 quarters, the economy has been stronger than any 3 consecutive quarters in nearly 20 years. Jobs are coming back, too. More than 1.1 million jobs have been created since last August and more are on the way. Manufacturing activity is picking up, and the business community is more confident than ever that they feel this turnaround taking root.

President Bush has done an outstanding job shepherding our economy through these tough times. I have one wish as we celebrate this anniversary. I wish this Congress would take one more step with these tax cuts. I wish we would do what we should have done in the first place, make these tax cuts permanent.

I have asked this question before and I will ask it again: How can anyone, how can any business, make any long-range plans for a business or for a family with a "here today, gone tomorrow" tax cut, a tax policy that has a perishable date on it, like a quart of milk?

The fastest way to show our taxpayers we are serious about tax relief, the fastest way to ensure this economic growth continues, is to make the tax cuts permanent.

I yield the floor.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. NICKLES. Madam President, I compliment my colleague, Senator MILLER from Georgia, for his statement, but also for his courage last year in not only supporting this package but cosponsoring this package with me. Every once in a while we do something in Congress that makes a difference. Last year, Senator MILLER helped pass a budget that enabled the Senate to pass a tax bill.

The tax bill we passed we called the economic growth package 2003. It did a

lot of things. It accelerated some tax cuts that were already passed in 2001 that were being phased in very slowly. We accelerated those. We made the maximum tax rate 35 percent. It accelerated tax changes for families, moved tax credits for children from \$700 to \$1,000. It gave marriage penalty relief. It meant married couples would pay 15 percent on taxable income up to \$58,000. It expanded the 10-percent tax bracket. It cut capital gains tax rate from 20 percent to 15 percent. It cut the tax rate on corporate dividends. We tax the distribution of dividends from corporations higher in the United States than any other country in the world. It cut that tax by more than half. It cut it from ordinary rates to 15 percent.

It would not have happened if it were not for Senator MILLER. He cosponsored the bill. He made it possible. By passing a budget, we passed a bill. We passed it with the Vice President breaking a tie. The net result is we have had economic growth, very significant economic growth as a result of that tax bill, as a result of the budget we passed last year.

The proof is in the pudding. We have now seen the results. Both sides, Democrats and Republicans, said, We need to do something to stimulate the economy. We did. We passed the package. The President signed it a little over a year ago, May 28 of last year. Now we can look at the results. The results are outstanding. So we ought to acknowledge it.

We have had the most rapid expansion of gross domestic product in 20 years. The last 4 quarters averaged 4-point-some-odd percent: 3 percent, 8 percent, 4.1 percent, 4.5 percent—the highest in 20 years. That has happened since we passed our package a little over a year ago.

The results in the stock market have been dramatic. The Dow Jones industrial average, when we introduced this bill, I believe it was in February of last year, was less than 8,000. It is over 10,000 now—an increase of 27 percent from when we introduced the President's budget and introduced his bill. That is dramatic. I remember telling my colleagues, if we eliminate double taxation on dividends, we might have a Dow Jones industrial average above 10,000. That is the way we passed it in the Senate, but the way it came back from conference, we said the tax on dividends would be 15 percent. That is a big improvement over ordinary tax. Corporations have to pay 35 percent on their corporate profits. Then we pay individual tax of 15 percent. But as a result, we now have a Dow Jones industrial average that has risen 27 percent. The NASDAQ is actually up even more than that. It surged from about 1350 in March to today almost 2000. That is a 47-percent increase since February. That is very significant. That means the market cap has increased by trillions of dollars.

People ask, what does that mean? It means the value in your 401(k) funds

has risen from \$11 trillion to over 15 some trillion, an increase of about \$4.5 trillion. That is phenomenal growth, that is phenomenal wealth creation, due in large part to the tax bill we passed last year because we tax corporate profits differently, because we allowed corporations to have a bonus depreciation up to 50 percent.

We made tax changes and there are consequences to those changes we made, positive changes. There are positive changes on employment and the unemployment rate. The unemployment rate has declined dramatically from over 6.3 percent in June of last year. Keep in mind, we introduced this bill in February when the unemployment rate was about 5.9 percent. It went all the way up to 6.4 percent. And now, today, we are looking at an unemployment rate of about 5.6 percent—a very significant reduction in the unemployment rate. So that is positive.

Payroll growth has increased dramatically. That is usually a lagging indicator. The stock market moved up earlier, and now payrolls are starting to increase, with over 1.1 million jobs in the last 8 months alone. You can see the growth trend is very positive. We had a decline in jobs for some time. We were experiencing significant job losses. We said: We need to do something to stimulate the economy. We did. We introduced the tax cut bill in February. We passed the bill in late May. Now you can see it is really starting to take off. We have had very significant job growth as a result of that.

Even in manufacturing—if you look at the trend in manufacturing over the last 40 years, it has been on a decline. Because of some of the changes we implemented—primarily the bonus depreciation, and, again, a change in the way we tax dividend distribution—you are now seeing investments in manufacturing plants and facilities. Investments are up in manufacturing, and investments in companies, dramatically. Now we are seeing growth in manufacturing output, which has been significant. We have had very significant manufacturing output.

We are also seeing, for the first time in a long time, actual growth in manufacturing employment. I used to be a manufacturer. That is good news. That is reversing a trend that has been on the books and, frankly, in progress for a long time.

The point I am making is a year ago we passed a bill. The bill was a big change in tax policy, a big change I think that has had very positive economic results. Senator MILLER said: Well, there is one thing we should do. This bill was passed, and it was passed under reconciliation, which means, by law or definition, it had to be for a set period of time. It sunsets. We need to make it permanent. We want these growth trends to continue. We want the growth in the number of jobs to continue. We want to see manufacturing continue to increase. We want to see GDP continue to increase.

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