

they will get around to recognizing that and we will go back to a sensible economic policy. In the meantime, honest, hard-working Americans should not bear the brunt for bad economic policies. They should not bear the brunt because the administration does not have an economic plan. We need to help them. We have the means to do so. We should act immediately.

Around the country the headlines read: "Prospects for Work Fade with Economy," "Jobless Recovery," "Help is Needed on the Home Front," "The Jobless Need the Helping Hand of Congress and the President."

In addition to no jobs for honest, hard-working people looking for jobs, the poverty rate has gone back up. For the first time in 8 years, the poverty rate increased by 1.3 million people. For families, that number increased by almost half a million. For the first time since 1991 the median household income dropped by 2.2 percent. The DOW has had its worst September since 1937. The number of Americans who no longer have health insurance has increased by 1.4 million.

How much more of a wakeup call do we need to penetrate the fog of ideology that sits over this Capitol? How much more information and evidence do we require to admit we have millions of Americans who are unemployed, on the brink of financial ruin because we are not giving them a helping hand? We can take steps right now to extend unemployment insurance. It may seem like a small step to some who are not unemployed. That is always the problem. We are sitting here with a cushy job, and we hear of people who do not have work, thinking good luck to them. That is inexcusable. Those fortunate enough to have a job to count on during a jobless recovery know there are a lot of people "there but for the grace of God go us." We should be there with a helping hand. It is not right to ignore their plight any longer.

Many Americans are exhausting all of their unemployment benefits. That is understandable; we only extended it for 13 weeks. I keep thinking of the contrast between the recession of the early 1990s and this recession. In the early 1990s, former President Bush extended unemployment three times. And then President Clinton extended it twice until the economy began picking up and jobs began to be available again. I don't think we need to look any further than our own history of the past 10 years.

When times get tough and people cannot find work because the economy is not creating jobs, that is what unemployment insurance is for. It is not only the right thing to do, it is also smart. It provides a direct stimulus into our economy. Every dollar we spend on unemployment insurance generates \$2.15 in our gross domestic product. It puts into the hands of people who will spend that money immediately the means to pay their rent, to

buy the food, to buy the school books, to pay the mortgage, to pay the car payment.

I don't think there is any doubt that Americans are the hardest working people in the world. We do not take vacations like the rest of the developed world. We work longer hours. Some of us take more than one job in order to get ahead. It is the story of America. It is a great story. It is filled with optimism. It rests on the bedrock belief that hard work will pay off.

Sometimes, through no fault of someone, something terrible happens, something unforeseen happens. A CEO of a major corporation starts looting the corporation to have a \$100 million house or a \$30 million boat. All of a sudden people are down the drain: Their jobs, their income, their pensions, their retirement security. They are unemployed. Sometimes the worst happens and the waiters and waitresses and janitors and maintenance people who got up every day and for years went to work at the World Trade Center see not just their jobs but their friends' lives and literally the buildings in which they work collapse.

I am hoping we will extend benefits once again. We have only done it once. We have the money in the fund to pay for the right thing and the smart thing. We need to do it because so many of our unemployed will run out of benefits completely by the end of December. I am hoping this Congress will act to extend unemployment insurance and disaster unemployment assistance for an additional 13 weeks for all States and 20 weeks for States such as New York that are suffering from high unemployment, much of it directly related to the attacks we also suffered. I don't think we should take another day. We should send a clear message that we care about the working men and women of this country. We care about their families. We are going to try to help them get back on their feet. We will give them the help they deserve because they paid into this fund. We just have to pull the trigger so it goes out to them in their time of need.

The PRESIDING OFFICER. The Senator from Utah.

THE ECONOMY

Mr. BENNETT. Mr. President, I have listened with some interest to the Senator from New York and I have some comments to make which I hope will clearly set the record in some areas.

She referred to the jobless recovery in which we find ourselves. This is exactly parallel to the jobless recovery that occurred in the early 1990s as we came out of the recession that started in 1990, and the recovery started in 1991. There was a period when the Congress was concerned about the fact that we were recovering, but not enough jobs were created. That is fairly typical of a recovery.

The present recovery is no different in that regard.

Mrs. CLINTON. Will the Senator yield?

Mr. BENNETT. I will be happy to yield for a comment.

Mrs. CLINTON. The Senator is correct, we had a jobless recovery in the early 1990s, and a jobless recovery in the early part of this new century. In the early jobless recovery of the early 1990s, the first President Bush extended unemployment benefits three times. Is it the position of the Senator that this job of recovery means it is so different we shouldn't extend the same helping hand the President did in the early nineties to those who lost their jobs then?

Mr. BENNETT. I have not gotten to the issue of extending unemployment. I have no particular objection to extending unemployment. I am trying to set the record straight about some of the statistics that are being quoted.

Mrs. CLINTON. I thank the Senator for his lack of objection, and I hope it transforms into support for extending unemployment insurance.

Mr. BENNETT. When the bill comes to the floor of the Senate, I will be happy to give it consideration, and I see no reason at the moment why I should oppose it.

The Senator commented on unemployment rising. The fact is the unemployment rate is falling. The unemployment rate hit its high in the circumstance of 6 percent and starting to come down in August. It was 5.7 percent. We do not have the September numbers yet.

I remember being taught in economics if we were at 6 percent unemployment, we were at full employment. The assumption was the economy could not absorb more jobs than that without going into inflation. We have proven that is not the case.

But to panic because unemployment hits 6 percent and is now falling and to say we are not in recovery is, frankly, not accurate. We are in a recovery. However slow it may be, however sluggish it may be, it is a genuine recovery, and we should not panic everybody into believing we are on the verge of a double dip or a major recurrence of recession.

Personal income was unchanged in July and rose in August. The Senator said personal income was falling. Again, that is not sustained by the actual numbers. Personal income is rising, and the recovery is stronger than the Senator from New York would have us believe.

I spoke on this issue yesterday, and pointed out we were in a recovery which began in the fourth quarter of 2001 when the gross domestic product rose at 2.7 percent. From the first quarter of this year, gross domestic product rose at 5 percent. Previous figures for the second quarter of this year indicate the gross domestic product was rising at 1.1 percent. Those figures have now been revised. They have been revised upward.

Looking back over it, we are now told the recovery continued in the second quarter with gross domestic product rising at 1.3 instead of 1.1, and the blue-chip forecast which said in the current quarter—the third quarter—we would see gross domestic product rising at 2.7, the same rate it did in the fourth quarter of last year, that those figures are low; that, in fact, the forecast now is the third quarter of this year will see gross domestic product numbers closer to 3 percent instead of 2.7 as previously forecast.

I don't expect anyone to remember all of these numbers I recite. I hope they will remember that the general trend is up and is more encouraging than the Senator from New York and others would lead us to believe.

We keep being told we are in a period of great distress and disaster, and we must do something and do something drastic about it. One of the things that is proposed is we must postpone the effect of the tax cut that was passed by wide margins—both in this body and the other body—at the beginning of the Bush Presidency.

I want to discuss that for just a moment. It has been framed with the same kind of statistical maneuvering I have tried to address here. The question that makes for a good headline in a political stump speech is who lost the surplus? They are talking about a \$5.6 trillion surplus that was projected at the time we had the tax cut debate. That surplus has now disappeared in the projections that were being made, and we are being asked again and again, Who lost the surplus?

The first point I want to make on that score is the surplus never existed. The surplus was a projection. I can take the Nation back through every projection made by the CBO; before that by the Office of Management and Budget; before the Congressional Budget Office was created, by the old Bureau of Budget; and before the Office of Management and Budget was created, and demonstrate virtually every projection of surplus or deficit made by those entities has always been wrong. Sometimes it has been wrong on the high side. Sometimes it has been wrong on the low side. But the one consistency is every project, surplus, or deficit in future years has always been wrong.

It comes as no surprise to discover the projection of the \$5.6 trillion surplus was wrong in this case as well.

I remember a discussion with Alan Greenspan when he was before the Banking Committee, or perhaps the Joint Economic Committee. I sit on both, and he testifies before both. Someone asked him about the projections that were being given to us at the time with great confidence. They said, Mr. Chairman, how likely is it this projection will be realized? He said it will not be realized. This projection will be wrong. He said I cannot tell you whether it will be wrong on the high side or the low side. I cannot tell you and nei-

ther can any other economist tell you whether we will reap the benefits of the new age economy to a degree far greater than demonstrated by this projection or whether we will fall on our face and come in flat.

The problem is—I am not now quoting Greenspan—with an economy doing something like \$11 trillion a year and subject to the uncertainties of the business cycle as well as the outside shocks that can occur in this world, no one can look 10 years into a crystal ball and tell you with absolute certainty what is going to happen.

I find it interesting that those who insist the loss of the \$5.6 trillion surplus is due to the Bush tax cut and solely to the Bush tax cut also say to us why don't we deal with our current economic problems by postponing the effective date of the Bush tax cut? And, after all, that is going to take place in the outyears, anyway. So postponing the effective date will have no particular impact short term.

All right. Hold onto that argument for just a minute and listen to the other argument that we are being told.

We are being told it was the Bush tax cut that blew the hole into the surplus. Wait a minute. If the impact of the Bush tax cut is going to come in later years so it can be postponed without making any difference, how could it have been the primary mover in creating the deficit right now? Well, I can tell you how. I was part of the discussions as we crafted the tax cut. Democrats said to us at the time the tax cut was being considered it would have to have an immediate impact. We have to put money in the hands of people right now. We can't wait for the tax cut impact in the outyears.

The proposal was made primarily from the Democratic side of the aisle that in addition to cutting the marginal rates for taxes there be an immediate rebate, \$300 per taxpayer, right away. That was not part of the original Bush proposal. That came out of Democratic proposals. And, frankly, it seemed like a good idea. The Bush administration embraced it. We have a combination of cutting the marginal tax rates over a period of time into the future and a rebate to get money into the hands of the economy and into the hands of people right away.

If, indeed, it was the tax cut that destroyed the surplus right away, it was the rebate side of the tax cut that was proposed by Members of the Democratic party and endorsed certainly by me and other Members of the Republican party.

You cannot have it both ways. You cannot say postponing the effective date of the tax cut won't affect the present situation. You cannot say there was an immediate impact which was bad and then say our proposal will have no immediate impact and that is good. This debate has gotten somewhat into Alice in Wonderland. I hope we can stay with the facts.

The PRESIDING OFFICER. The deputy majority leader.

ORDER OF PROCEDURE

Mr. REID. Mr. President, the majority has 21 minutes. I am going to use a few minutes. Following my remarks, I ask unanimous consent that the Senator from Missouri, Mrs. CARNAHAN, have 6 minutes; the Senator from Washington, Ms. CANTWELL, have 5 minutes; and Senator KENNEDY have 10 minutes. And if we use extra time, that would just be counted against the time we have before the cloture vote. We each have a half hour on that.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

THE ECONOMY

Mr. REID. Mr. President, my friend from Utah—and he is my friend; I think the world of him—has a unique argument: Who lost the surplus? I never heard that until he talked about it. I think we all know who lost the surplus. He never answered that question.

And then the unique observation is: It never existed. We never had a surplus.

Talk about Alice in Wonderland. About a month ago—actually it was in August—I went on a family vacation. I had not read “Alice in Wonderland” for a long time. I read “Alice in Wonderland,” and there are a lot of strange things that go on in that little girl's life when she takes this strange odyssey.

But part of that is, as the Senator from Utah mentioned, Alice in Wonderland, because the statements he has just made really are—I say this respectfully—illogical and illusionary. They simply do not exist.

The fact is we have, in the Bush economic record, weak economic growth, record job loss, declining business investment, a falling stock market, shrinking retirement accounts, eroding consumer confidence, rising health care costs, escalating foreclosures, vanishing surpluses, higher interest costs, raiding Social Security, record executive pay, and stagnating minimum wage.

In the Bush world, everything that should be up is down, and everything that should be down is up. Job losses should be down; they are up. Health care costs should be down; they are up. Foreclosures should be down; they are up. The national debt should be down; it is up. Federal interest costs should be up; they are down. The Social Security trust, we should not be raiding it. In fact, we are doing just the opposite of what we should be doing.

Those things that should be going up in the Bush economic plan are going down: economic growth, going down; business investment, going down; the stock market, going down; retirement accounts, going down; consumer confidence, going down; minimum wage, going down. Everything you would think should be up economically is down.