

forward. We passed that tax cut and in that we provided things such as bonus depreciation, providing incentives for business to make expenditures. When they make expenditures and capital expenditures, they are going to grow jobs.

There were many who said, How can you cut taxes at a time when we are in economic distress? The reality is, we do it because that is the way you grow jobs, and we are seeing that. We are seeing it in the data that is coming out. I will talk a little bit about that. But I want to step back and say the reason I am so passionate about this is not because it is part of a political party's platform, not because it is an ideological statement; it is because I have seen it work.

I was mayor of a capital city. I got elected in 1993. When I was elected, the city was economically dying. It was not doing well. One of the ways to value that is the value of taxable property. In downtown St. Paul, it was over \$700 million. When I got elected to office in 1993, took office in 1994, the value of taxable property was \$300 million. It had lost half the value of property. I realized we had to do those things to grow jobs, so what did we do?

We kept the lid on taxes. I made a commitment, saying we were not going to raise taxes in the city of St. Paul. You know, we didn't raise taxes in the 8 years I was in office—zero increase in the tax levee. We also cut three-quarters of the licenses to do business.

There were those who were saying, You are giving these benefits to business. Why are you doing that? I did it because I believed if you did those things that keep a lid on taxes, you would encourage investment. I believed if you kept a lid on those things that were increasing the cost of doing business, you would grow investment.

By the time I left office there were 18,000 more jobs in my city. The fact is, by cutting taxes, by stimulating those things that generate investment, you grow jobs.

There may be folks who argue about that, but it is like the economist I described. Economists, sometimes, are those folks who see something working in reality and they tell you why it can't work in theory.

Cutting taxes works in reality. You cut taxes, it works. My colleague, the Senator from Idaho, quietly mouths: "You know, it works in theory, too." And it does. I have seen it work in reality. This is not about theory or ideology for me. This is not imagining what could be or should be or might be. This is about what is.

The reality is we are seeing it today. We are seeing us coming out of that long slide—not fast enough for me; We have to grow jobs at a faster rate. But we see us coming out of the slide. We see it in the data coming out. Consumption in the third quarter topped 12 percent at an annual rate, translating to 6 percent growth in gross domestic product in the last quarter. You have

to contrast that with the first quarter of 2003. The growth was 1.4 percent. Tax cuts are making a difference. Tax cuts are taking hold. Jobs are growing. Jobless claims continue to fall to their lowest level since last February. Production in our plants and factories grew in the third quarter at a 3.5 percent annual rate. Contrast that to the negative growth in industrial production in the second quarter at 3.2 percent.

Homebuilders started building over 1.9 million new homes on an annual basis, according to the last report. Inflation is well under control at an annual rate of 2.3 percent. I believe that is about a 37-year low.

Finally, we are getting consumer confidence. That is what it is about. No one jumps a sinking ship. No one invests in something they think will fail. On the other hand, if they have a sense there is hope and optimism, people invest. It is about hope and optimism.

That is what tax cuts have done. They have generated a sense of hope and a sense of optimism. More importantly, they have put money in people's pockets. They have encouraged investment. Sixty-four percent of Americans, according to most recent surveys, predict the economy will be stronger a year from now. That is up from 55 percent last February. Sixty-nine percent of Americans say the economy is stronger than it was 3 years ago.

We have a way to go in order to move this economy forward. But the way you change the economy is not doing it like a racetrack and racing around the bends in fast turns. You grow an economy in many ways. But you see the results. It is kind of like turning an ocean liner around in the middle of the ocean; you have to get it moving in the right direction.

The President's tax cuts have the economy moving in the right direction. The economy is moving in the right direction. Americans know that. Americans understand that. Let us stay that course. Let us continue to do that which generates investment, generates hope, and that grows jobs. It is the path we are on. It is the path the President set forth, which I support. It is the right path not just in theory but in reality.

I yield the floor.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. Madam President, the Senator from Texas is controlling the time on the majority side and has asked that the time be extended 10 minutes, equally divided. We have no objection on this side.

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

THE ECONOMY

Mr. REID. Madam President, I simply say to my friend from Minnesota, before he gets too excited about the economy doing so well, that that expla-

nation should be given to the 3 million people who have lost jobs during this administration. This is the first President since Herbert Hoover who has had a net job loss during his tenure in office. I hope there is a turnaround. But before we come here and start giving speeches about how great the economy is, we need to explain that the economy is losing jobs on a monthly basis. We are not losing as many as we did, that is true, but we are still losing jobs. People need to work.

This is the worst job creation record of any modern President. It is the weakest economic growth under any President in 50 years. If there is a recovery, it is certainly jobless. Poverty is increasing. Real income is falling. We have a record deficit. No one seems to mention that.

There were cheers from the Department of Commerce this year that the deficit—when you add in the surplus of Social Security—is only about \$500 billion. They were cheering about that. There is a record deficit. There is a record debt increase. We are going to have to increase it again before this next summer is out. It is the worst fiscal reversal in history.

Keep in mind that during the last years of the Clinton administration, we were actually spending less Government money than we were taking in. There has been about a \$3 trillion loss in market value in the stock market.

I think the time is a little premature to start coming here and giving cheerleading speeches about the greatness of the economy.

The PRESIDING OFFICER. The Senator from Texas.

Mrs. HUTCHISON. Madam President, there is an additional 5 minutes on our side. How much time remains on our side with the additional 5 minutes?

The PRESIDING OFFICER. Nineteen minutes, nine seconds.

Mrs. HUTCHISON. Thank you, Madam President.

I would like to allocate up to 5 minutes to Senator CRAIG, up to 10 minutes to Senator COCHRAN, and the remaining time to Senator SANTORUM.

Mr. WYDEN. Madam President, parliamentary inquiry: How much time remains on this side of the aisle?

The PRESIDING OFFICER. Nineteen minutes, sixteen seconds.

Mr. WYDEN. Thank you, Madam President.

JOBS

Mrs. HUTCHISON. Madam President, I think it is very important that all of us look for ways to create jobs. We are very concerned about jobs not keeping up with the recovery. That is why we are trying to pass an energy bill. It is why we are trying to make sure we keep the tax cuts so that people will spend the money they have. That is why we have seen an increase in the value of the stock market. It is very important that we continue to focus on jobs. And I assure you, the President and the Congress are going to do that.