

and how they have always worked. You'd think someone with the ability "to save the world" would have read a few books about markets.

The problem is the glut of money and credit that has been poured into the U.S. economy has created a host of new problems. The U.S. Government's fiscal budget is now in huge deficit because so many projections were based on revenues from capital-gains taxes that won't be realized. Employee 401(k) plans are in the dumps, insurance companies, pension plans, whether they are corporate or government, are in trouble, some in danger of disappearing. Social Security and Medicare are certain to suffer in the long run.

It's caused problems on a corporate level as well. All the easy credit that's available is propping up companies that are basically zombies, companies that should have long gone out of business (read: Lucent?) to cleanse the system for the survivors. My guess is many of the corporate accounting problems now surfacing might not have happened if Greenspan had allowed the stock market to correct itself as profits declined. After all, he kept creating credit to prolong the bubble so companies played the stock-market game to keep their stocks and options participating.

Greenspan could have raised margin requirements—the ability to buy equities on credit—during all this to control the animal spirits loosened by his credit machine. He is even on record in 1996 stating: "I recognize there is a stock-market bubble problem at this point." He went on to say: "We do have the possibility of raising major concerns by increasing margin requirements. I guarantee that if you want to get rid of the bubble, whatever it is, that will do it." He was dead right. If he had followed through, many of these companies wouldn't have been jiggering the books when times got tough.

More important, Greenspan's reaction with regard to the stock-market bubble has caused two more bubbles to grow: a real-estate bubble and a consumer-debt bubble. Faithful readers know I believe the real-estate market will pop within a year or so. Many investors have simply transferred their assets from the stock market to the real estate market, thinking they can get rich quickly. Greenspan himself is certainly helping the effort, lowering interest rates 11 times in the last two years along, allowing homeowners to refinance their mortgages, often borrowing even more money, without raising their monthly payments. This might be fine if people were using the money to pay off their credit cards and car loans and other debts, but that doesn't appear to be true. Consumer-debt levels continue to soar as people take money from their homes and spend rather than lower debt or save. The U.S. savings rate, after all, is roughly 1 percent, one of the lowest in the world. A consumer-debt bubble is building and it will devastate many people when it bursts. Our Maestro is on record as saying this use of more unsustainable, non-productive credit is a sound basis for keeping the economy humming. I fail to see how pouring more debt into our houses which only produce more negative cash flow will save us down the road.

What would I do? I'm not the Federal Reserve chairman and it's not a job I'd want. That said, I wouldn't keep forcing lower interest rates. Way back when, before the central bank got involved, interest rates used to set themselves. If people borrowed a lot of money, rates were higher. If people didn't borrow money, rates fell. Why shouldn't it be any different now? The rest of the world is following these eternal verities these days. Plus, I'd aggressively encourage people to pay down their debt and start saving. Our

system discourages saving and investing, but encourages consumption. The only way to make it through the hard times is if you've prepared for them. The U.S. desperately needs more saving and investment, not more SUVs and vacations in the casinos. We need to let inefficient companies fail to clean out the system. Japan over the past decade has proved that for all of us. Greenspan has even talked of Japan's "ensuring failures of policy." We need to build future productivity, not more bubbles. Hopefully, it's not too late.

Greenspan is up for reappointment in 2004. He's already lobbying to be reelected, hoping to surpass the last William McChesny Martin as the longest-running Federal Reserve chairman in history. He shouldn't be reappointed. By then, things may be so bad that even he won't be able to hide what he's done. In his recent speech in Wyoming, Greenspan said, "As history attests, investors too often exaggerate the extent of the improvement in the economic fundamentals." Boy, did he speak from the heart and get that right, although he was trying to blame others for his mistakes. But who can blame investors for their rose-colored glasses when the Federal Reserve chairman—the man who allegedly makes the most important financial decisions for the entire nation—ignores history in order to protect his friends and his legacy?

On Sept. 25, 2002, Greenspan told a group of economists again not to worry about his approach of sustaining the economy with a new housing and consumption base with more credit piled on top of the huge debt increase of 1997-2001. He is getting in deeper while still trying to override normal economic history and rules. He said, "These episodes suggest a market increase over the past two or three decades in the ability of modern economics to absorb shocks." We do not need to worry he said because the world economy "has become more flexible." He is now a believer once again—in a New Flexibility.

Among the most dangerous words in the world are: "It is different this time." The Maestro still believes once again that things are now different. History will judge him one of the worst Central Bankers ever. ●

ADDITIONAL STATEMENTS

EARTH RESOURCES OBSERVATION SYSTEMS DATA CENTER CELEBRATES 30 YEARS

● Mr. JOHNSON. Mr. President, it is with great honor that I rise today to congratulate the Earth Resources Observation Systems, EROS, Data Center in Sioux Falls, SD, which will hold its 30th anniversary celebration on Tuesday, September 30, 2003.

Opened in the early seventies, the EROS Data Center was staffed by only a handful of people and the largest mainframe computer in the State of South Dakota. Thirty years later, the EROS Data Center has grown to an organization with over 600 employees and they are responsible for supplying data to a worldwide community of users. Scholars, engineers, and land managers use their data to study a growing list of environmental issues such as resource development, global change, and land use planning. In addition to maintaining Earth science data, EROS scientists are working constantly to discover new ways to utilize this information.

Within the EROS Data Center lies a computer room that was associated with NASA's Earth Science Enterprise initiative. The robotic mass storage systems within this room hold approximately 920,000 separate images and make much of the EROS Data Center's NASA satellite information immediately available to scientists working at desktop workstations in both South Dakota and around the world. A major part of NASA's Earth Science Enterprise initiative is the Earth observing system which will collect data required to measure changes in the Earth system. Beginning in 1999, and running for at least the next 15 years, The EOS will collect data through a series of satellites and field experiments to observe the Earth. In addition, since 1991, the EROS Data Center has supported the United Nations environment programme/global resources information database making environmental data available to developing countries.

While the EROS Data Center's mission has changed and grown over the years, its original mission, which was to receive, process, and distribute data collected and transmitted, still holds true. It is my belief that the center will keep on growing and continue to make a large impact within the Department of the Interior. As a small state, South Dakota can be extremely proud of the impact such a center has not only on the State but on the United States and other nations.

I am proud to have this opportunity to honor the EROS Data Center for its 30 years of outstanding service. It is an honor for me to share with my colleagues the exemplary leadership and strong commitment to data management and research the EROS Data Center has provided. I strongly commend their years of hard work and dedication, and I am very pleased that their substantial efforts are being publicly honored and celebrated. ●

TRIBUTE TO KEVIN A. POPE

● Mr. DODD. Mr. President, I rise to pay tribute to Kevin A. Pope, of Waterford, Connecticut, who passed away on July 14, 2003 at the age of 53.

I join all those who knew Kevin Pope in expressing my sadness at his untimely passing, and extending my deepest sympathies to his wife Donna, their two sons Jeffrey and Jason, their grandchildren, and Kevin's entire family.

In an age when so many of us move around from place to place, Kevin was a true Connecticut son—he was born in our state, grew up there, got married and raised children there, and lived there until his unexpected passing last week.

Kevin was a devoted husband and father to his two sons and was a vital member of the Waterford community. He was especially active in youth sports in Waterford, coaching Little League and Babe Ruth baseball and Preteen Basketball, umpiring baseball,