

apparent that too many guys had planned on taking the same girl home. There were too few resources available for all of their plans to succeed. The most crucial—and most general—unavailable factor was a continuing flow of investment funds. There also turned out to be shortages of programmers, network engineers, technical managers, and other factors of production. The rising prices of these factors exacerbated the ill effects of the shortage of funds.

The business plans for many of the startups involved negative cash flows for the first 10 or 15 years, while they “built market share.” To keep the atmosphere festive, they needed the host to keep filling the punch bowl. But fears of inflation led to Federal Reserve tightening in late 1999, which helped bring MZM growth back into the single digits (8.5% for the 1999-2000 period). As the punch bowl emptied, the hangover—and the dot-com bloodbath—began. According to research from Webmegers.com, at least 582 Internet companies closed their doors between May 2000 and July of this year. The plunge in share price of many of those still alive has been gut wrenching. The NASDAQ retraced two years of gains in a little over a year.

During the first half of 2001, the Fed demonstrated—with its half-dozen interest-rate cuts and a near-desperate MZM growth of over 23%—that you can’t recreate euphoria in the midst of a hangover.

It all adds up to the Austrian theory. As a final twist to our story, we note that Krugman, who before could only mock the Austrians, has recently given us an Austrian account of our macroeconomic ills. In his “Delusions of Prosperity” (New York Times, 8/14/01), Krugman explains how our current difficulties go beyond those of a simple financial panic:

“We are not in the midst of a financial panic, and recovery isn’t simply a matter of restoring confidence. Indeed, excessive confidence [fostered by unduly low interest rates maintained by rapid monetary growth?—RG & GC] may be part of the problem. Instead of being the victims of self-fulfilling pessimism, we may be suffering from self-defeating optimism. The driving force behind the current slowdown is a plunge in business investment. It now seems clear that over the last few years businesses spent too much on equipment and software and that they will be cautious about further spending until their excess capacity has been worked off. And the Fed cannot do much to change their minds, since equipment spending [at least when such spending has already proved to be excessive—RG & GC] is not particularly sensitive to interest rates.”

With Krugman on the verge of rediscovering the policy-induced self-reversing process that we call the Austrian theory of the business cycle, we confidently claim that current macroeconomic conditions are best described as a classic Hayekian hangover. The Austrian theory, of course, gives us no policy prescription for converting this ongoing hangover into renewed euphoria. But it does provide us with the best guide for avoiding future ones.

TREASURY AND GENERAL GOVERNMENT APPROPRIATIONS ACT, 2003

SPEECH OF

**HON. MIKE ROGERS**

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 24, 2002

The House in Committee of the Whole House on the State of the Union had under

consideration the bill (H.R. 5120) making appropriations for the Treasury Department, the United States Postal Service, the Executive Office of the President, and certain Independent Agencies, for the fiscal year ending September 30, 2003, and for other purposes:

Mr. ROGERS of Michigan. Mr. Chairman, I want to thank my colleagues, and I will ask for their help today because Michigan is in need.

In the Civil War, Michigan mustered 90,000 troops to defend the Union. During that tumultuous time in our history, Abraham Lincoln was quoted as saying: “Thank God for Michigan.” We have the second most diverse agricultural crop in the United States. We offer all the flavors of this great country to our fellow States.

Michigan is responsible for creating the permanent middle class in America when Henry Ford decided to pay the workers on the line \$5 a day. During World War II, Michigan converted all of its automobile production plants into plants that produced military arsenal, making Michigan the arsenal of democracy for the world. We did that for the United States of America. Michigan is home of the Great Lakes, which account for 20 percent of the world’s fresh water, all of it worth defending. And I am here to tell you today that Michigan right now is under attack. I need every colleague in this House from Maine to California to Florida and in between to step up to the plate and say, “We will stand beside you, those who have stood by America before.”

In the year 2000, Canadians sent 4.2 million cubic yards of waste to Michigan, nearly double from the year before. Canada is the second largest land mass country in the world, and yet they are unable to handle their own trash. This situation gets worse.

Toronto is scheduled to close its last landfill at the end of the year. Recently, city workers in Toronto went on strike. I want to point this out to you. This is the scene in Toronto just a few weeks ago: trash blocking roadways. This is a park area filled with trash from Toronto. As you can see, the residents were throwing bags of garbage over the fence, piling up everywhere all across their city.

Here is the bad news. All of that trash that my colleagues see right here is coming to the great State of Michigan and we are absolutely uncertain as to its contents. Let me just quote for my colleagues a woman from Toronto as quoted in the Toronto Star, when city workers settled a strike that allowed garbage to pile up in the streets. She was quoted as saying “I’m relieved that it’s on its way. It was polluted, smelly and germ.”

160 semi-trucks each day are delivering polluted, smelly and germey Toronto trash to the great State of Michigan. At the end of this year, when Toronto’s last remaining landfill closes, that number is expected to exceed 250 trucks every day of this trash in our landfills. Michigan has had a long-term plan to deal with its own garbage. Just with Canadian trash alone, Michigan’s landfill capacity has been reduced from 20 years to 10 years, and getting smaller every day.

In one landfill that accepts Canadian trash, PCBs and soiled coffin waste were discovered. The needle program in Toronto is coming to a landfill near you great citizens of Michigan.

This amendment is important today. There is a lot of work we need to do on this issue to stop Canadian trash. However, we ought to

have the courage today to stand with our fellow Michiganders to give them at least the hope of protecting their environment in the great State of Michigan.

The purpose of my amendment is to hire six U.S. Customs agents to be stationed 24 hours a day on the Ambassador Bridge and the Blue Water Bridge, three at each bridge for every shift. The sole responsibility of these agents will be to inspect Canadian trash coming into Michigan. The money provided includes dollars for equipment, training and benefits.

Now, the only way to know what’s in this trash is to get our hands dirty and inspect it. Let’s find out where the PCBs are coming from, where the soiled coffin waste is coming from and where the bottles are coming, since Canada does not have a bottle deposit program like Michigan.

This is the right and decent thing to do, to let us in Michigan defend our borders as we have stood with the rest of this country to defend them.

I am going to ask my colleagues again today, please strongly support this amendment. We want to make sure that every trash container coming into Michigan meets existing environmental and health regulations. Today, we have no assurance that is happening. Today, we cannot be certain that there is no leeching from this material, ruining our lakes, our streams and ruining the great land of Michigan.

Instead of spending a little more money going after grandma who owes the IRS \$12, we are going to spend just a little bit less from the \$4 billion account that we are reducing to protect the health and environment of my home State, the great State of Michigan. I challenge all of my colleagues to please support this issue. Stand loudly with us as we tell the Canadians to please handle their own trash and leave the littering to those who get a ticket.

IN HONOR OF DORIS THOMAS

**HON. NANCY PELOSI**

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 25, 2002

Ms. PELOSI. Mr. Speaker, I rise to pay final tribute to my friend Doris Thomas, who died peacefully on July 8 in San Francisco. Doris was a long-time community organizer and political activist who worked tirelessly to empower local communities through political involvement. Doris was a leader in our City, and I join so many other San Franciscans in mourning her passing.

Born in Laurel, Mississippi, to the Reverend Simon S. Thomas and Rosa Henry, Doris was one of five children. After earning a B.A. from Hampton University and a law degree from Howard University in Washington D.C., Doris moved to San Francisco. From 1963 until 1983 she served as District Director for the great Congressman Philip Burton. She was a patient, savvy problem solver who specialized in immigration issues. After Congressman Burton’s death she worked for his wife, Congresswoman Sala Burton. Doris also worked for Mayors Frank Jordan and Willie Brown as a program manager for the Mayor’s Office of Community Development.

Doris was a tireless champion of the African-American Community and a member of