

billion goes to the 92 million people. How that can be described in any way, shape, or form as fair is something I can't answer, something I hope the administration tries to answer.

Also, there is a real question of fairness when it comes to sacrifice in this country. I have heard my colleagues—I know the Senator from Illinois and others, the Senator from Nevada—talk about the fairness question this morning. I think of fairness in a different context: not only economic but in the commitment to the country.

We are asking young men and women to go to the Persian Gulf and put their lives on the line, perhaps in the next few weeks. We are asking them to sacrifice, perhaps their lives, for this country. How in the world can we ask them to sacrifice their lives and turn around and tell every millionaire in this country: You get an \$89,000 tax break at the same time—at the same time—not only this year but next year and next year and the year after that?

Where is the sacrifice? Where is the fairness? How, in Heaven's name, can we possibly look at one of those young troops in the face and say, you are going to sacrifice, but don't ask those who have wealth to do so?

There is also the economic question. If we are going to give a tax break to anybody, maybe we ought to give it to those who are asked to defend this country. If anybody deserves one, they do. Their incomes are maybe \$20,000 a year. We have not calculated what little, if any, tax relief they are going to get, but here they are sitting in the Persian Gulf with little or no tax benefit at the very same time these 226,000 millionaires get \$89,000 a year.

Certainly the "Leave No Millionaire Behind Act" is an appropriate title for the President's proposal. We are not leaving one millionaire behind.

There is also the question of recklessness. What makes this all the more troubling is that we are borrowing the money. Every dollar is borrowed so that we can turn right around and give it out in the form of fat checks to fat cats. It does not make sense. It does not make sense when you recognize that this is going to have a huge fiscal effect on every State in the country.

We have a deficit in South Dakota, a deficit that is unusual for our State. There are deficits in virtually every State. We are told the accumulated State deficits are now about \$90 billion. And we are told this is going to exacerbate that debt by anywhere from \$5 to \$10 billion more.

So from the point of view of recklessness, I cannot imagine how anything could be more reckless than borrowing almost \$1 trillion, when you calculate the interest costs associated with this tax plan, robbing Social Security and Medicare, and exacerbating the problems at the State level. This is not right. This ought not be done.

I am encouraged by some of the public comments made by many of our Republican colleagues with regard to

their concern about this particular package of tax proposals.

I think anyone would have a right to ask: Well, what do the Democrats support? What is our plan? Our plan is very simple. It has five components.

The first is that it has to be immediate. We believe that if you are going to stimulate the economy in 2003, you ought to have policies that stimulate the economy in 2003, not 2004, 2005, or 2006.

We think it ought to be for 1 year. Let's focus on this year. If we need another stimulus in 2004 or 2005, let's focus on it in 2004 or 2005, but let's limit what we are going to do now to this year because we know we need it now—not a year from now but now.

Third, let's target it to where we can do the most good, not only from a fairness point of view but from an economic point of view. Virtually every single economist says, if you want to make sure you get the biggest bang for the buck, put it in the hands of those who will spend it, not in the hands of those who will save it. So we want to target these resources from a fairness point of view as well as from an economic point of view by ensuring that those in the middle incomes, \$50,000 and \$60,000 a year, get the benefit.

Fourth, we ought to make this a fiscally responsible proposal. How is it fiscally responsible that we would borrow nearly \$1 trillion at a time when we are already \$200- to \$300-billion in debt? How is that fiscally responsible?

Let's limit the fiscal exposure. Keeping it for 1 year and in targeting the benefits, that is exactly what we can do.

Then finally, let's recognize that the States are in a very serious fiscal condition today, perhaps the worst fiscal condition they have been in, we are told, in 70 years. Let's ensure that we work with the States and create the kind of fiscal partnership that is required.

So there you have it—helping the States; limiting the fiscal exposure; targeting the benefits; ensuring that we do it this year; and making sure that it is immediate. Those principles will serve us well. I urge my colleagues on a bipartisan basis to adopt them.

Mr. REID. Will the Senator yield for a question?

Mr. DASCHLE. I am happy to yield.

Mr. REID. I listened closely to the Senator's speech on civil rights. I ask the Senator if there appears to be a pattern developing from our friends on the other side of the aisle? You will recall last year there were efforts made, and I don't know if they have dropped those efforts but it was spread through all the papers in the country that they were going to change title IX. That is the ability for women to be involved in sports. We had tremendous difficulty last year and the year before trying to get up the hate crimes legislation. We were stopped from doing that.

There is no group that is hurt more than minorities with not funding edu-

cation the way it should be funded. Here on the floor the last few days it has been brought out that 34 percent of African-American teenagers are without jobs. These are kids who want to work.

We passed voter reform. Who is affected more than anyone else by our not funding that? The President promised us he would fund it. It has not come yet. The minority communities throughout America are affected by that.

The minimum wage, who is affected more? Women and minorities.

And finally, judges. We know the Judiciary Committee turned down one judge they thought had a very bad civil rights record. We have him leading the pack of renominations that have come forward.

I ask the leader, does there appear to be a pattern here, with just the few things I mentioned while the Senator was speaking, I jotted those down. Does there appear to be a pattern here that this administration is not concerned about women and other minorities?

Mr. DASCHLE. I would say to the distinguished Senator from Nevada that one would conclude there is a pattern. I was hopeful, given the President's public comments last month, that maybe that pattern would be broken, that maybe their words would be supported by their actions. But everything that has happened since the President uttered those words has been contrary to those words—the renomination of Judge Pickering, the unwillingness to commit the resources on education, at least so far, the unwillingness to support hate crimes.

Now we get the public report in the papers and in the media this morning, a determination to oppose the Michigan case on matters of educational diversity.

There is, without a doubt, a pattern. That pattern stands in stark contrast to the rhetoric. Rhetoric means nothing if actions do not support it. Unfortunately, so far, the rhetoric has meant nothing.

I yield the floor.

The PRESIDING OFFICER (Mr. SUNUNU). The Senator from Utah.

THE ECONOMY

Mr. BENNETT. Mr. President, I have listened with some interest to the Democratic leader outline the Democratic attitude with respect to the economy and what needs to be done. I think a few comments in response are in order.

I detect a particular misunderstanding in all of this debate on the part of the Democratic leader and some others on his side of the aisle. It is a misunderstanding that is understandable but one that needs to be cleared up.

He talks about jobs that have been lost and jobs that will be created as if

the Government creates jobs. The Government cannot create jobs. If the Government could wave its magic legislative wand and in that process create jobs and prosperity, every government would do it. Every President, Republican or Democrat, every Congress, Republican or Democrat, if it had the ability by legislation to create jobs, would do it.

The fundamental problem that gets overlooked is that prosperity does not come as a result of government action. Prosperity comes as a result of activity on the part of individuals operating in a free economy. Because our economy is arguably the freest in the world, it is also the most productive in the world, creates the greatest amount of wealth and the greatest number of jobs.

If you want to go someplace where the hand of government is considerably heavier than it is here and see the result of it, go to Europe where they do many of the things that our Democratic friends think have to be done and, in the process, hold down the entrepreneurial spirit of the economy to such an extent that the net creation of jobs in Europe over significant periods of time is zero. Statistically if you want to get a job in Europe, somebody has to retire because that job has to be vacated before you can step into it. They do not know how to create new jobs and new economic activity.

We complain about the state of the American economy and, indeed, we are in what Chairman Greenspan has appropriately called "a soft patch." But we need only look at other economies around the world to see how much more trouble they are in with more regulation, more taxation, and more governmental interference in the economy than we have.

The other misunderstanding that we get in all of these arguments about fairness is that somehow the economy is static or, as the mathematicians would say, a sum zero game. A sum zero game is a game in which for one side to win a point, the other side must lose a point. So you take one point lost and one point gained and add them up, and they add up to zero.

The assumption is that if a millionaire earns a dollar, it has somehow been taken out of the pockets of the poor. If one segment of the economy prospers, it has somehow been at the expense of another segment of the economy. It is a sum zero game.

So the Democratic leader is saying: It is not fair for Americans to be called upon to go to the gulf in a war circumstance while other Americans are earning \$1 million, as if there were any connection whatsoever between those two activities.

Indeed, if Americans are not prospering on the economic side, there isn't any money to pay governmental salaries on the governmental side, whether for the military, civil service, or our own staff. The only reason we can receive salaries here, either as Members of Congress or our staff, is not because

Government has created these jobs; it is because hard-working Americans have created enough wealth that taxation of that wealth can produce enough money to pay our salaries. We do not contribute directly to the growth of the economy, except as we maintain policies that allow those who do contribute to move in a free-market situation. Government can stifle growth. We can see that among the Europeans and, to a greater degree, in the former Communist countries, government can stifle growth.

But government cannot create growth. Government cannot create wealth. Again, if government could create wealth, every government would do it. Historically, wealth is created by two things. No. 1, accumulated capital, and then its wise use. If you are in a situation where no one can accumulate any capital, you are not going to have any growth and you are not going to have any wealth. But if you have a circumstance where people can accumulate capital and use that capital wisely, then you are going to have growth.

The second ingredient that must be there besides accumulated capital is risk taking. There is no wealth created unless somebody takes a risk somewhere along the way. Economics is about incentives.

What is President Bush's program designed to do? It is designed to increase the incentives to create wealth. The Democratic plan would diminish the incentives to create wealth. They might end up with what they would consider "total fairness"—in other words, everybody would be equally poverty stricken and, by definition, that is fair, but nobody would be better off.

We have to ask the fundamental question as we are dealing with economic policy: What will produce the greatest amount of growth in the American economy? What will produce the greatest amount of wealth within the American borders? That is a very different kind of question than the Democrats want to ask. That is a very different kind of circumstance than they want to address. But at the base, if there is no creation of wealth, if there is no growth in the economy, there are no tax revenues, there is no money to distribute to all of the programs we all love so much and that we want to deliver home to our constituents.

It all comes down, fundamentally, to the sound nature of the economy itself. Once again, the two absolute essentials for economic growth are, No. 1, accumulated capital and, No. 2, rewards for risk taking. Let me give you a very simple, fundamental demonstration that comes out of a program that I have supported as long as I have been in the Senate and that many people around here support but many others know nothing about it. It is called the microloan program.

This is a real-life example that illustrates what I am talking about. A woman in a Third World country was

living on absolutely subsistence wages. She got paid every day at the end of the day, just barely enough to keep her alive. She could not accumulate any wealth because she was not paid enough to save anything and she could not carry her salary from day to day. She was living under absolute subsistence conditions. Under the microloan program, enough money was made available to her in the form of a loan, accumulated capital. She didn't think of it as accumulated capital, but that is what it was. Someone had accumulated enough capital that they could loan her enough money to buy two chickens, a rooster and a hen. Out of those two chickens, representing accumulated capital, she began an egg business. She took a risk and somebody else took a risk in making her the loan. She took a risk. She got ahold of some accumulated capital and she began her own business. Today, that woman employs a fairly significant number of other women, and that woman proudly says: I have sent my child to college. No member of our family has ever gone to college in the history of the family. But because of the start I got with those two chickens—representing accumulated capital—and the risk I took to start that business—the incentive was there to take the risk—now we have created enough wealth that not only is my family prospering, other people are employed, and my children have educational opportunities that no member of our family has ever had.

Now, we don't have such an example here in America because, frankly, no one in America lives at the level of poverty at which she lived. We don't have that kind of example. But the principles are still there. If you can get people to accumulate capital—that is, not spend it all—and then use it wisely to create wealth, you will have a prosperous economy with many people working, paying taxes, and producing ultimately the kind of wherewithal that we need here to fund all the programs that we all love so much.

So the arguments we are getting over the President's economic plan ignore the fundamental question: Will this program produce growth in the economy, accelerated growth in the economy, over time? If the answer is yes, then we should do it. If the answer is no, then we should not. It is as simple as that. The arguments based on a zero sum game mentality are that it is not right for this person to prosper if this one doesn't. It is not right for this woman to have these two chickens if there is somebody else who doesn't, so let's make sure nobody gets any extra chickens. This is shortsighted and it hurts everybody. If the economy as a whole is growing, that is longheaded, and it helps everybody.

As I have said before, during the 1990s, when things were booming, Chairman Greenspan came before the Banking Committee on which I sit—and also the Joint Economic Committee, which if we can ever resolve

the organizational problems here, at some future point I will chair—and Chairman Greenspan was asked two questions. The first question I asked him. I said:

In this time of boom, Mr. Chairman, can we assume that the business cycle has been repeated and that there will never be a period of bust?

He smiled a little wryly and said:

No, Senator, we have not repeated the business cycle, and the bust is coming.

Now, it is not coming because of government. It was not coming because we did something on the Senate floor. It came because the business cycle always comes through a series of circumstances that I will describe in another speech on the floor. But the downturn that we had at the end of the boom was virtually inevitable, and to blame anybody in government for it is, frankly, political opportunism. The polls show that most Americans understand that. They don't buy the class warfare arguments that have been raised saying it was Bush's election that caused the downturn. It was caused by the excesses of the nineties. The downturn is a correction of those, and in the long term it is a healthy kind of thing.

The second question Chairman Greenspan was asked was:

In this time of boom, who is benefiting the most?

The Senator who asked that question, obviously, had the answer already in his mind. The answer that he was going to give was the same answer we heard on the floor from the Democratic leader—that the people benefiting the most from this boom are the people at the top because, look, statistically, at all the money they are getting. This assumes the money went directly into their pockets and just stayed there.

Chairman Greenspan surprised the Senator by giving a different answer. He said: There is no question that in this time of prosperity, in this time of boom, in this time when things are going well, the people who are benefiting the most are the people at the bottom. They can find jobs because the money is there investing in new business, the money is there investing in new opportunities, and jobs are available. They do not depend on welfare checks anymore because they can earn money for themselves.

The greatest welfare benefit we can give anybody is a job. If the economy starts to slow down, who will get hurt the most? We have seen it. The people at the bottom. Yes, we need to do unemployment insurance, and we did. Yes, we need to do things to take care of them temporarily, and we have. But ultimately the best thing we can do for them is to get the economy growing again at the kind of rates we experienced after the Reagan tax cut in the early eighties and that we experienced in the tech boom in the midnineties.

If we can get the economy growing in that direction again, the people at the bottom will benefit far more than if we

take a shortsighted 1-year focus attempt to redistribute wealth. That is why the Bush proposal is a serious proposal. Should it be changed? I do not know. Should it be debated and challenged? Absolutely. Should we be prepared to make changes if, during that debate and challenge, we decide something else needs to be done? Of course. But should it be dismissed out of hand just because it is long-term in its view and replaced with a short-term, stop-gap "let's take care of this year and not worry about the future" sort of plan?

If we were to do that, Mr. President, who would get hurt the most? And the answer, of course, is the people at the bottom.

If we were to take the principles laid out by the Democratic leader as our guiding principles in economic policy, the people at the bottom would be the ones who would suffer. The best thing we can do for them, the best thing we can do for our children, the best thing we can do for our Government is to see to it that the entire economy grows in a strong, long-term, stable fashion. That is the principle that has guided the Bush team in their proposal, and that is the principle that should guide the Congress as it debates and analyzes that proposal.

I yield the floor.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. WYDEN. Mr. President, I ask unanimous consent to speak for up to 10 minutes this morning.

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

OFFICE OF TOTAL INFORMATION AWARENESS

Mr. WYDEN. Mr. President, as the Senate moves to the spending bill, I rise to discuss briefly an amendment I will be offering. It is an amendment I discussed with colleagues on both sides of the aisle. It is an amendment that would limit the scope of the Office of Total Information Awareness. This is a program that is now being directed by retired Admiral John Poindexter, the former National Security Adviser to former President Reagan. It is one that raises a number of important issues that have arisen in our country since the horrific events of 9/11.

Given the fact that our country is engaged in fighting a war against an enemy without boundaries, clearly we must, as a Nation, take steps that constantly strive to balance the rights of our citizens against the need to protect the national security of our Nation.

My concern is the program that has been developed by Mr. Poindexter is going forward without congressional oversight and without clear accountability and guidelines. That is why I think it is important for the Senate, as we reflect on the need to fight terrorism while balancing the need to protect the rights of our citizens, to emphasize how important it is a program

such as this be subject to congressional oversight and that there be clear accountability.

On the Web site of this particular program, the Total Information Awareness Program, they cite a Latin slogan: "Knowledge is power"—something we would all agree with:

The total information awareness of transnational threats requires keeping track of individuals and understanding how they fit in to models. To this end, this office would seek to develop a way to integrate databases into a "virtual centralized grand database."

They would be in a position to look at education, travel, and medical records, and develop risk profiles for millions of Americans in the quest to examine questionable conduct and certainly suspicious activity that would generate concern for the safety of the American people.

I am of the view the Senate has a special obligation to be vigilant in this area so we do not approve actions or condone actions by this particular office that could compromise the bedrock of this Nation—our Constitution.

I sit on the Senate Intelligence Committee. I know it is a difficult job to find and maintain the proper balance between constitutional rights and the need to thoroughly track down every valid lead on terrorism, but I will tell you, Mr. President, I think it is critically important that the Senate have oversight over this program and we make sure there is not a program of what amounts to virtual bloodhounds.

We need to make sure there are guidelines and rules so that there has to be, for example, evidence there is activity that could threaten the country before additional intrusive steps are taken and, second, that there are safeguards in place at a time when it is possible, because of modern technology and new databases, to share information very quickly.

The fact is much of this information is already being shared in the private sector, and that is why so many Americans are troubled about the prospect of losing privacy. What is of concern to many about the Office of Total Information Awareness is it will take the current policies that threaten the privacy of the American people and magnify those problems, given the fact we have not been informed as to what safeguards and constitutional protections would be in place when this program goes forward.

It is time for the Senate to put some reins on this program before it grows exponentially and tips the balance with respect to privacy rights and the need to protect the national security in a fashion that is detrimental to our Nation.

Clearly, to fight terrorism, we have to have the confidence of the American people. In doing so, we are protecting their rights. My concern is the Office of Total Information Awareness, as it is constituted today, tips that balance against the procedural safeguards that