

Just what does it mean to speak of a "crisis in capitalism?" If the term seems puzzling today, it would not have been then. Then it meant going from 3.2 percent unemployment in 1929 to 24.9 percent in 1933, and averaging about 18 percent for the remainder of the decade. Stop and imagine for a moment searching for a job—let alone your first job—when one-fourth of the labor force is unemployed. This was the worst experience, worldwide, in the history of industrial economies. At the height of the Depression 13 million workers were unemployed in the United States.

It seemed, moreover, to be just the latest swing in a steadily amplifying cycle of boom and bust. We have almost lost this memory. The Panic of 1893. The Panic of 1908. The Crash of 1919, of 1929, of 1938. Already, at the beginning of this century, it was widely held that free enterprise capitalism just couldn't work. A great socialist movement began. George R. Lunn, the first socialist Mayor in New York, was elected here in Schenectady in 1911. Not untypically, he came out of the Midwest and was an ordained Presbyterian minister—having received his Doctor of Divinity degree from Union. In 1912, an ambitious Harvard graduate, Walter Lippmann, came here to be the Mayor's executive secretary. This seemingly was where the future lay. And, of course, there was soon a Communist Party in the United States, actively supported by "Moscow gold," as it was sometimes and not inaccurately termed. For Communists the end of the age of capitalism was assumed to be instantly at hand. There was thunder on the right, as well; and as the Depression settled in, a great crisis of confidence in the vital center.

Then knowledge appeared which changed everything. It began with measurement; just what were these business cycles that so often turned into disaster? Obviously, not the ancient rhythm of winter, spring, summer, and fall. But what? A nice place to start is the foundation of the National Bureau of Economic Research at Columbia University, the only institution of higher learning in New York older than Union. C. Wesley Mitchell, who was director of the Bureau for near to half a century (1920-45), put it nicely:

"Our best hope for the future lies in the extension to social organization of the methods that we already employ in our most progressive fields of effort. In science and in industry . . . we do not wait for catastrophe to force new ways upon us. . . . We rely, and with success, upon quantitative analysis to point the way; and we advance because we are constantly improving and applying such analysis."

Then theory. Principally by John Maynard Keynes in England refuting the assumption of classical economics that markets automatically return to an equilibrium, with all resources employed. An economy could settle in at high levels of unemployed people and underutilized capital.

Next practice. During World War II, here in the United States, the new economics performed surpassingly well, notably as regards inflation which actually declined during the war years.

Finally, there was law. In the Employment Act of 1946, Congress declared it to be:

"The continuing policy and responsibility of the Federal Government . . . to promote maximum employment, production and purchasing power."

Note the genius of that language. The by now century-old dispute over capitalism had been a dispute over ownership, with the left calling for public ownership as against private. Of a sudden, we changed the terms of the debate. Now we were talking about employment, production, purchasing power. And measuring progress in an Annual Eco-

nomics Report of the President, prepared by the new Council of Economic Advisers.

Before 1929 the average business cycle contraction lasted nearly 21 months following an average expansion of slightly more than 25 months. About even. Over the past fifty years, however, the average recovery has lasted 50 months, with contractions shortened to an average of 11 months. A very different world. In all this half century, the largest decline in output was 2.2 percent, in 1982. Compare that with a drop of 9.9 percent in 1930; followed by 7.7 percent in 1931; followed by 14.8 percent in 1932. As of now, for example, we are in our 10th post-war expansion which reached its 50th month in May. During the half century period, the size of our economy has quadrupled, and real income per person has more than doubled.

Is our world transformed? Well, yes it is. And it would do us no harm to take note between bouts of self-abasement. The legitimacy of a free enterprise society, with free labor and free markets is acknowledged across the globe.

Now then, are our troubles behind us? Assuredly not; obviously not. My colleague and friend, Senator Bill Bradley, observes that "the fragile ecology of our social environment is as threatened as that of our natural environment." (I would say vastly more so.) He continues:

"The market is governed by the logic of economic self-interest, while government is the domain of laws with all their coercive authority. Civil society, on the other hand, is the sphere of our most basic humanity."

True enough. Marine Corps Major Stephen Ganyard recently called attention to the passage in *The Theory of Moral Sentiments* (1759) by Adam Smith, who had something to do with all this market business, in which he writes that in our actions we cannot "prefer ourselves so shamelessly and blindly to others," even if that is the natural inclination of our feelings. (As Madison would have thought.) In our time, Joseph Schumpeter has explained, in Eugene D. Genovese's words, "the ways in which capitalism relentlessly destroys the pre-capitalist institutions and values necessary for its social and political stability." Consider, if you will, the state of the American family. Or note that in Washington today the talk is less about how the economy can create jobs but how a dependent population can be induced to take them. But surely that only strengthens the case for a "science of politics" that seeks, however so often in vain, to understand the world which we inherit but which we also in some measure create.

And so, then, on to the Third Century.

CAPTURE OF GILBERTO RODRIGUEZ OREJUELA

Mr. MACK. Mr. President, I applaud last week's capture of Gilberto Rodriguez Orejuela, a notorious member of the Cali cartel responsible for smuggling an enormous volume of cocaine into the United States and the subject of criminal indictments in Florida and Louisiana. The arrest is a significant achievement by Colombia's antidrug forces, but the real test of Colombia's commitment to the struggle against narcotics traffickers lies ahead. Colombia's record regarding prosecution, conviction, and sentencing of narcotics traffickers is marred by corruption. Orejuela's arrest must be followed by a thorough judicial process that strictly adheres to the rule of law.

TRIBUTE TO ARMAND COCCO

Mr. BIDEN. Mr. President, with the death of Armand F. Cocco, Sr., I, and I might add Senator ROTH, have lost a good friend, and my State of Delaware has lost one of its most conscientious citizens. With his wife and constant teammate of 47 years, Anna Zebley Cocco, he devoted a lifetime to energetic service to others.

Mr. Cocco, a member of the Delaware Industrial Accident Board, was a 45-year member of the Plumbers & Pipe Fitters Union Local 74, acting as their political liaison for the union and testifying in court for workers who had been diagnosed with asbestosis. He had no formal education beyond high school, but he was a student of human nature and a skillful advocate who gained impressive achievements for his community without ever claiming any character other than that of an ordinary citizen. He was my friend for more than 25 years, but he could still surprise me with interests and talents of which I had been unaware. He never stopped.

I first met Armand Cocco when I was a young man, a member of the New Castle County Council and a candidate for the U.S. Senate. It was then that he and his wife asked whether I would meet with them, and they came charging full-blown into my office with their usual brisk enthusiasm about a plan that was going to widen a four-lane highway, an expressway through one of our oldest suburban communities. As they saw it, they were going to convert this modestly busy local road into an expressway that would divide and overshadow their community, literally divide their community right down the middle. And as Anna said, it would amount to a "Chinese wall" in this older, stable community. They were determined to stop it, with the determination they shared, confidently and persistently, with Delaware public officials of both major parties.

I know it will surprise no one in this body that energized citizens often change the outcome of a predetermined decision. A quarter of a century later, that expressway still stops literally at the threshold of the community they were so resolute in defending.

If Armand and Anna Cocco were a political force to be reckoned with—and they certainly were—they were also friends whose support could be counted on by public officials in both parties, as our Democratic Governor Tom Carper could tell you and my Republican colleague, Senator ROTH, as well as my Republican colleague, Congressman CASTLE could testify.

Armand Cocco was an adroit and accomplished political activist but no party could claim his exclusive allegiance. No party could claim a narrow partisan interest on his part, but he consistently worked for the public interest. He was a very demanding citizen, but he never asked more than he was willing to give. And shoulder to shoulder, along with his remarkable

wife, Anna, he would work with whom ever was willing to work for the public interest. Anna survives him, and I am confident she will continue to get things done, although she has lost a very, very potent partner.

Mr. President, no one, no community, can lose a friend like Armand Cocco without feeling sad, but the sadness attending his passing has an especially melancholy quality for me and many of his friends because we fear that in losing him we are also losing one of the last examples of American value and of an American personality that we can ill-afford to move on without—the public-spirited private citizen with a traditional sense of community responsibility that has historically enabled us to deal with a range of social problems that simply lie beyond the capacity of government alone to resolve. The balance between public interest and private interests, the tension between individualism and community responsibility, has been losing the equilibrium that de Tocqueville identified over 150 years ago as the secret to our American democracy.

That growing imbalance is perhaps our greatest national problem today, but it was never a problem for Armand Cocco. He was as strong a personality with a keen sense of the individual as anyone I have ever met. But he knew how to strike a proper balance between his personal aspirations and the needs of his community. He was and will always remain among all those who knew him a model of good citizenship in a democratic society, and an assurance that our democracy will survive if we take his lifelong example to heart.

Mr. President, a very personal note. He was also a loyal friend to my deceased wife. When she passed away, it was Armand Cocco who went to the citizens of that small community and asked that the park be dedicated in her name, the name of which it still carries.

And lastly, I was on my way down here to vote on Friday, but the funeral was Friday. I thought it was important to vote, but I decided—and I must say it publicly to my constituents—it was more important for me to go to the funeral because of a public man like him, who had contributed so much; so I did not come down. I went and expressed my sympathies to his wife, Anna, and to his daughter, and all of the family.

I thank the Chair for its indulgence and allowing me to speak.

THE TELECOMMUNICATIONS COMPETITION AND DEREGULATION ACT

The PRESIDING OFFICER. Under the previous order, the Senate will now resume consideration of S. 652, which the clerk will report.

The legislative clerk read as follows:

The bill (S. 652) to provide for a pro-competitive, de-regulatory national policy framework designed to accelerate rapidly private sector deployment of advanced tele-

communications and information technologies and services to all Americans by opening all telecommunications markets to competition, and for other purposes.

The Senate resumed consideration of the bill.

Pending:

Dorgan modified amendment No. 1264, to require Department of Justice approval for regional Bell operating company entry into long distance services, based on the VIII(c) standard.

Thurmond modified amendment No. 1265 (to amendment No. 1264), to provide for the review by the Attorney General of the United States of the entry of the Bell operating companies into interexchange telecommunications and manufacturing markets.

Mr. PRESSLER. Mr. President, we are returning to the telecommunications bill. I urge all Senators to come to the floor with their statements and amendments.

We have made good progress on the bill. We have many challenges ahead to meet.

As I have said frequently, this bill will allow all parts of the telecommunications industry to get into each other's business and allow new small businesses to get into the telecommunications area. It will open up our local telephone markets for the first time to competition. It will allow our long distance companies to get into local and vice versa.

It will move toward the deregulation of cable by encouraging competition from DBS, direct broadcast satellite television, and by giving the regional Bells video dial opportunity. There will be three or four competitors in each market, which should and will make cable prices much lower. It will mean lower cost telephone services, lower telephone rates and lower long distance rates for the average American.

Many years ago, when I was in the House, we had some great debates over the deregulation of natural gas, and people said if we deregulate natural gas, prices will skyrocket. They did not. They have come down and there is competition and natural gas prices are lower than they have ever been.

We can do our senior citizens and others a favor by getting lower prices through competition. That is what this bill will do.

This bill will also lift some regulation in the broadcast area. It will allow some of our utilities to do things they have not done before in telecommunications. It covers a broad spectrum of American life.

It is a very important bill. It is a bill we need to pass. The bill we have before us is not perfect in anyone's eyes. It is a good bill, and each Senator would write it slightly differently. Indeed, every Senator has had the opportunity to participate in the writing of this bill. It has been a long process that we held before the markup in the Commerce, Science, and Transportation Committee.

We held meeting after meeting for probably 90 days as well as meeting on Saturdays and Sundays, with Senators

and staffs being invited who wished to participate. We came to the Commerce Committee with this bill and received all except two votes. We are very proud of the bipartisan effort that we have made and that will remain bipartisan.

I want to pay tribute to my colleague, Senator HOLLINGS, who has done such an outstanding job, and to all the Republicans and Democrats who have worked hard on this bill.

This bill will provide a roadmap for us into the wireless age. It will provide a roadmap for investors to invest in creative and competitive enterprises. It will also help consumers because it will mean more services at lower prices. If we look at what has happened in the computer industry, every 18 months their equipment is virtually obsolete, there is so much competition and so much innovation. I would like to see the same thing in the telecommunications area, and I think we can see that in the next 10 years if we pass this bill.

We still have a long way to go. We have to pass the bill in the Senate and in the House, we have to have a conference, and the President has to be able to sign it. I hope the White House will help us out.

I began this process by going to the White House with a copy of the chairman's discussion draft and talking to AL GORE, trying to get his support. We hope the White House will be supportive of this process, because, if we can pass this bill, I frequently say, it will be like the Oklahoma land rush for the American consumers. Right now, many of our telecommunications areas are in economic apartheid; they are limited just to one group. If we could get them deregulated and competing, there would be an explosion of new investment, an explosion of new services, and a explosion of opportunities and employment.

Presently, many of our largest telecommunications companies have to invest abroad if they want to manufacture, for example, because the regional Bells are prohibited. Others invest abroad because they cannot get into other areas. This will let everybody into everybody else's business. It will allow competition, as it should.

In the future, whether it is 5 or 10 or 15 years from now, we will be in the wireless era. That may well be an opportunity for even more competition because presently you have to unbundle or interconnect with someone else's wires to get access to local telephone service, for example. But we hope that is changed and will be changed by this bill.

I know there are many amendments pending, and I hope Senators will bring their amendments to the floor this afternoon. I plead with Senators to allow us to have some time agreements at some point so we can debate these amendments on both sides. It is not my intention to discourage any Senator from offering an amendment. We are working with staff, trying to get time