

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