tracks strong local will can help local communities have a greater impact in their own regions.

To ensure that this program maintains the sophistication to give support only to those efforts that are truly working, while maintaining the flexibility to permit communities to continue to fashion local solutions, an advisory commission or board of trustees is charged with helping to select the administrator and to overseeing the program. Local community leaders and experts at the national and State levels in the field of substance abuse prevention and treatment will be able to review grant applications, and policies and criteria relating to the program. Those who are working directly in the field—on the front lines of the drug problem—will be able to offer valuable input to those administering the program.

The Drug-Free Communities Act of 1997 is our effort to redirect Federal drug control policy to help support local communities. We believe it is fully consistent with the National Drug Control Strategy, which includes as part of its No. 1 goal, support of community anti-drug coalition efforts. We look forward to working with our colleagues on a bipartisan basis and with the administration to help communities throughout our country reduce substance abuse.

PAYOFFS FOR LAYOFFS CORPORATE WELFARE ELIMINATION ACT OF 1997

HON. CHRISTOPHER H. SMITH

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 5, 1997

Mr. SMITH of New Jersey. Mr. Speaker, today I am introducing bipartisan legislation in conjunction with my colleague, Mr. SANDERS of Vermont, to end a wasteful corporate welfare policy which uses taxpayer money to subsidize defense contractor mergers. This legislation—the Payoffs for Layoffs Corporate Welfare Elimination Act of 1997—will put a stop to the practice of artifically stimulating layoffs with taxpayer funds.

As some of you know, under the guise of an obscure Clinton administration policy change made in July 1993–at the specific request of four CEO's representing America's top defense contractors—DOD began to allow defense contractors to begin charging the taxpayers for the merger-related costs of laying off workers and shutting down plants. The premise behind this policy is as dubious now as it was back then: that unless Uncle Sam dishes out big corporate subsidies, defense contractors would rather remain uncompetitive and risk going out of business than use their own money to pay for mergers and restructuring.

Already, 11 defense contractors have put in 17 requests totaling $817.3 million, and the meter is running. Lockheed Martin alone could eventually claim $1.2 billion in merger subsidies, according to statements by their CEO, Norman Augustine. When the Loral, McDonnel Douglas, Rockwell International, Texas Instruments, and Hughes merger subsidy requests come in, this total will skyrocket into the billions.

DOD claims that by paying more money on contracts now, DOD will realize savings due to lower overhead at some unspecified time in the future. This justification is really nothing more than an updated and more sophisticated version of the old cartoon character adage of ''I'll gladly pay you on Tuesday for a hamburger today.''

The fact of the matter is that claims of savings are greatly exaggerated. Indeed, the very concept of savings assumes the contractor will put off or delay restructuring unless they are given subsidies. In December 1996, an investigation by CBS's 60 Minutes correctly pointed out that, ''Even without the subsidy, defense companies are required by law to pass savings back to the Government when they reduce their overhead.''

My legislation does not hinder or prevent mergers from happening. It simply states that mergers should happen on their own and without DOD prompting and use of our tax dollars. I concur with the Honorable Don Yockey, who was Under Secretary of Defense for Acquisition and Technology during the Bush administration, when he stated ''the defense department would be better served if they simply did not discourage acquisition, but stayed at arms length in the encouragement of the business financial process. If the deal does not make sound stand alone business sense the company should not proceed. To rely on Government-subsidized support is the worst of reasons to merge.''

While we must always be concerned when government subsidies warps business decisions, equally disturbing is the fact that the so-called savings to be realized from restructuring have thus far been mostly illusory. Not a single weapon system can be truly identified as having a lower cost due primarily to corporate restructuring. The fact of the matter is that DOD's very own report on restructuring stated: ''it is not feasible to isolate completely the effect of restructuring from other complex determinants of the difference between projected and actual costs over a long period of time.'' In plain English, DOD essentially admits that savings cannot be attributed to restructuring.

What we really have here is a policy with unknowable assumptions and unverifiable effects. GAO found that in just one case, contractor estimates of savings fell 85 percent short of initial claims. And that is just the estimates—there is no way of knowing if there will ever be real savings. GAO also has stated on more than one occasion that contractors have been projecting future increases—not decreases—in overhead rates.

While savings cannot be attributed directly to these subsidies, additional layoffs have unquestionably resulted from the policy. In the first merger analyzed by GAO, it found that ''the contractor's proposed savings were based entirely on work force reductions.''

Mr. Speaker, I ask all of my colleagues—on all sides of the aisle—to join with me to put a stop to this payoffs for layoffs policy. Not only is this policy not really saving any money, it actually increases the deficit because DOD is spending hundreds of millions of our tax dollars chasing after savings to which it is entitled to receive anyway. This type of corporate welfare is unconscionable and Members with defense contractors in their districts should be especially wary of it. In my district alone, over 3,200 jobs will be lost because of this policy. If you have a plant in your district, you should not have to worry about your own tax dollars being used to encourage it to shut down.

NO PACIFIC NUCLEAR DUMP

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 5, 1997

Mr. MILLER of California. Mr. Speaker, when most of us think of Pacific islands, we usually think of a tropical paradise with brightly colored fish swimming in turquoise waters while palm fronds rustle overhead in a warm gentle breeze. Well, Mr. Speaker, I am here to tell you that there is trouble in paradise because there are some people that see a tropical island and think of nuclear dump sites.

As we struggle with the legacy of the cold war and the wastes generated by it, those that trade in these wastes have increasingly looked at isolated atolls, with few if any constituents to object, as likely nuclear dump sites. Several years ago, there was a proposal to store radioactive waste in the Marshall Islands. Fortunately, the Marshallese Government eventually thought better of it and that proposed died. Last year, a group calling itself U.S. Nuclear Fuels was making the rounds in Washington, DC, to drum up support for a proposal to create a nuclear dump site on Palmyra Island, a private owned island in U.S. territory. This proposal prompted the introduction of legislation in both Houses of Congress prohibiting the Federal Government from siting a nuclear waste storage facility outside the 50 States. Now, another group, Nuclear Disarmament Services, Inc., is circulating legislation to authorize the siting of a nuclear dump site on either Palmyra or Wake Island, a U.S. possession. In fact, there is a symposium occurring today at Georgetown University, sponsored by U.S. Nuclear Fuels, to discuss this proposal.

What do all these crazy ideas have in common? One man, Alex Copeson, has been the driving force behind all these proposals and a principal in these companies. And this is not Mr. Copeson's first foray into the waste trade. In the early 1990's, he was the pitch man for a scheme to dump toxic waste on the sea floor, even though this is prohibited under U.S. and international law.

Why does Mr. Copeson think that we should store nuclear waste on Pacific islands? An article in the March edition of Outside magazine offers some insights. Referring to the Marshallese Government and the Bikini Islanders, Mr. Copeson is quoted as saying, ''They're all scam artists banging the tin cup in front of the white man. They'd open a whorehouse and sell their daughters and grandmothers for a dollar. They've never lived so good since that bomb, the fat lazy [expletive]. All they want to do is go gambling, drinking, and whoring in the United States. The only contribution they could make to the world is to give someone their islands [for waste] and take a hike—be an absentee landlord for world peace.''

Given Mr. Copeson's views of the people of the tropical Pacific and his insensitivity to the economic, social, and environmental injuries inflicted on them by above-ground nuclear testing, it is no wonder that he thinks that we should continue to dump radioactivity in their back yard. And that brings up the most crucial point. Even if one thought that shipping nuclear waste thousands of miles across the stormy Pacific Ocean to store it on geologically unstable coral or volcanic islands in the