combining McDonnell Douglas's commercial airplane business with that of The Boeing Company, and the issue of so-called ''sole-source supplier'' agreements that Boeing entered into at the request of its U.S. airlines customers.

''We are extremely disappointed because Boeing submitted to the Commission a series of significant remedies designed to address all of the Commission's concerns and to protect the interest of our airline customers, suppliers, and the more than 200,000 employees of Boeing and McDonnell Douglas,'' said Boeing Chairman and Chief Executive Officer Phil Condit.

In addition, Condit noted, ''The issues that the Commission has raised already were analyzed in an extensive review by the U.S. Federal Trade Commission, which approved the merger, without conditions, on July 1.''

''It is our hope,'' Condit added, ''that once our remedies are reviewed by the full Commission, prior to July 23, that the Commission will find in favor of the merger and in favor of free and fair competition.''

## THE GUAM WAR RESTITUTION ACT

The SPEAKER pro tempore. Under the Speaker's announced policy of January 7, 1997, the gentleman from Guam [Mr. UNDERWOOD] is recognized for 60 minutes as the designee of the minority leader.

Mr. UNDERWOOD. Mr. Speaker, this is the last opportunity that I will have to speak on the issue of Guam's liberation before its 53d celebration on Monday, July 21, 1997, which will be the 53d anniversary of the liberation of Guam from the hands of the Japanese occupiers when the marines landed on the beaches with the help of the 77th Army.

What I would like to do is to tell a little bit about the story about Guam, and some legislation that I have introduced today to help rectify an egregious error, an egregious error that may be made about the experience of the people of Guam.

The people of Guam experienced something that is very unique in the American framework. It was the only American territory with civilians who lived on it that has been occupied by a foreign power since the War of 1812. During World War II the Aleutian Islands of Attu and Kiska were occupied by the Japanese, but prior to that the civilians on those islands were evacuated by the military.

In the case of Guam, what we had was approximately 20,000 native Guamanians, better known as Chamorus, who were at that time considered U.S. nationals. They were not aliens. They were non-U.S. citizens, but they were considered U.S. nationals. Of course, Guam was an American territory. They endured some 32 months of Japanese occupation.

The reason I tell this story is to celebrate not only the heroism of the American marines and soldiers and sailors who did so much to liberate the island from the hands of the Japanese, but also to draw attention to the experience of the people that I represent, the people of Guam, the experience of the elderly generation of Guam.

I myself, I am the youngest in my family, and every one of my siblings was born either during the Japanese occupation or during the 1930's. I think almost everybody from Guam, certainly of course who was born on Guam, has a very clear and direct connection and strong family history with respect to this dramatic experience of the Japanese occupation.

My purpose here is not to reopen wounds, but rather to heal the wounds of the people. The people of Guam will have a compelling case to make before their Federal Government, and of a Federal Government that seems unwilling to hear this story and unwilling to correct the injustices committed against the people of Guam in World War II.

I want to make it clear that from my chronicling of this, it is not meant to cast any doubts about the nature of the liberation, or to even cast aspersions about the nature of the Japanese people. We all know that World War II was a terrific world conflagration. But I do want to take the opportunity to explain the experience of this unique island and this unique group of people.

The central point, as I have indicated, is that Guam, only Guam, was the only American territory occupied in World War II; not the Philippines, which although it was an American territory at the time, was promised its independence long before the outbreak of World War II, and in fact became independent in 1946; and not the Aleutian Islands, as I have indicated, which was also occupied by Japanese soldiers, but whose inhabitants were evacuated by the military prior to the onset of hostilities.

From the invasion day of December 10, 1941, when the Japanese landed on Guam to what we celebrate on Guam as Liberation Day, July 21, 1944, Guam was the only American soil with American nationals occupied for 32 months.

It has now been 53 years since the liberation of Guam, and if anything, time has not meant that all is forgotten or forgiven, not until there is some measure of national recognition of what happened to our fellow Americans on Guam, and how the Federal Government failed to make them whole and right the wrongs of the occupation.

The occupation of Guam was especially brutal, for two reasons. First of all, the Japanese were occupying American territory with American nationals whose loyalty to the United States would not bend; and second, the Chamorus, the indigenous people of Guam, dared to defy the occupiers by assisting American sailors who hid and who evaded initial capture by the enemy by providing food and shelter to the escapees.

In the final months of the occupation, just before the marines landed in July 1944, the brutalities increased. Thousands of Chamorus were made to perform forced labor by building defenses and runways for the enemy. Others were put to labor in rice paddies. The war in the Pacific turned for the worse for the Japanese occupiers, and in the final weeks as the pre-invasion bombardment by American planes and ships signaled the beginning of the end for them, the atrocities likewise escalated.

Forty-six Chamorus in the southern village of Malesso were herded into caves and were summarily executed by the enemy throwing hand grenades into the caves and spraying the caves with rifle fire and machine gunfire. Miraculously, some of them survived by pulling the bodies of their fallen fellow villagers over themselves to protect themselves against the rain of shrapnel and bullets, and also to hide the fact that they were still alive.

Louisa Santos called on me in 1992. She was a survivor of this. She asked me never to let this country forget what happened on Guam, and to promise that I would do everything I could to tell her story, and to tell the story of the people of Guam. She survived the massacre in Malesso, bore the scars of that massacre and the shrapnel in her back and on her feet, and every time she walked, with every step, she was reminded of that nightmarish experience on Guam. I am sad to report that she died 3 years ago.

In the capital city of Agana another group of Chamorus were rounded up and one by one executed by beheading and mutilation by swords. Miraculously the story of one very brave woman, Beatrice Flores Emsley, who was 13 years old at the time, stood to bear witness as she survived an attempted beheading.

Mrs. Emsley, before she died 2 years ago, bore the long scar down the side of her neck where a sword struck her. She fainted after being struck and awoke 2 days later with maggots all over her neck, but thankful to be alive. Mrs. Emsley, of course, stood as the best spokesperson for the experience of the Chamoru people during World War II.

Thousands of Chamorus, every single one of them, not hundreds but thousands, were forced to march from their villages in northern and central Guam to internment camps in southern Guam before the weeks before liberation. Everyone marched, old people, old men and women, newborn babies, children and the sick, they were marched to internment camps in Manengon, the largest one of all, where they awaited their fate for the next few weeks, and many did not live to see the liberation.

Many did not live, but their brothers and sisters, and most importantly, their children and grandchildren, survived, and their fellow Chamorus survived, again to bear witness to these atrocities. In their final acts of retribution against the people of Guam the Japanese occupiers inflicted a violence against our people that cannot easily be forgotten.

The Catholic high school for young men in Guam, Father Duenas Memorial School in Tai, bears witness to the courage of one young priest who in the

last days before liberation was also beheaded as revenge for the occupiers' frustration in not capturing the lone American sailor who had evaded their grasp with the aid of the Chamoru people.

□ 1615

The memory of this young noble priest lives on as the high school named in his honor stands witness to his courage. Against this backdrop of terror the liberation of Guam began on July 21, 1944.

On that fateful day, if we can think back historically, two groups of people came together. One was in uniform and the other was in rags; one used weapons of war and the other used tools for survival. One came in from the sea and the other came down from the hills; and one left their families behind while the other tried to keep their families together. One liberated the island from without, while the other liberated the island from within.

In their meeting the great historical drama that Guam alone could play in World War II came to pass, as American soil was liberated from enemy hands and as American marines and American soldiers were united with American civilians held captive in internment camps on American soil.

The battle-hardened American servicemen, many of whom I have met over the years, came to Guam concerned about meeting a determined enemy; but these men soon came to understand the special nature of this battle amongst all those battles in the Pacific war, indeed amongst all the battles of World War II. This was a reoccupation. This was retaking what once was lost and what was once American.

As the young marines and the soldiers saw our people coming down from the hills, they broke down and openly wept as they saw Guam's children emerge from the hills carrying handmade American flags, and as they saw Guam's old men and women emerge from the internment camps clutching rosaries and thanking young liberators for their deliverance from certain death.

The story of these people cries out for attention and certainly understanding. The story has a dimension of unfinished business to it, of an injustice that must be corrected and of a legacy of loyalty that has been tarnished by the neglect of some Federal officials; in the aftermath of liberation, a grave injustice that to this day, 53 years later, has yet to be undone.

The Treaty of Paris, the treaty of peace with Japan signed on September 8, 1951, by the United States and 47 Allied powers, effectively precluded the just settlement of war reparations for the people of Guam against their former occupiers, against the Japanese. In the treaty the United States waived all claims of reparations against Japan by United States citizens.

Consider how ironic this situation is, in that the people of Guam became citizens just 1 year earlier, on August 1, 1950, by virtue of the Organic Act, a citizenship that was granted to the people of Guam largely because of their demonstrated loyalty to America during the occupation, was given in 1950. And the peace treaty in 1951 waived all their rights for filing war claims against the Japanese a year later for an experience that occurred in the previous decade.

The historical events surrounding the signing of this treaty of peace creates a compelling argument that the Federal Government, including the U.S. naval government of Guam at the time and the U.S. Congress, failed to address the circumstances of the Americans on Guam and allowed a situation to develop over the years where justice was delayed and ultimately denied. The bitter irony is that the loyalty of the people of Guam to the United States has resulted in Guam being forsaken in the determination of war reparations.

Did the Federal Government simply forget what happened on Guam? Unfortunately, the answer is not that Guam was forgotten at all, but that at critical moments when Congress dealt with the issue of war reparations for all Americans during World War II, like the case of civilian nurses who were captured in the Philippines or civilian Americans who were interned in Japan, those situations were attended to. Whenever Congress attended to those issues, Guam's unique situation escaped the attention of lawmakers in this body.

In fact, the record does show a deliberate attempt by Congress and the Navy to address the reparations issue and to do right by the people of Guam for their wartime loyalty. That they fell short in their attempts is the cause for our efforts to seek redress 50 years later. This is not a case of a people belatedly asking for something that they are not entitled to by justice or design. It is a case of the law falling short in the goal of making Guam whole after the war, and of Congress neglecting to address the issues that were raised by its own War Claims Commission.

What Congress did was, they recognized right after the war, 1945, they recognized the devastation and the dramatic and urgent need for rehabilitation. And on November 15, 1941, Congress passed Public Law 79–224, which is known as the Guam Meritorious Claims Act. This was supposed to grant immediate relief to the residents of Guam by the prompt settlement of meritorious claims. The following year, 1946, Congress also passed the Guam Land Transfer Act, Public Law 79–225, and the Guam Rehab Act, 79–583.

While the Guam Meritorious Claims Act became the primary means of settling war claims for the people of Guam, the Guam Land Transfer Act provided a means for exchanging land for resettlement purposes. Unfortunately, conditions on Guam in 1945, which was thoroughly devastated, in 1946 did not lend themselves to the best of congressional intentions. During the battle to liberate Guam, over 80 percent of the buildings were destroyed. The city of Agana and the second largest city, Sumay, were completely annihilated.

Once the island was secured, Guam became the forward operating base for the subsequent invasions of the Philippines, Iwo Jima, and Okinawa. Over 45 percent of the land mass was acquired for this wartime effort, and over 200,000 military personnel came to Guam to prosecute the war against Japan. The Chamorus, numbering only about 20,000, were temporarily housed in refugee camps. To their credit, the Chamoru people did not complain. In fact, they helped the military in every way they could to help defeat their former oppressors.

In the report of the War Claims Commission with respect to the war claims arising out of World War II, it stated that no organized program for reconstruction of damaged or destroyed civilian facilities had been undertaken.

In asking Congress to revisit this issue at this particular time, I want to point out a couple of items. When Congress passed the Guam Meritorious Claims Act in 1945, it established a mechanism where if you made a claim for more than $5,000, you had to go to Washington to personally adjudicate the claim. You had 1 year in which to file and complete a claim. When and if you had a claim for personal injury or death, and I just mention that many people were killed and/or beheaded, you could not adjudicate that as other than a property claim.

Despite those three defects, the people of Guam were allowed only 1 year's opportunity to address these claims.

When that was completed in 1948, the Congress passed a broader war claims act which included all Americans and American nationals who were interned by the Japanese and other enemies during the war. In 1962, due to defects in that law, this law was again changed. Neither the 1948 law nor the 1962 law included the people of Guam.

Here is the anomaly. My grandfather, James Holland Underwood, who was originally from North Carolina, was taken and was interned as an American civilian in Japan. As a result of the 1948 War Claims Act, he received a war claim for his internment by the enemy. His wife, my grandmother, and all their children who were also interned by the Japanese could not receive any claim under the 1948 or the 1962 law.

So you have the anomaly here where you have one group of Americans who were attended to by two separate actions of Congress, while you had one war restitution law that was dealt with by the people of Guam in the Guam Meritorious Claims Act for 1 year.

It has been a great tragedy, and in the course of dealing with that the Department of the Interior created what was known as the Hopkins Commission in 1947; came out, studied the situation, made a series of recommendations and clearly indicated that in the

case of Guam, the Guam Meritorious Claims Act was clearly inadequate.

So here we are, some 53 years later, addressing the same issue. This issue could have been resolved had Guam been included in the 1948 law or had Guam been included in the 1962 revision of that law. But in both instances, Guam was not included. Guam had no representative in this body until 1972, so there was not adequate opportunity for any elected representative of the island to present their case in front of this body when the issue came to surface during 1948 and 1962.

All of this is not meant to cast any doubt or to lessen the intensity of the feelings of the people of Guam on Liberation Day. Liberation Day on Guam is still by far the largest single holiday, widely celebrated. Schools are out. The government is closed. Businesses are closed. The greatest parade of the year occurs on that day. And when the Marines go marching by, you will hear the greatest cheer for the Marines that you will ever hear in any community throughout the world.

So there is a great deal of affinity and a great deal of love and recognition for the military and their efforts during World War II. And the people of Guam in their experience and in their devotion to the flag that stands behind me are, I think, unmatched in the experience certainly during World War II as the only community that was held and occupied by a foreign enemy.

But we still have this issue. And so today I have dropped in the bill, the Guam War Restitution Act, and I am happy to report that I have several, very many cosponsors on this. Basically, what it does is it allows for the payment of war claims of $20,000 for a death, $7,000 for an injury, and $5,000 for forced march or forced labor or internment.

Most of the people who were injured or experienced forced labor, forced march, or internment have regrettably already passed on, so they will not get any awards. And their descendants will not get any awards, either, because in the context of providing legislation like this, the only money that could actually ever go to an heir of someone who experienced this was in the case of a death.

So in the case of Guam, these issues still remain unresolved, and they still tug at the heart strings of those of us who have heard all of the stories and for many of the people of Guam who personally experienced the hardships. It is really important to understand the context in which the people of Guam feel this. Every family has a relationship to the war experience which is at once powerful and inspiring at the same time that it is disheartening and sometimes a little debilitating.

But, nevertheless, the war experience stands as powerful testimony to the capacity of the Chamoru people to survive and their ability to survive under some very difficult circumstances, as well as powerful testimony to the liberators who came. And the liberators who came numbered many who have served in this body and in the other body, most notably Senator Howell Heflin of Alabama, who was wounded on Guam, and Gen. Louis Wilson, who received the Congressional Medal of Honor and who later on became Commandant of the Marine Corps.

□ 1630

In fact, last week I laid a wreath at the Tomb of the Unknown Soldier with the current Commandant of the Marine Corps, General Krulak, in recognition of the work and the relationship that I think the people of Guam have with the United States Marine Corps as a result of this war experience.

But the war experience is still unresolved, and so I call upon Members of this body to cosponsor the legislation. Let us do something that should have been done before.

We have an enormously ironic situation, where we have a people who could have submitted claims against the Japanese Government but they were declared citizens 1 year before the peace treaty between Japan and the United States, although that peace treaty occurred 6 years after the war.

So we have in the instance, for example the Philippines, which was American territory, we had the Congress giving the Philippines $390 million for the war experience, and then the Philippines, as an independent country, also claiming war restitution from Japan and receiving it. And in both instances the Philippines deserved it.

But in the case of Guam, we have the instance where they are denied the opportunity to make claims against Japan and, by any Federal official who has studied the situation, clearly inadequate opportunity to make claims against the U.S. Government.

I want to point out that in the negotiation of the Japan-U.S. peace treaty and in the reporting of this peace treaty to the Senate, Secretary of State John Foster Dulles clearly indicated, in response to a question, that if any American citizen has a legitimate war reparations claim that, as a result of this treaty, that war reparations claim should not be directed to the Japanese Government, it should be directed to the U.S. Government.

So in light of all of that history, I call upon the people of this House to cosponsor this important legislation and to honor this very unique and powerful story about how a small group of people endured much in the name of the flag that stands behind me, and whose faith that America would return never wavered and who indeed suffered much.

Now, I want to bring this story up to the present day, and I want to bring it up to the present day because it is bothersome. Guam, today, is a vital part of the projection of American power in the Asia and Pacific part of the world. As the dynamics of the world has shifted, Guam remains the only U.S. territory that is on the other side of the international dateline in which military facilities exist.

As the dynamics of power has shifted in Asia, the United States no longer has military facilities in the Philippines and, increasingly, the U.S. forces in Japan, particularly in Okinawa, are always under a great deal of criticism by some of the local people and even in Korea.

So we have a situation where the United States military and the United States' interests, which are projected into the Asia-Pacific theater, Guam's role in that is enhanced by the whole changing dynamics of the area, yet the Department of Defense has taken a couple of steps which really the people of Guam have interpreted as hostile steps.

To discuss one, just to briefly touch on it, last week, July 10, the Department of Defense announced that they were pulling out of the Guam school system and establishing their own Department of Defense school. They are in the process of establishing this school system, which is destined for opening in October of this year, despite the fact that I and other Guam officials had been reassured that if they took this step, it would not happen until 1998 so that we could, hopefully, work out some problems and disagreements. But here the Department of Defense has decided to unilaterally pull out their students from the Government of Guam schools.

This is really the first time in my experience, and we have discussed this with a number of people, where a Department of Defense school has been established in opposition to the wishes of the local community. It may surprise some people to know that there are Department of Defense schools in the 50 States, but usually it is done within the context of collaboration and cooperation with the local community.

Now, the net effect of pulling these military dependents out of the Guam schools is to change the racial composition. It will have an effect on the ethnic composition of the kids who attend schools on Guam.

This action was taken at the same time or nearly the same time, 4 days ahead, of the first meeting of the President's One America Commission; to have one America. The President has created a commission to improve the racial climate of the United States and to bring the people of the United States together and to make sure that we openly acknowledge our racial and ethnic differences and that we can do so in a climate of trust and mutual support.

At the same time that the President announces this initiative and the first meeting of this commission is held here in Washington, D.C. on July 14, just a week earlier the Department of Defense is creating a separate school system on Guam.

This always begs the question whether people in the Department of Defense

see Guam as part of America rather than as ''us and them'' or as some, perhaps, overseas foreign area. Of course, it is not, but if they continue to behave this way, they are really threatening civilian-military relationships on the island.

To add insult to injury on this, the Department of Defense has announced that no local teachers can be hired for their DOD schools, but they would be happy to hire local custodians or other people to work in the schools in a less than professional capacity; and that while no locally hired civil service employees can attend these DOD schools, State-side hires, State-side hired civil service employees will be able to attend these DOD schools.

So the bottom line on these actions is not to build connections and bridges between communities, but certainly has the net effect of not only building more gaps between the communities but certainly is not keeping faith with the experience that I described on July 21, 1944.

In addition to this, BRAC, in 1995, decided to close down some facilities on Guam, and many military planners have now acknowledged that that was probably not a very wise decision, but, inevitably, in any event, it has occurred and the people of Guam are trying to recover from this.

In addition to this, the Navy announced earlier this year that they are conducting two A–76 studies on their military facilities to determine which civilian jobs can be privatized or let out on a contractual basis. And the two bases that they picked were in Pensacola and on Guam.

It is hard for me to understand why they would identify, in addition to the BRAC decision, in addition to all that has gone on, they identified in January of this year some 1,100 jobs as being analyzed for privatization. They said they did this after exhaustive study and careful analysis and understanding that this would not affect the readiness, but, of course, not considering how it would affect those 1,100 loyal civil service workers.

Just yesterday they wrote a letter, as required by law, to officials of this body and to officials of the administration announcing that they are adding another 534 jobs for this careful analysis, which leads me to believe that the first analysis was probably not all that careful.

But here is the kicker. The kicker is that this is only applied to Guam. It is not being applied to other locations. And when the people from Guam are only represented in this fine institution by a nonvoting delegate, and they have no representatives in the other body, and they represent a fairly small population, they always ask themselves the question: Would the Navy do this in Virginia? Would the Navy do this in Florida? Would the Navy do this in California? And, most importantly, would they do it in this way?

I think, clearly, the answer is, probably not. They probably would not do it, and for sure they would not do it in this way.

This is not the way to treat a community that has been tested by war, that has not only evidenced its loyalty in the context of World War II, but most people who have a great deal to do with the military know the fine record of many young people from Guam in the military. Guam had the highest per capita casualty rate of any jurisdiction during the Vietnam conflict. So everybody knows the record of the people of Guam in the context of service to this country and in the context of the hardships that sometimes war imposes on people. And the people of Guam have responded well.

But now, when there are times of peace and there are times of contentment, their peaceful existence is again disturbed not by foreign enemies but by a series of misguided planners in the Department of Defense.

I ask officials at the Department of Defense, and I call upon them, especially those who are responsible for projecting American power in Asia and the Pacific, to seriously consider the ramifications of their actions on what was formerly a very good and solid relationship between the civilian and military communities on Guam.

On Guam this relationship is a three-legged stool. This relationship is founded upon the economic value of the military presence to Guam, on the fact that our kids go to the same schools, and the fact that we have a peaceful land resolution process. The one on land is a little wobbly, the one on schools has been fractured, and now DOD is carefully sawing off that other one as we speak. I ask them to take these words very seriously.

And I call upon the Members of this institution to take a serious look at the people of Guam's experience during World War II. I know there are many people who are watching, particularly those who were veterans of the conflict, of any conflict in the Pacific during World War II, who know about the viciousness and the brutality of war, and who know about the viciousness and the brutality of the battle on Guam and who remember those events fondly.

I think the people of Guam deserve the recognition on July 21 and that, indeed, all of the liberators, all of the men who participated in the liberation of what once was an American territory prior to the invasion of the Japanese deserve all of our honor and our attention and we should make good on that experience.

## FEDERAL RESERVE EXERTS POWERFUL INFLUENCE

The SPEAKER pro tempore (Mr. ROGAN). Under a previous order of the House, the gentlewoman from New York [Mrs. MALONEY] is recognized for 5 minutes.

Mrs. MALONEY of New York. Mr. Speaker, when the Federal Reserve speaks, people listen. When the Fed is about to make some sort of monetary decision, the world stops and watches. That is because the Federal Reserve System is comprised of powerful experts whose influence affects anyone who makes and spends money.

Some people think the Federal Reserve's primary purpose is to conduct monetary policy. Little do they know that only 1,600 of the Fed's 25,000 employees are working in monetary policy. The rest are employed in unrelated services, such as the transportation of paper checks.

The Fed pays $36 million for this service, of which $17 million is a Government subsidy. This money, taxpayer money, could be used to reduce the debt.

☐ 1645

The Federal Trade Commission staff said in a 1990 report that these subsidies drive out private competition and innovation.

My bill would end this subsidy. It is time to ask why a giant Government bureaucracy is subsidized to run something that the private sector can run far more efficiently.

I come before my colleagues tonight to point out another area of this powerful Government bureaucracy that has not received enough scrutiny, the Fed's fleet of 47 airplanes that ferries canceled checks back and forth across the country Monday through Thursday.

Since 1980, the Monetary Control Act has required the Fed to extend these check-clearing services beyond its member banks to all depository institutions at prices without a subsidy. The purpose of the Monetary Control Act of 1980 was to make sure that private companies could compete with the Federal Reserve on a level playing field in providing services to the banking industry. But the Fed, to this day, insists on subsidizing its paycheck transportation as long as it makes up the cost somewhere else in its operation.

The Democratic staff of the Committee on Banking and Financial Services conducted a 2-year investigation of the Fed's check-clearing practices and determined that, as of 1997, $17 million of the $36 million used to run the program is subsidized by you and me, the American taxpayer.

In effect, we are subsidizing an inefficient, overgrown operation that the private sector could provide at a lower cost and with better results. If this operation cannot be run more efficiently, the Government should check out of the check transportation business and concentrate on helping Americans make money, not waste it.

I recently introduced a bipartisan bill with my colleague the gentleman from Washington [Mr. METCALF]. This bill would end this subsidy and require the Federal Government and the Fed to operate on a level playing field with the private sector.

As we enter the 21st century, with all the revolutionary changes, it is bad