

markets which prevented middle-class working families from getting the credit essential to buying a home. There was a housing crisis in 1969 and 1970 created when the economy was facing both high inflation and escalating interest rates. Despite a high demand for new houses, the combination of higher inflation and escalating interest rates was choking off credit for home building. Rising housing costs were pushing home ownership out of reach for hard-working American families.

Inflation also forced many depositors to withdraw their savings from depository institutions in search of higher returns. Savings and loans—the country's major source of mortgage loans—were forced to reduce their mortgage lending activities.

The housing crisis was also caused by a geological mismatch in supply and demand for housing funds. Since deposits in savings and loans were the primary source of mortgage money, fast-growing areas of the Nation faced shortages in mortgage credit, while slower-growing regions experienced excess supplies.

Reliance on savings and loans for mortgage credit highlighted an inherent weakness in the housing finance market. Due to the illiquidity of the traditional mortgage instrument, there was no way to tap funds available in our Nation's capital markets. If mortgages were converted into securities, a major source of funds could be channeled to meet the needs of new home owners.

Twenty-five years ago, Congress concluded that the best way to ensure a continuous and reliable source of mortgage credit was to develop an efficient and liquid nationwide secondary mortgage market. The Freddie Mac Act, as it became known, established a company solely dedicated to fulfilling this mission.

Mr. President, Freddie Mac has worked hard to fulfill that mission every day for the past 25 years. Over that time, Freddie Mac has purchased over \$1.2 trillion in mortgage loans helping 16 million families by financing 1 in every 6 American homes. By every measure, Freddie Mac is a great success. I am sure that my colleagues in Congress and the American people join me in expressing our appreciation and congratulations to Freddie Mac on its 25th anniversary.●

TRIBUTE TO KENNETH BICK

● Mr. FEINGOLD. Mr. President, I pay tribute today to Kenneth Bick, the former principal of Janesville Craig High School and a man who represented the values and character of that community.

Mr. Bick, who served the Janesville schools for 40 years, from 1929 to 1969, passed away Monday, August 7, at the age of 91 from complications arising from a head injury suffered in an automobile accident last month.

Mr. President, I am one of thousands of men and women who mourn his pass-

ing. Mr. Bick was a strand who found his way through every part of the fabric of the community where he and I both grew up. In addition to serving as teacher and principal in the Janesville schools, he was active in numerous community organizations, from the YMCA to the Sportsmen's Club to the Rotary.

He helped lead bond drives during World War II. In the 1960's, he headed Janesville's fundraising drive for the United Negro College Fund. He presided over Industries International, a corporation organized to promote contacts between foreign students studying in the United States and American industries interested in establishing a presence overseas. A basketball player in his younger days, was active in the Wisconsin Interscholastic Athletic Association and the Big Eight Conference.

As an educator, he would not allow himself to grow distant from his students; he was happy to lead cheers at the homecoming rally, dressed in bright red longjohns. If one of his charges, even years after graduation, was mentioned in a newspaper, any newspaper, sooner or later the clip would show up in the mailbox, with a congratulatory note from Mr. Bick.

Along the way, he collected allocades from several quarters, and the Kenneth Bick Scholarship Fund was established in 1984. He also collected the respect and affection of his entire community, even as its members spread across the country.

In many ways, Mr. President, Mr. Bick defined the idea of community in Janesville.

He was kind, funny, attentive and he never forgot you. When he thought it necessary, he herded you back into line if you strayed. He lived as well as taught the values and ideals I associate with my hometown.

Like a lot of people, I will always recall Ken Bick leading those homecoming rallies, a sexagenarian in red longjohns. Like a lot of people, I counted Ken Bick among my friends long after he was my principal at Janesville Craig. Like a lot of people, I will miss him sorely.●

AFFIRMATIVE ACTION

● Mr. ABRAHAM. Mr. President, I call my colleagues' attention to an important addition to the debate concerning preferential policies in America. Former Secretary of Housing and Urban Development Jack Kemp recently published in the Washington Post an article that I believe goes to the heart of our troubles with affirmative action. Mr. Kemp first notes that affirmative action based on racial quotas and racial preferences is "wrong in principle and ruinous in practice." He goes on to issue a call for policymakers to come forward with truly positive proposals—affirmative efforts—to replace it. Mr. Kemp has spent his public career valiantly fighting for an opportunity society. In this

article, he continues that fight, arguing for school vouchers, tax and regulatory reforms, and other programs aimed at giving every American the chance to work for a decent education and a decent job in our free market economy.

Mr. President, I commend Secretary Kemp's article to all our colleagues. In conjunction with Senator LIEBERMAN, I will be presenting legislation in a few weeks aimed at furthering the cause of equal opportunity. By reducing taxes and regulations, particularly in distressed areas denoted enterprise zones, this bill will encourage economic opportunity. By providing for school choice in these same areas it will promote educational opportunities. In sum, it is an attempt to make the opportunity society a reality, particularly for America's inner cities and other distressed areas.

I request that the following be entered into the RECORD:

[From the Washington Post, Aug. 6, 1995]

AFFIRMATIVE ACTION: THE "RADICAL REPUBLICAN" EXAMPLE

(By Jack Kemp)

The scene is Washington: a Republican President, new to the White House, defiantly throwing down the gauntlet to a Republican Congress, saying he will veto any bill that proposes to do more for "black Americans" than for "whites." This is not some fast-forward vision of 1997 and the first days of a new Republican White House. It's a flashback to 1866. The agency to be vetoed was the Freedman's Bureau, established in President Lincoln's administration to "affirmatively" assist the recently emancipated African Americans. The president—Andrew Johnson, Lincoln's successor—worried that any "affirmative action" would hurt the white population by specifically helping "Negroes."

I offer this page from history not to prove once again that politically, there is not much new under the sun but to illustrate that the issues of race and equality are woven into the essence of our American experience. While our present-day passions on the subject of affirmative action open old wounds, they also summon us to moral leadership of Lincolnesque proportions.

Thus far the summons goes unanswered by both liberals and conservatives alike. The unreconstructed liberal notion of endless racial reparations and race-based preferences is doubly guilty: wrong in principle and ruinous in practice. President Clinton's much-vaunted affirmative action review produced more of a bumper sticker than a policy; Clinton's focus-group-fashioned "mend it, not end it" slogan makes a far better rhyme than reason.

The same, however, is true of the new affirmative action "abolitionist" position, which heralds equality but seldom addresses the way to truly give all people an equal footing. Critics are right in asserting that "affirmative action" quotas have contributed to the poisoning of race relations in this country. But critics must offer much more than just opposition and reproach. We know what they are against, but what are they for?

"A colorblind society," comes their response. Of course, the goal of equal opportunity is paramount and a worthy destiny to seek. But to say that we have arrived at that

goal is simply not true. My friends on the right call for a colorblind society and then quote Martin Luther King's inspirational "I have a dream" speech, in which he imagined a nation in which every American would be judged not on the color of his or her skin but on the "content of his character." All too often, though, they neglect to quote the end of his speech, where he describes the painful plight of minority America: "The Negro," King said, "lives on a lonely island of poverty in the midst of a vast ocean of material prosperity."

Much has changed in the 30 years since King stood on the steps of the Lincoln Memorial. Minority enterprises have begun to gain a foothold, although there are far too few of them. But can anyone venture to the crumbling brick and mortar of Cabrini Green Public Housing, or the fear-ridden projects of Bed-Stuy or the streets lined with the unemployed in South Central LA or East St. Louis and believe that what he sees there today would pass as progress since Dr. King's day?

This is not to negate the gains made by so many in the black and minority communities. But for large numbers the situation has not only not improved in 30 years, it has grown dramatically worse—with a welfare system that entraps rather than empowers, punishes work and marriage and prevents access to capital, credit and property.

Reality requires that we admit two things—difficult admissions for both liberals and conservatives. First, that a race-conscious policy of quotas and rigid preferences has helped make matters worse. Second, and more important, the Good Shepherd reminds all of us that our work is not done, and as we think about moving into the 21st century, we must not leave anyone behind.

Sound policy begins with strong principles. Affirmative action based on quotas is wrong—wrong because it is antithetical to the genius of the American idea: individual liberty. Counting by race in order to remedy past wrongs or rewarding special groups by taking from others perpetuates and even deepens the divisions between us. But race-based politics is even more wrong and must be repudiated by men and women of civility and compassion.

Instead, like the "radical Republicans" of Lincoln's day, who overrode President Johnson's veto on the Freedman's Bureau, we would honor the past by creating a future more in keeping with our revolutionary founding ideals of equality. In this way, the eventual ending of affirmative action is only a beginning—the political predicate of a new promise of outreach in the name of greater opportunity for access to capital, credit, prosperity, jobs and educational choice for all.

The time has definitely come for a new approach an "affirmative action" based not just on gender or race or ethnicity but ultimately based on need. "Affirmative" because government authority must be employed to remove the obstacles to upward mobility and human advancement. "Action" because democratic societies must act positively and create real equality of opportunity—without promising equality of reward.

Affirmative opportunity in America begins with education. America's schools, particularly our urban public schools, are depriving minority and low-income children of the education that may be their passport out of poverty. Even the poorest parent must have the option more affluent families enjoy; the right to send their children to the school of their choice. Affirmative effort means ending the educational monopoly that makes poor public school students into pawns of the educational bureaucracy. And we should be paving the way to a voucher and magnet school system of public and private school choice.

Opportunity means an entryway into the job market. That means removing barriers for job creation and entrepreneurship and expanding access to capital and credit. According to the Wall Street Journal, from 1982 to 1987, the number of black-owned firms increased by nearly 38 percent, about triple the overall business growth rate during that period. Hispanic-owned businesses soared by 57 percent, and their sales nearly tripled.

Even so, of the 14 million small businesses in existence across the United States today, fewer than 2 percent are black-owned. And of \$27 to \$28 trillion of capital in this country, less than one percent is in black ownership. Affirmative effort would take aim at expanding capital and credit as the lifeblood of business formation and job creation—including an aggressive effort to end the red-lining of our inner cities and a radical redesign of our tax code to remove barriers to broader ownership of capital, savings and credit.

Opportunity means the ability to accumulate property. Affirmative effort would mean an end to every federal program that penalizes the poor for managing to save and accumulate their own assets. An AFDC mother's thrift and foresight in putting money away for a child's future should not be penalized by the government welfare system as fraud as is currently the case.

Finally, real opportunity for racial and ethnic reconciliation requires an expanding economy—one that invites the effort and enterprise of all Americans, including minorities and women. A real pro-growth policy must include policies ranging from enterprise zones in our cities to a commitment to lowering barriers to global trade. It should also offer relief from red tape and regulation and freedom from punitive tax policies. Each is part of an affirmative action that can "move America forward without leaving anyone behind."

Now that we have opened a somewhat hysterical dialogue on affirmative action, we can never go back—only forward. Our challenge is to put aside the past—abandon the endless round of recrimination and a politics that feeds on division, exclusion, anger and envy. We must reaffirm, as Lincoln did at his moment of maximum crisis, a vision of the "better angels of our nature," a big-hearted view of the nation we were always meant to become and must become if we are to enter the 21st century as the model of liberal democracy and market-oriented capitalism the world needs to see.●

MARITIME SECURITY ACT

● Ms. MIKULSKI. Mr. President, I rise as an original cosponsor and strong supporter of the Maritime Security Act of 1995. Mr. President, I support this legislation because I believe we need a strong U.S. merchant fleet for our military security and our economic competitiveness.

This legislation creates a Maritime Security Program to retain an active, privately owned U.S.-flag and U.S.-crewed vessel presence in our Nation's foreign commerce and military security.

In times of national emergency, there is no substitute for a strong U.S. merchant fleet. A number of times during the gulf war, foreign-flag ships refused to sail into the war zone. That never happened with a U.S.-flag ship. Our civilian merchant mariners have always been there for us in a national crisis. They have been patriots—reli-

able, consistent, and faithful. Without Americans manning the supply ships, we cannot guarantee that the U.S. military will be able to do its job.

Without some form of Government action, the United States will be forced to be almost totally reliant on foreign-flag vessels for international transportation and military sealift. Some say it is OK to rely on the good will of foreigners. But if we put our military materials under a foreign flag, then they would have command over the supplies necessary to back our troops.

We also need a U.S.-flag merchant marine to preserve our historic presence as a global economic power moving goods on the high seas. Most of all, we need American men and women to run those ships. This legislation is the most cost-effective way of guaranteeing that the merchant marine is there when we need it.

It is no secret that threats to national security are increasingly waged in the economic sphere. We are constantly hearing of predatory practices, dumping, and poaching. Without a U.S. presence on the high seas, who is to say that U.S. goods would not be victimized by foreign shipping companies loyal to the commercial interests in their own countries. Higher rates? Slower delivery? I think it is possible.

Finally, I believe in public sector-private sector cooperation to encourage Government savings. This program gives a lot of bang for a buck. It provides a service to the Department of Defense for less than if they did it in house. It also guarantees a loyalty that would not be there if they went foreign.

Mr. President, this legislation is smart, it is strategic, and it makes sense. I wholeheartedly endorse this bill and I stand by our merchant mariners who never gave up the ship.●

The PRESIDING OFFICER. The majority leader.

Mr. DOLE. Mr. President, are we in morning business?

The PRESIDING OFFICER. We are.

THE 2-YEAR ANNIVERSARY OF THE LARGEST TAX INCREASE IN AMERICAN HISTORY

Mr. DOLE. Mr. President, I had intended to make this statement yesterday. We were so busy until about 11:30 last night that I did not have the opportunity. But I did not want the 2-year anniversary of the largest tax increase in American history to go by unnoticed. That 2-year anniversary was August 10. That is the date that the largest tax increase in history was signed into law by President Clinton. The increase had been passed over the "no" votes of every Republican in the House and Senate.

While they may be celebrating this anniversary down at the White House, a quick look at what occurred these past 2 years makes it clear that there