

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

are not many other Americans who have reason to celebrate.

Let us begin with interest rates. The President assured us in 1993 that his tax hike would keep interest rates low. But the prime rate has grown from 6 percent in August, 1993, to 8.75 percent today, an increase of almost 50 percent. Treasury bills, 30-year bonds, and mortgage rates are all up. The bottom line is that Americans are paying more to buy a home, a car, and everything else they need to borrow money for.

The President said his tax hike would only hurt the so-called rich. The fact, however, is that average wages and salaries for all U.S. workers fell 2.3 percent from 1994 to 1995, the largest decline in 8 years.

In July 1993, just before the tax increase passed, 155,000 jobs were created. In July 1995, only 55,000 jobs were created—a 65 percent drop. Last month, factories actually cut 85,000 jobs, the largest drop in manufacturing jobs in more than 3 years.

I am sure all the working people who saw their wages drop or who lost a job are delighted to know that the President considered them to be rich.

Two years ago, the economy was chugging along at a healthy growth rate of 2.4 percent. In the second quarter of 1995, however, the economy grew by only 0.5 percent.

Wages are down. Job creation is down. Economic growth is down. And there is something else that has dropped since the tax increase, and that is the dollar. In the past 2 years, the dollar has dropped 13.2 percent against the Japanese yen and 17.8 percent against the German mark. This devaluation ultimately leads to a lower standard of living for all Americans.

Along with interest rates, there is another facet of the economy that is rising—the deficit. Under the President's first budget proposal, deficits are projected to increase from \$175 billion in fiscal 1995 to \$210 billion in 1996, and increase every year after that.

Mr. President, those are the facts. We can look back today and say that we were right. We were right to oppose the largest tax increase in the history of America. And 2 years from now, I believe we will be able to look back and say that this Congress was right to have done what we have done this year; we were right to set America on a path to a balanced budget; we were right to cut taxes for millions and millions of hard-working American families.

Mr. President, there could not be two more different bills than the President's big tax increase and our proposal which we hope will pass sometime this year for tax cuts, tax decreases.

So I think, after considering the impact the President's tax increase has had on the economy and on family incomes, the Republican budget cannot pass a moment too soon because it does contain significant tax relief for American working families.

## THE 50TH ANNIVERSARY OF THE END OF THE WAR IN THE PACIFIC

Mr. DOLE. Mr. President, next week America will commemorate the 50th anniversary of the end of the Second World War in the Pacific.

As we mark this anniversary, we should pay tribute and remember the over 3 million American airmen, soldiers, sailors, and Marines who served in the Pacific and Asian theaters from 1941 to 1945. General Douglas MacArthur described those who fought in the Pacific with these words:

He plods and groans, sweats and toils. He growls and curses. And at the end, he dies, unknown, uncomplaining, with faith in his heart, and . . . a prayer for victory on his lips.

The story of the Pacific and Asian theaters is a story of courage. It is a story of places like Iwo Jima, Okinawa, Guadalcanal, where American soldiers fought in some of the most brutal battles of the war. Their heroism and their sacrifice will live forever in the annals of history.

Mr. President, this anniversary has also stirred some debate over the wisdom of President Truman's decision to use the atomic bomb to bring the war to a conclusion.

Some revisionist historians have suggested that Japan was so weak in 1945 an allied victory could have been achieved through a military invasion.

The best response to that assertion comes from our colleague, Senator MARK HATFIELD. Senator HATFIELD was one of the first Americans to visit Hiroshima in the days following Japan's surrender, and he saw the weapons that would have been used to repel American soldiers invading Japan.

Senator HATFIELD was scheduled to participate in such an invasion, and he has said that as he looked at the weapons, he had no doubt that he, like countless thousands of other Americans, would have been killed, wounded, or somehow injured.

Mr. President, the veterans of the war in the Pacific and all Americans can take pride in the fact that Japan is now one of America's most important allies. America did not enter the war seeking territory. We entered to defend democracy. And when the war was finished, we set about the work of rebuilding a free and Democratic Japan.

In short, Mr. President, at war's end, we looked to the future with hope, instead of the past with recrimination. And that, perhaps, is the great lesson of World War II and the great lesson of this century, that as long as America is engaged and as long as America provides the leadership, then the future for nearly everyone in the world will be filled with hope.

Mr. President, at this time I send a resolution to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the resolution.

Mr. DOLE. I send it up on behalf of myself and the Democratic leader.

The assistant legislative clerk read as follows:

A resolution (S. Res 164) expressing the sense of the Senate that America's World War II veterans and their families are deserving of this Nation's respect and appreciation on the 50th anniversary of the end of the war in the Pacific.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mr. DASCHLE. Mr. President, on August 14 we will mark the 50th anniversary of V-J Day, the end of the war in the Pacific. As much as the war in Europe, the American role in the Pacific war definitively created the modern-day role of the United States in the international community.

The attack without warning that Japan's military rulers launched against Pearl Harbor on December 7, 1941, had the effect, in the United States, of uniting Americans against the Axis Powers in the global conflict. The almost immediate declaration of war on the United States by the Nazi regime in Germany solidified that unity.

For the first time, Americans poured into recruiting centers to volunteer in the Armed Forces. From every city in the country, and every State in the Union, men—and many women—lined up to defend their Nation. The men and women of South Dakota, like those of all other States, did their share.

The war in the Pacific was a difficult conflict, unprecedented in human history. Never before had nations contended across such vast miles of open sea, over such small, scattered island groups. Until the development of carriers and air flight, a war like the Pacific war could not even be imagined.

Tragically enough, in our century, it came to pass, and at enormous cost in lives and treasure to all participants.

From the devastating loss of men and materiel at Pearl Harbor at the end of 1941, the United States struggled to regain momentum in the Pacific theater. The demands of the war in Europe competed with the needs of the men and women stranded on Pacific islands, and the whole weight of the Nation bent to the task of filling those needs.

It was not until the Battles of Midway and Coral Sea that the tide turned in the Pacific war. And it was not until after the use of the atomic weapon in Hiroshima and Nagasaki that Japan's military rulers were willing to concede and surrender.

The technology that gave mankind the power of the atom and ended the war in the Pacific has, understandably, overshadowed much of the history of the Pacific war. That is understandable, but it is unfortunate.

There are stories of heroism, bravery, courage in the face of incredible danger and sheer human endurance that deserve to be honored in our national memory.

Some of those stories are the stories of South Dakotans who served.