

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.

One South Dakotan, Joe Foss, returned to the United States to a successful career in politics, as State Governor and the first commissioner of the American Football League.

Joe Foss was a marine captain at age 28, in 1943. By then, he had won the Congressional Medal of Honor and the Distinguished Flying Cross. Captain Foss has the distinction of downing more enemy planes than any other combat pilot in the war. He equaled the record of the fabled Eddy Rickenbacker of World War I, with 26 kills, 23 of them during a grueling 34-day-long test of endurance in the sky over Guadalcanal.

In an interview, many years after the war, Joe Foss described a mission on which he was sent as a decoy against a Japanese battleship off Savo Island, with the goal of engaging the big ship's guns so that a second wave of torpedo bombers could have a clear path to come over and drop their armaments to sink the ship.

He talked about aiming the nose of his Grumman Wildcat almost directly down at the ship's smokestacks, knowing that an airplane at 12 o'clock makes the hardest target, but knowing, as well, that the moment a plane changes angles to pull out of a dive leaves it entirely vulnerable.

Twice, during dogfights, he found himself on a collision course with Japanese Zeros, heading directly into the Zeros' propellers, knowing that the first pilot who peeled away would expose his plane's underside to machine-gun fire. He never turned, and those two Zeros were among his kills.

Joe Foss earned the Congressional Medal of Honor for conspicuous bravery in the face of the enemy, and his fellow South Dakotans rewarded him later by electing him Governor of the State. His story echoes many of those of others from South Dakota who served in the Pacific theater.

Another South Dakotan who distinguished himself in the Pacific theater is Philip LeBlanc. He was one of many Native American Code Talkers. The Lakota-speakers of South Dakota and other States were formed into teams, who were dropped on isolated Pacific Islands and instructed to radio back reports of enemy activity that to help guide strategy.

They were known as "MacArthur's boys" and had priority over the airwaves, because so many American lives depended on their reports of enemy strength, landings, and shipping.

Their unique contribution was the use of Lakota, the language of their birth, which defied all code-breaking efforts. Their unique war experience included the fact that they often felt they faced more danger from American troops, by mistake, than from Japanese. Left on isolated islands, equipped with camouflage gear and caps, not helmets, native Americans were often subjected to rigorous interrogation by European Americans questioning their status as American combat soldiers.

Philip LeBlanc served with the 302 Reconnaissance Team in the 1st Cav-

alry Division from 1942 to 1945 in the Pacific theater. He served his entire term of service in the field without a single furlough.

LeBlanc served in New Guinea, where it was impossible to dig foxholes because the intense rainforest climate created a groundwater table that was barely 5 inches below the surface. He had to be ferried to medical care by Filipinos when he came down with malaria in the middle of Japanese-held territory, and he was finally felled when he was hit riding atop an armored car in the last days of the campaign to retake the Philippines. He carries shrapnel in his hip and a bullet scar on his chest.

But much more proudly, he has the right to carry on his chest four Bronze Battle Stars, four major campaign medals, a Purple Heart, an Asiatic Pacific Campaign Medal, a Bronze Arrowhead and a Philippine Liberation Ribbon.

He is part of a proud and honorable tradition of native Americans who have served courageously and honorably in every U.S. conflict, from the Revolutionary War onward.

The outcome of the Second World War changed our world profoundly, with effects that still resonate today. It left the United States the sole undamaged world power. With that status came responsibilities that most Americans had not imagined at the outset. Victory also carried a price.

In the 50 post-war years, those responsibilities have demanded more in American treasure and lives than from any other participant. But by 1990, it is estimated that the total cost of the Second World War to the United States had reached \$4.6 trillion—including the post-war cost of veterans health care and benefits. The cost of that care and those benefits is a cost of war, and should be recognized as such, lest we forget, decades later, the price of war in the form of our greatest treasure—our young men and women who served.

In total, more than 16 million American men and women served their Nation in World War II. More than 291,000 paid the ultimate price on the field of combat; 113,000 others died of wounds, accidents, illness—all the risks and dangers that attend service in wartime. All told, more than 405,000 American lives were cut short by the war.

Another 670,000 Americans were casualties in that war—men and women who returned with their health damaged, their bodies scarred, their lives changed.

Every State in the Nation sent men and women to the Second World War. South Dakota, one of the Nation's least populous States, sent an estimated 60,000 men and women to fight. A post-war review in 1950 estimated that more than 10 percent of the South Dakotans who served earned citations for personal bravery, military valor and, in three cases, the highest military honor our Nation grants, the award for service "above and beyond

the call of duty," the Congressional Medal of Honor.

We should honor those who fought for our Nation in the Pacific theater. But we should not allow the distance of time to let us forget that they served at incredible cost to their lives, their health, their well-being and, too often, their futures.

The Second World War is often sentimentally called the last good war. I understand what people mean by the term.

But for those who saw active duty—who saw friends and buddies die, who felt the sheer brutality of heavy artillery attack or the random terror of combat on unknown, rough terrain against a well-trained and ruthless opponent, who faced years of imprisonment in sometimes barbaric conditions, the men who endured the death march of the Kokoda Trail, the tortures of jungle imprisonment—there was no "good" war. There was a job to be done, often at a price that scarred their lives for decades afterward.

In victory, America has been magnanimous and generous to her former enemies. That is as it should be. Our ideals command no less. But in retrospect, let us not forget the terrible price that our own people paid for our victory. Let us not imagine that the historic graciousness of our Nation toward the conquered was something bought without pain and tears and terrible suffering.

Victory is a fine accomplishment. But its price is often beyond counting. Its price should never be forgotten.

Today, I hope Americans across the country will pause to consider the price of our victory, for those who served, those who died, those who suffered. We owe them a debt of remembrance, along with a debt of gratitude for their sacrifice.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution was agreed to.

The preamble was agreed to.

The resolution (S. Res. 164) with its preamble is as follows:

Whereas on August 14, 1945 the Japanese government accepted the Allied terms of surrender;

Whereas the formal documents of surrender were signed on September 2, 1945, thereby ending World War II;

Whereas 50 years have now passed since those events;

Whereas, the courage and sacrifice of the American fighting men and women who served with distinction in the Pacific and Asian theaters should always be remembered: Now, therefore, be it

Resolved, the United States Senate joins with a grateful nation in expressing our respect and appreciation to the men and women who served in World War II, and their families. Further, we remember and pay tribute to those Americans who made the ultimate sacrifice and gave their life for their country.

Mr. DOLE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

The PRESIDING OFFICER (Mr. GRAMS). The Chair, in his capacity as a Senator from Minnesota, asks unanimous consent that the order for the quorum call be rescinded.

Without objection, it is so ordered.

RECESS

The PRESIDING OFFICER. Without objection, the Senate stands in recess until 3 p.m.

There being no objection, the Senate, at 2:11 p.m., recessed until 3:01 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. FRIST).

The PRESIDING OFFICER. The Chair in his capacity as a Senator from Tennessee suggests the absence of a quorum.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROTH. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

KEEP THE TAX CUT PROMISE

Mr. ROTH. Mr. President, a major purpose of government is to provide an environment for economic growth—one in which jobs and opportunity bring security to our families and communities. History has shown us the blueprint for such an environment: low taxes. Treasury Secretary, Andrew Mellon slashed taxes 25 percent, ushering America into the roaring '20s. John Kennedy's tax cuts in the '60s created the longest peacetime economic expansion in history—that is up until President Reagan embraced Kemp-Roth in the 1980's.

The result of Kemp-Roth, as my friend, Jack Kemp, recalls, was "18 million new jobs and more than 4 million new businesses, an entrepreneurial boom unmatched in the 20th century."

This is what history teaches. But as they say, that was then, and this is now. One after another, Americans have suffered tax increases—each with the promise that it would eliminate the deficit. President Bush broke his pledge of "no new taxes," cooperated in a budget summit, signed the largest tax increase in history at that time, and lost his reelection because of it.

Then President Clinton, two years ago yesterday, signed his tax increase, which still earns the distinction as the largest in history. And now there is renewed talk of renegeing on the \$245 billion tax cut promised in the budget resolution that passed this spring.

The irony, Mr. President, is that the tax cuts—whether they were the Mellon cuts, the Kennedy cuts, or Kemp-Roth—always produced windfalls for the Federal Treasury. As one well-respected economist pointed out, "the Federal Government received hundreds

of billions more tax dollars annually during the Reagan administration than ever before.

That is because the gross national product grew by nearly 80 percent over the 8 years when Ronald Reagan was President. Uncle Sam's cut was a slightly lower percentage, but the pie itself was much bigger. That was the whole point of supply-side economics. Then why is the national debt now at an all-time high, measured in trillions of dollars, instead of mere billions as before? Because Congress spent even more hundreds of billions than the massive new tax receipts pouring into Washington. Without spending restraints, no amount of new taxes will ever balance the budget."

And for those who believe cutting taxes only benefited the wealthy. Let the facts speak for themselves: In 1990, following Kemp-Roth, the wealthiest 5 percent of tax payers paid 43 percent of all taxes. In 1981, before the tax cuts, the wealthiest 5 percent was paying 36.4 percent.

You see, Mr. President, there is nothing inconsistent with our objective to cut taxes and to balance the budget. Americans want a balanced budget. The United States has not had a balanced budget since 1969. And Americans know that you cannot go year to year spending more than you take in.

They cannot do it with their checkbooks. And they believe Congress should not be able to do it, either. In fact, they feel so strongly about this issue that virtually every poll showed 70 percent to 80 percent of the country wanted the Balanced Budget Amendment approved and ratified by the States. Unfortunately, that was prevented from happening by roughly the same group of Senators who are now taking aim against our proposed \$245 billion tax cut.

These are—give or take a few—the same men and women who, 2 years ago, supported President Clinton in a historic tax increase. And where has that increase gotten us? The President said his increase would keep interest rates low. Today the prime rate is 2.75 percent higher than it was last year at this time. Treasury Bills, 30-year bonds and mortgage rates * * * they are all up. Beyond this, average wages and salaries for U.S. workers have fallen 2.3 percent from 1994 to 1995, the largest decline in 8 years. Fewer jobs are being created, economic growth has come to a standstill, and the dollar is down.

This is where we are, Mr. President, and now the same people who brought you these statistics—the same people who voted against the American people on the balanced budget—are trying to kill a tax cut for the middle class—a tax cut that will offset President Clinton's record setting increase.

The tax proposal they are trying to kill is positive and important for economic growth. Thirty-five million families, raising 52 million children, will pay lower taxes. Seventy-four percent of these families have incomes below \$75,000.

Families with children and incomes of less than \$25,000 will pay no income tax at all. And the fact is, that 70 percent of all taxpayers who will benefit from the capital gains tax cut in our plan have incomes of less than \$50,000.

Mr. President, this is how we bring America back. And it should be a bipartisan effort. Mellon, Kennedy, Reagan—no one party has a monopoly on the key to economic growth. I believe we can work together. For this reason, I have been active in my efforts to restore the power of the individual retirement account.

Toward this end, I have worked with former Senator Lloyd Bentsen and am now working with Senator JOHN BREAUX. In my efforts to reduce the threat of estate taxes on family-owned farms and businesses, Senator PRYOR and others have joined with Senator DOLE, me and Members on this side of the aisle.

The magnitude and importance of the objective before us requires no less than our willing and cooperative effort. The American people deserve no less. They have paid too much in taxes. Promises to reduce the deficit have not been kept.

Spending has continued to soar and government has grown overbearing and inefficient. We have proposed the first balanced budget in 26 years. The \$245 billion tax cuts are completely paid for. Let us now work together to see these initiatives passed. In the strong economies and Treasury windfalls that came about from tax cuts in years gone by, we see our future. And working together, I believe we can achieve it.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DOLE. I ask unanimous consent that further proceedings under the quorum call be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

HORROR IN THE NATION'S CAPITAL

Mr. DOLE. Mr. President, too often today, when we read and hear about the unspeakable violence that occurs on the streets of our country, we simply shrug it off as the price we pay for living in a free society. In a very real sense, we have begun to tolerate the intolerable.

This past weekend, however, a crime occurred just several city blocks from this building that, I believe, would send shivers down the spine of even the most jaded observer.

Three employees of a nearby McDonald's restaurant—18-year-old Marvin Peay, Jr.; 23-year-old Kevin Workman; and a 49-year-old grandmother named Lilian Jackson—were all shot dead while working the late shift. One of