

Mr. BARR. Mr. Speaker, today we heard communications from the White House, which were communicated and reverberated around the world, that the President of the United States has made an end run around the Congress, and I think this raises some very troubling problems about the Mexican bailout process.

Just 1 short week ago, Mr. Speaker, we had the top administration officials appear before the Committee on Banking and Financial Services, on which I have the honor of serving, to tell this Congress that the only way, the only way that we could avoid a crisis in the international monetary market and avoid a collapse of the Mexican economy, is if this Congress acceded to the wishes of the administration and provided legislation that would in effect bail out the Mexican peso.

Less than 1 week later, Mr. Speaker, we find out that the administration has another plan, and I call on the administration to come clean with this Congress, to let us know exactly what is going on and to answer some very serious questions about the authority under which this action is taking place, why it was not foreseen and why this administration, through the testimony of the administration officials in the Committee on Banking and Financial Services, appeared to mislead this U.S. Congress and the American people.

#### BIPARTISANSHIP PREVAILS

(Mr. KINGSTON asked and was given permission to address the House for 1 minute.)

Mr. KINGSTON. Mr. Speaker, last week, when we passed the balanced budget amendment, we took a good step not only toward fulfilling campaign promises, but also for working with each other as Democrats and Republicans because there are about 70 to 80 Democrats who voted on the balanced budget amendment and joined the Republican majority. I think that is a great bipartisan effort. The same thing has happened as we debate the unfunded mandates bill. Many Democrats are not going along with this obstructionism. They are coming over to the majority side and putting the business of the American people first.

During the month of February, Mr. Speaker, we are going to be debating the line-item veto, and the crime bill and regulatory reform. All these are very, very important to our constituents, Democrats, Republicans, big cities, small cities, rural, urban, and I hope that this bipartisan spirit prevails so that we can take care of the business that America demands and do what is best for our great country.

#### PRESIDENT SHOWS HIGH DEGREE OF LEADERSHIP BY HELPING MEXICO STABILIZE ITS ECONOMY THROUGH GUARANTEED LOANS

(Mr. TORRES asked and was given permission to address the House for 1 minute.)

Mr. TORRES. Mr. Speaker, I think that today's action by the President of the United States in taking his prerogative as a Chief Executive to order an Executive order guaranteeing the \$47.5 billion guarantees to Mexico was a prudent move. I believe it sends out a strong signal to the international markets, to the international community, that he is showing a high degree of leadership. Since we in Congress were not able to meet his request, I believe that the President is taking his prerogatives as the Chief Executive to order those guaranteed loans which will go a long way in seeing to it that the Mexican peso is stabilized, that the economy of Mexico can be stabilized, for not to do so would have a serious negative impact on American workers and on our relationships with that country, not to speak of the problems that it would cause as a domino effect in Brazil, and Argentina and other developing nations.

So, Mr. Speaker, I believe that today's move by President Clinton was an important one and indicates once again that he is willing to make tough decisions in a crisis time like this.

#### SPECIAL ORDERS

The SPEAKER pro tempore (Mr. BREWSTER). Under the Speaker's announced policy of January 4, 1995, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan [Mr. KNOLLENBERG] is recognized for 5 minutes.

[Mr. KNOLLENBERG addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

#### CIRCUMVENTING THE WILL OF CONGRESS

Mr. LIPINSKI. Mr. Speaker, today the Clinton administration abandoned its effort to pass a \$40 billion loan guarantee to Mexico. The President came to the conclusion that his bailout proposal would have failed in Congress, and he was right.

So what does the administration turn around and do? Instead of really responding to the opposition of Congress, the administration decides to devise a new plan, a new plan which effectively circumvents the will of the Congress. While this new plan includes more international financial support, it also calls for dipping into our country's exchange equalization fund for as much

as \$20 billion to prop up the peso. This fund, which only holds \$25 billion, I might add, is usually only used to help stabilize the U.S. dollar.

Mr. Speaker, this marks the first time that the fund has ever been used to support any kind of currency other than the U.S. dollar.

Mr. Speaker, I must take exception. I must take exception to how this administration wants to put the Mexican peso before the American people. I must take exception to how this administration chooses to sidestep the authority of Congress in this matter.

Even with International Monetary Fund support, U.S. tax dollars are still at risk. By avoiding the authority of the U.S. Congress the administration does not have to answer to the elected Representatives of the American people on this rescue plan for Mexico.

How did we come to where we are today? Well Mr. Speaker, it all began with something called NAFTA. Over a year ago, the media hailed it as the right thing to do.

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Meanwhile, the Clinton administration cut deals with various Members in exchange for their vote in favor of the agreement. I and others, however, stood our ground and said "no" to NAFTA. We did so knowing full well the devastating effects such an agreement would have on the U.S. work force and our country's trade position.

Unfortunately, our warnings went unheeded, and today the administration wants to bail out Mexico.

The Clinton administration promised that 100,000 new jobs would be created in the first year of NAFTA. These jobs we have yet to see. Let us take a look at the statistics. Since NAFTA was enacted, United States net imports with Mexico fell more than half. Our trade deficit in electronics has doubled, and we have a \$12 billion trade deficit in automobiles and parts. In fact, the overall automotive trade deficit with Mexico has only worsened under NAFTA.

The Department of Commerce estimated that \$1 billion in exports supports approximately 20,000 jobs. This means our automotive trade deficit alone has cost our country 32,000 jobs. So how are U.S. workers expected to deal with this? NAFTA's trade adjustment assistance program certainly is not helping, because eligibility requirements are extremely strict and the actual benefits are limited. Many firms have actually consulted their employees and told them not to bother applying.

Labor and environmental side agreements negotiated under NAFTA have proven to be abused.

Now after a year of NAFTA, Mexico has experienced a financial crisis, and Americans, thousands of whom lost their jobs to Mexico, are being asked to foot the bill. Americans are being forced to prop up the peso through a

government fund that was set up specifically to help the U.S. dollar.

To me, this is incredible.

Many questions have yet to be answered about the nature of the peso crisis. Reports that the administration knew long beforehand about the situation of the peso also cause the urgency of the situation to come into serious question. During debate on NAFTA, opponents pointed out that Mexico was highly overvaluing the peso and that provisions must be included in the agreement to stabilize the currency relationship. No such provisions were included in the agreement, and look where we are today.

We just passed a balanced budget amendment to the Constitution, and we are being asked to swallow this bailout, and we must ask, will U.S. and international loans really help anyone?

In the Washington Post, Jim Glassman argues that the bailout may only make Mexico's long-term economic problems worse. By being too lenient on the Mexican Government, we are encouraging misbehavior in the future.

Mr. Speaker, the teamsters and united electrical workers unions filed unfair labor complaints against Honeywell and GE companies in Mexico—the National Administrative Office dismissed these cases with no penalties for the companies—a blatant disregard for workers' rights.

Likewise, the environment and public health have suffered a great deal. Are NAFTA supporters aware that a GM plant near the border in Mexico bumped a toxic chemical at 215,000 times the acceptable level? It is no wonder that children's cancer rates have increased dramatically be 230 percent in Brownsville TX—230 percent!

In July 1994, a 13-year-old boy from Texas died from a brain infection after swimming in the Rio Grande.

American health officials traced the infection back to the 24 million gallons of raw sewage from Mexico which is pumped into the river each day.

Mr. Speaker, NAFTA is literally poisoning our children and grandchildren.

William Seidman, former Chairman of the FDIC, who was in favor of NAFTA, opposed the administration's original loan guarantee package. Mr. Seidman said that it bore striking similarities to the S&L bailout of the 80's—and he should know. Mr. Speaker, under this new administration plan, taxpayers' dollars are still on the line.

Mr. Speaker, at best, efforts to prop up the peso are simply a political rescue for the new Mexican Government and a bailout for Wall Street. The Mexican and American middle class will see little direct benefit.

At the very least, the peso crisis gives us reason to step back and take a good long look at what's wrong with NAFTA.

In Mexico where the disparity between rich and poor is so great, we need to slow down, reevaluate the integrity of our trading partner and ask ourselves—who really is going to benefit from the loan guarantee.

We must recognize that the peso instability is not a quick fix situation—the loan package will not alter the underlying structural weaknesses of the Mexican economy. A year or so from now, Mexico may be back wanting more financial aid.

When will it end?

We just passed a balanced budget amendment to the Constitution and we're being asked to swallow this bailout?

And, we must ask, will U.S. and international loan efforts really help anyone? In the Washington Post, Jim Glassman argues that the bailout may only make Mexico's long-term economic problems worse. By being too lenient on the Mexican Government, we are encouraging misbehavior in the future.

Why not just let the Mexican market fix itself? This admittedly may cause investors to lose money, but they assumed this risk, they deserve little sympathy from American taxpayers.

A major issue in last November's election was the fear, the concern, and the insecurity that the American middle class has about their shrinking standard of living. Now, with NAFTA and this billion dollar bailout, we are not only shipping out middle class jobs, but putting an additional burden on the middle class to subsidize another country.

Since 1979, the United States has lost 16 percent of its manufacturing job base—that is 3.2 million jobs lost. The United States has lost these jobs to Mexico. Not to Mexican companies, but to over 1,600 American-owned plants, plants that employ low paid Mexican workers.

I have already heard from a large number of my constituents urging me to reject the peso bailout. These are the same people who knew that NAFTA was not good for this Country. These are also the same people who go to work everyday, live within their means, and are responsible for their own finances.

Mexico and Wall Street could learn a lot from my constituents.

I have cosponsored legislation to repeal NAFTA and legislation which says that no loan guarantee shall be provided which could result in any direct or indirect financial obligations on the part of the American taxpayer. I urge my colleagues to do the same. The American people deserve nothing less.

Mr. Speaker, how can we in good conscience rush to bailout Mexico when we have thousands of people here at home who desperately need our help—many of whom lost their jobs to Mexico?

I am very disappointed that Congress has been denied this say on this issue.

Mr. Speaker, instead of rescuing Mexico and Wall Street, we need to be helping our own citizens achieve a better way of life.

#### UNFUNDED FEDERAL MANDATES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania [Mr. FOX] is recognized for 5 minutes.

(Mr. FOX of Pennsylvania asked and was given permission to revise and extend his remarks.)

Mr. FOX of Pennsylvania. Mr. Speaker, in November the American people clearly demonstrated their disgust with outlandish spending, skyrocketing taxes, and a lack of responsiveness from Congress.

The new Republican majority is working hard to eliminate many of the business-as-usual policies and practices of the past, including the onerous burden of unfunded Federal mandates has become an albatross for many State and local governments and impacts nearly every community at some level.

As a former Montgomery County commissioner in Pennsylvania and a former member of the Pennsylvania State House of Representatives, I have seen firsthand the devastating financial effects such unfunded programs have had on municipal, county, and State budgets.

If the Congress really believes in a program, then the Congress should pay for that program. We can no longer pass the buck on to others. The practice has to end here and now.

Honest reform and accountable government are not only what the public wants to see, they are the right things to do. The American people are sick of legislation which uses smoke and mirrors and accomplishes nothing. We need effective reform, which clearly marks the 104th Congress as different from the rest. Ending unfunded Federal mandates should be at the top of this list.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey [Mr. MENENDEZ] is recognized for 5 minutes.

[Mr. MENENDEZ addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan [Mr. EHLERS] is recognized for 5 minutes.

[Mr. EHLERS addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York [Mr. OWENS] is recognized for 5 minutes.

[Mr. OWENS addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey [Mr. MARTINI] is recognized for 5 minutes.

[Mr. MARTINI addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. HORN] is recognized for 5 minutes.

[Mr. HORN addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]