

and I am happy to yield to him at this point.

Mr. BECERRA. Mr. Speaker, I want to thank the gentleman for allowing me to have these few minutes.

I was watching some of the discussion over the television as I was in the Judiciary Committee, and I thought it was important enough to come down here, because at this very moment our committee is debating the balanced budget amendment and I just wanted to add a few points.

It seems to me that for the last month and a half we have been talking about how open this new Congress will be and how important it is to give the people of America a chance to really understand the workings of the House of Representatives and of the Senate. Yet it seems to me the first thing we are doing with this balanced budget amendment is closing doors to openness to the American public. We are not giving them any idea about how we are going to pay for anything in the balanced budget amendment.

As the gentlewoman from Connecticut pointed out, we are talking about cutting \$1,200,000,000,000 over the next 5 to 7 years, and the American people should know what that means. It is to me somewhat disconcerting to find that in the Judiciary Committee today the only way we could try to extract anything from the Republican majority on how they intend to pay for this is to propose amendments to find out if they would include those amendments to protect certain programs, for example, Social Security. We had an amendment that would say that in the process of trying to balance the budget we would not go after the moneys that hard-working Americans have put into the Social Security fund. That amendment failed. The Republicans said we could not do that.

Now, their reasons are similar to that analogy that I recall from that zealous military man who said that in order to save the village he had to burn it. In essence, that is what we were told today in the Judiciary Committee. We cannot put an amendment in that would protect Social Security from the massive cuts, because if we do so, we will ruin Social Security. The logic evades me.

Just minutes ago—in fact, I missed the vote because I was trying to get here—we had a vote to try to exclude some major cuts like veterans' benefits for those who have served in the wars of this country, defending this country, and who have now come back injured. We could not get the Republicans to agree to that amendment.

So it is disconcerting to see that the only way to try to find out what they are not willing to protect is by proposing amendments which they are now rejecting.

The gentleman from California [Mr. MILLER] pointed out that right now in California, as they are suffering through some major devastation from the floods and rains, it seems almost

incredulous to believe that we are now talking about a balanced budget amendment which would cut away the money for some programs like the Federal Emergency Management Agency which would provide those emergency dollars to California right now. We do not know whether that will happen or not because we cannot get anyone in the majority to tell us, and that is a true shame. It seems that what we should be talking about right now is openness. It reminds me of those games that the kids play. Right now we are playing hide and seek with the American people. Rather than playing hide and seek, I think it is about time, since we are playing with Americans' hard-earned dollars, that we play show and tell. And at this stage we have not seen any show and tell.

Mr. DURBIN. Mr. Speaker, I thank my colleague, the gentleman from California.

Mr. Speaker, I yield back the balance of my time.

THE ECONOMICS OF SPENDING CUTS—AND WHITEWATER

The SPEAKER pro tempore (Mr. SAM JOHNSON of Texas). Under the Speaker's announced policy of January 4, 1995, the Chair recognizes the gentleman from Indiana [Mr. BURTON] for 60 minutes.

Mr. BURTON of Indiana. Mr. Speaker, I came down here tonight to talk about the Whitewater-Vince Foster-Arkansas Development Financial Authority debacle and how it pertains to the Clinton administration and in particular, to Bill and Hillary Clinton, the President and the First Lady. But before I do that, I feel compelled to respond a little bit to my Democratic colleagues who have been down here maligning the new Republican leadership about our economic policies and how we are going to deal with the financial problems of this country over the next 5 to 10 years.

First of all, let me say that we have been in power about a week to 10 days. You cannot expect everything to be accomplished in the first 10 days. After all, the Contract With America which we promised the American people before the election we will deal with is going to take a hundred days, and for us to do everything the Democrats are talking about today on the floor is virtually impossible. It is going to take a little bit of time to illuminate the American people as to where the cuts are going to take place and how extensive they will be.

Now, it is true that we are going to have to reduce over the next 5 to 6 to 7 years the cost of Government by about \$1 trillion to \$1½ trillion. That is doable, although my Democratic colleagues would lead us to believe it cannot be done without a lot of wailing and gnashing of teeth. We have a lot of Government agencies that can be done away with. We have a lot of Government agencies that can be reduced. The

bureaucracy in this country can be cut dramatically.

On the first day of this session we reduced the congressional committee staff and the congressional budget by a third. That was just on the first day. So it can be done, but it is going to take time to go through each one of those agencies, each area of government, and cut the largesse that has been put on those budgets over the last 40 years. They have had control since 1954. They have had one House continuously since 1954 and both Houses for most of that time. So for us to turn around the runaway government that has caused these huge deficits and the problems facing this country is going to take more than 4 or 5 days.

Make no mistake about this, I say to my colleagues and to anyone else who may be paying attention across this great land of ours, we are going to reduce the size of Government. We are going to reduce taxes. We are going to pass a constitutional amendment that is going to say that if we raise taxes again, we are going to have to have a 60-percent vote, not 51 percent but 60 percent, because we do not want every Congress coming in here and saying on a whim that they want to raise taxes again, which has been the case for a long, long time. We are committed to streamlining Government and getting Government off the American people's backs as much as possible, and that includes the private sector, the entrepreneur, the businessman who creates these jobs in this country, as well as the cities and States that have been crying for years, "The Government in Washington tells us to do something and then doesn't give us the money to do it, so what we have to do is raise taxes at the local level, property taxes and sales taxes and State income taxes, to pay for it." So we have been putting undue burdens on local and State governments without giving them the wherewithal to deal with it.

What we want to do is reduce these Federal mandates and allow States and local governments to deal with their problems themselves, closer to the people, where they can do it better and more efficiently. And all these things we are going to be talking about in the weeks and months to come.

Chairman KASICH of the Budget Committee has said time and time again on national television that we are going to create a bank account, if you will, where we make the cuts in Government spending first and put it in the bank, and then we use that to spend in other areas where it is absolutely necessary, where we can make cuts, like cutting taxes. We are not going to do the spending first; we are going to do the cutting first. That is something that is new and revolutionary in this body because every time in the last 40 years, when we wanted to do something, we just raised taxes; we did not try to cut Government, we did not try to cut the bureaucracy, and we did not try to cut

the regulations that have been burdening the private sector.

My colleagues indicated in their comments just a few moments ago that we had to create jobs, and the implication was that Government had to help in creating jobs. Government has been the problem in stopping job creation by loading on the backs of private business people more costs and more Government mandates that they have to pay for.

□ 1410

If a businessman in Ohio or Indiana or California is told by the Federal Government he has to do something, and it is going to cost money, that money does not come from heaven. He has to pay for that some way. The way he pays for it is by raising the price of his product.

We are now in a global marketplace, a global economy. You can get people to work in Mexico for \$1 an hour, including fringe benefits. So the American entrepreneur, when the Federal Government adds a mandate on his back that is going to cost money, it puts him in a less competitive position with that businessman in Mexico, who has a great advantage already at the beginning because of wage rates and other things that the Mexican Government does not require that we do.

So every time our Government adds more requirements on private business in this country, it costs them money and it ends up costing jobs. So the things that they are doing over there by adding mandates and Government controls on business ends up costing Americans jobs and drives American industry out of the country where the cost of doing business is less and the American jobs go with it.

So what we want to do as a new Republican majority is reduce those mandates on cities and States, reduce those mandates and controls on the private sector so we can unchain the free enterprise system, so we can be competitive in any world market competition with Japan, with Taiwan, with Korea, with England, with France, with Germany, any country. And that is going to be good for America. It is going to cause a burgeoning economy, a growing economy in the years to come.

Less Government, less taxes, less Government interference, and less Government control means a stronger economy in the long term. And that is anathema to the more liberal element that believes more Government is better. They have believed for 40 years that the way to get things moving in the right direction is to sock it to the rich and give it to the poor. And the implication was that if you have money, that is bad, and we are going to take it from the rich and give it to the poor, and that redistribution of wealth is going to solve the problem.

The fact of the matter is poor people don't create jobs. A man who doesn't have anything doesn't go out here and create jobs. You have to have some-

thing to invest for plant and equipment. So we have to make sure when we cut taxes, we cut it fairly, not just for the poor and the middle class, but for the people who have the wherewithal to create jobs as well. They are the ones who make the capital investment for economic expansion and more jobs.

So we shouldn't have this class warfare they have been talking about for 40 years, rich against poor, because we are all in this boat together. And if we help the businessman, if we cut, for instance, capital gains, it helps everybody. It helps create jobs because there is more money for investment in new capital goods and equipment and plant expansions.

So I really kind of get upset when they are attacking various classes in our country and, in effect, attacking the very system itself which we call free enterprise, because free enterprise is the way you create jobs and economic expansion, not by more Government, not by more taxes, and not by more regulation.

When they start talking about Social Security, for anybody who may be paying attention that is a senior citizen, we have already said that Social Security is off the table. There are no cuts in Social Security planned, and so when they start talking about that, they are creating a red herring.

I think that is pretty much what I wanted to say about my colleagues. As I said during a small colloquy with my Democrat counterparts, I hope we can have some real honest debates, maybe during special orders, in the weeks and months to come, so the American people can see very clearly where both sides are coming from. But in closing on this section of my special order, let me just say that we want to unchain the free enterprise system, we want to reduce the tax burden on American citizens, we want to reduce regulation on the private sector so they can be competitive in the world marketplace, and if we do those things, then this country is going to be much, much better off. And the thing that my Democrat colleagues fear absolutely the most is that this revolution that took place on November 8 will continue into the next election and the next election and the next election, because their philosophy is not what the American people want. And I think that is one of the reasons why you hear them squealing so much right now.

COMMENTS ON WHITEWATER

Now, let me talk about something that is very, very important that deals with a different subject, and it has to deal with the President of the United States and Whitewater, the Arkansas Development Financial Authority, and a lot of other things.

Before we adjourned last November, I discussed several aspects of the Whitewater investigation and other related scandals surrounding President Clinton, in special orders. I said at that time that many, many questions re-

mained to be answered, and that congressional hearings were the only way to get those answers.

As we begin this new year and new session of Congress, the questions are still unanswered, and the need for hearings into possible illegal activities by the President and First lady and others need to be answered, and we need these hearings. The necessity is greater than ever.

Today I am going to discuss some of the most noteworthy controversies that were created and discussed last year and that came to light. Then I will discuss some new revelations and new events that unfolded during the recess over the Christmas holiday. In the coming weeks I will be taking time on the floor to discuss a number of these areas in much more detail.

First of all, let me talk about Vince Foster. He is the fellow who was the counsel to the President, assistant counsel to the President, who was found dead out at Fort Marcy Park. There is a lot of questions concerning his death.

The evening of Vince Foster's death at Fort March Park, the White House chief of staff, Mack McLarty, ordered Vince Foster's office sealed. He said it should be sealed to protect everything in there because there may be some investigation concerning his death.

His office was not sealed. Instead, three White House officials searched his office in the middle of the night and removed many files from his filing cabinets, and these documents were taken away.

The three officials who went into his office in violation of the what the chief of staff, Mr. McLarty, said was going to be done, were Bernie Nussbaum, the President's counsel; Hillary Clinton's chief of staff, I don't know what she is doing in there, Margaret Williams; and special assistant to the President, Patsy Thomasson.

It was later revealed at last August's congressional hearings before the Committee on Banking, Finance, and Urban Affairs that Bernie Nussbaum gave one of the files concerning Whitewater to Margaret Williams, Hillary Clinton's chief of staff. After checking with Hillary Clinton, Ms. Williams locked the file away upstairs in Hillary Clinton's personal residence, and several days later it was given to the President's personal lawyer. When the President's First Lady was asked about this, she said it was locked away in a file and we didn't look at it.

Now, that bothers me. I am not certain that they would take that out of his filing cabinet in violation of what Mack McLarty requested and what the FBI and police would request, put it in her filing cabinet upstairs, and then she says she didn't look at it.

Two days later Bernie Nussbaum went back into Vince Foster's office and conducted a second search of his office, and he told the Park Police and the FBI to sit on chairs outside the office so they couldn't see what he was

doing, and he removed several more files.

Here are some questions that need to be answered in hearings before the Congress. Why did Bernie Nussbaum, Ms. Williams, Hillary Clinton's chief of staff, and Patsy Thomasson, the chief personnel officer at the White House, remove files from Mr. Foster's office in the middle of the night after the office was ordered sealed? What documents were they searching for and what documents did they take out, and did they destroy any of those documents?

Why weren't the Park Police and the FBI given immediate access to Mr. Foster's office? Why didn't the White House give them access to all of the documents to help them in their investigation? Why were the Whitewater files locked up in the personal residence after they were taken from Mr. Foster's office? And have investigators from the independent counsel's office been given access to all of those files? We may never know, because we don't know what was taken out of there and if any of them were destroyed.

Here are some new developments. One of the projects that Vince Foster was working on was preparing 3 years of overdue tax returns for Whitewater Development Corp. He was assistant counsel to the President and was in the process of preparing tax returns for 3 years of overdue taxes for the White Water Development Corp. He had no business doing that while he was in the White House. Nevertheless, he was in the process of doing that.

We can assume that these were among the Whitewater records removed from his office by Mr. Nussbaum. The President's deposition, the President gave a deposition concerning Mr. Foster given to the independent counsel, which was released as part of the Senate Committee on Banking, Finance, and Urban Affairs report. And in his deposition, President Clinton said he was not aware that Vince Foster was working on tax records for Whitewater.

Vince Foster was the associate counsel to the President. He was working in the White House. His responsibilities were to do what the President wanted. And yet he was working on 3 years of back tax returns for Whitewater, the President was involved in Whitewater, and he said he didn't know anything about it.

The question is how could the President not know that his personal friend was working on a project of that importance? Whitewater had become a major scandal at the time and was consuming everyone's attention at the White House. Yet the President said under oath he didn't know anything about it.

Now, there was a briefcase I want to talk about. Six days after Vince Foster's death, White House officials informed law enforcement officials that they had searched Mr. Foster's briefcase in the White House office. They found a suicide note written on a sheet

of legal size paper torn into 27 pieces with 1 piece missing. The pieces of paper had no fingerprints on them. Torn into 27 pieces and no fingerprints on it.

I don't know how that happens, but I guess it does. Two earlier searches turned up no such note. Now, get that. Two earlier searches of the office and briefcase turned up no such note, yet 6 days later they found this note torn into 27 pieces with no fingerprints on it.

□ 1420

Here are some questions. How can a piece of paper torn into 27 pieces of fingerprints, at least a smudge on one of them, how could two previous searches of his briefcase have missed such a note?

Here are some new developments. New and very serious questions have surfaced recently about Mr. Foster's briefcase. Independent counsel, Kenneth Starr, who I think is doing a very good job on this case, Independent Counsel Kenneth Starr is questioning witnesses before a grand jury right now about this matter. According to press reports, two of the rescue workers who were the first ones to arrive at the scene told the FBI that they saw a black briefcase in Mr. Foster's car at Fort Marcy Park. The park police reported no briefcase when they searched his car.

The two rescue workers were George Gonzalez and Todd Hall. They told the FBI about the briefcase last March.

Questions: Did the briefcase in Mr. Foster's car belong to Mr. Foster? If so, how did it get from his car at Fort Marcy Park back to the office? Three, why did the park police say they found no briefcase in Mr. Foster's car? And four, why did Independent Counsel Fiske at that time make no mention of this controversy in his report? The FBI interviewed these rescue workers a full 3 months before the report was issued. So that briefcase was in that car and it was Mr. Foster's briefcase, and they found a suicide note 6 days later in the office. And it is the same briefcase. It did not just fly there. Somebody had to take it there. That needs to be looked into by a congressional hearing as well as the special counsel, the independent counsel.

Destruction of documents in Arkansas. In March 1992, during the Presidential campaign, the New York Times published a groundbreaking story on the Whitewater Development Corp. and the Clintons. Three employees of the Rose law firm, where Hillary Clinton was employed, three employees of the Rose law firm have reported that they were summoned to the Governor's Mansion by Hillary Rodham Clinton and were given records that they were told then to shred back at the law firm. They reported making at least six other trips to the Governor's Mansion during the campaign. The shredding began after the New York Times article and ran up through the election.

The New York Times article implicated the President and the First Lady in Whitewater. They took these files back from the Governor's Mansion to the Rose law firm for shredding on seven different occasions. One employee said a conservative estimate would be that there were more than a dozen boxes of documents that were ultimately shredded and destroyed.

In 1994, a part-time courier for the Rose law firm, a man named Jeremy Hedges, told a grand jury that he was told to shred documents from the file of Vince Foster, the man found dead at Fort Marcy Park, who was assistant counsel to the President. This guy at the Rose law firm, this young man was told to shred Vince Foster's files. This occurred after Special Counsel Robert Fiske announced in January that he would investigate Foster's death. That appears to be obstruction of justice.

Here we had a possible suicide or murder case that was going to be investigated by the independent counsel or the special counsel and after the fact the Rose law firm started shredding Vince Foster's files. What were they shredding down there, why?

Mr. Hedges said that he knew they were Mr. Foster's files because they had Vince Foster's initials on all of them.

Here are some questions: Why were documents destroyed in Arkansas during the 1992 Presidential campaign after the New York Times reported that Hillary and Bill Clinton were involved with the Whitewater mess? We have other reports that indicate that the Whitewater files that Hillary and Bill Clinton were involved in were taken from the Rose law firm over to the Governor's Mansion before the campaign and then documents were taken back to the Rose law firm after this report by the New York Times and shredded. It appears they were the same documents, but we cannot prove that.

Two, did these documents contain crucial information about the Whitewater scandal that were needed by Federal investigators? One would guess that they probably did, but we do not know that for sure. Three, why were more documents destroyed in early 1994, after Mr. Fiske announced he would investigate the death of Vince Foster? Why did they start destroying all his files at the Rose law firm? And four, what documents were destroyed? And I am not sure we will ever know the answer to that one. But we do know that they were really destroying documents down there out of the Governor's Mansion after the campaign and after Vince Foster's death. That would lead one to believe that they had something to hide.

Now, Paula Casey, a conflict of interest. In 1993, Paula Casey was appointed by Bill Clinton to be the U.S. Attorney in Little Rock, AR. She had worked on his campaigns, and her husband had been appointed by Governor Clinton to

a State job. She was a friend of Bill Clinton's, a very close friend.

Just before the election, the Resolution Trust Corporation sent the first of two criminal referrals concerning Whitewater to the U.S. attorney in Little Rock to investigate. It named the Clintons as potential beneficiaries of a check kiting scheme. Here we have this friend of Bill and Hillary Clinton, who is the U.S. attorney down there in Little Rock, and she had this referral from the Justice Department saying they should check this out, because there was a possibility of them being connected with a check kiting scheme.

Paula Casey, friend of Bill Clinton, who was the U.S. attorney, then let the referral sit on her desk for 9 months and did not do anything about it. She did not investigate. Why did she not do that?

In October 1993, the Resolution Trust Corporation sent a second criminal referral regarding Whitewater to the same attorney down there, U.S. attorney, Paula Casey. This one alleged that Madison Guarantee Savings and Loan illegally diverted \$60,500 to Bill Clinton's 1984 campaign for Governor. So here is a second referral in a different case where there were funds diverted to Bill Clinton's campaign in the amount of over \$60,000 illegally.

In October 1993, the pressure got pretty hot, because Paula Casey formally and secretly, without telling anybody, declined to investigate the matters brought in the first referral. She said, I will not investigate them.

Later that month, the RTC's referrals were reported in the press. When this happened, Paula Casey finally recused herself. So she refused to do anything, but then finally, when the press got onto it, she said, I will not get involved. I am going to recuse myself and let somebody else handle this.

Here are some questions. Paula Casey was a friend and supporter of President Clinton. He gave her her job. He gave her husband a job at the State. So why did she not recuse herself from this entire matter at the very beginning, when she got that first referral from the Justice Department? She waited 9, 10 months before she did anything. She had a clear-cut conflict of interest, but she did not do anything for darn near a year.

Second, how much more evidence could have been uncovered if an impartial prosecutor had been investigating this matter for the 9 months that the referral sat on U.S. Attorney Paula Casey's desk down there? And three, has Paula Casey been disciplined for her actions by the Justice Department? That is a question we ought to pose to Janet Reno, because Paula Casey certainly should be taken to task for not doing her job and letting this thing lay for at least 9 months.

Let us talk about another friend of Bill and Hillary Clinton, Dan Lassiter. Dan Lassiter was a multimillionaire in Arkansas. He was a friend and political supporter of Bill Clinton's. He contrib-

uted substantial amounts of money to Clinton's campaign for governor, and he took the Clintons to several events around the State over a period of months and years on his own private plane.

Lassiter's investment company, Lassiter and Company, received millions of dollars in bond business from the State of Arkansas.

Question: Why did Mr. Lassiter's company receive the lucrative bond business from the State. Did Governor Clinton use his influence to steer these contracts to Mr. Lassiter because he was a friend? It was well-known in Arkansas at that time that Dan Lassiter was involved in drugs, in cocaine. He was the subject of a joint Federal/State criminal investigation.

In 1986, he plead guilty to Federal drug charges. Despite the seriousness of the charges, he spent less than 6 months in jail out of a 30-month sentence, and that was spent not in jail but in a halfway house.

He never went to jail.

In 1990, after he got out of the halfway house, Governor Clinton pardoned him.

Questions: Why did Bill Clinton pardon Dan Lassiter? Was it because Lassiter had been a reliable contributor to this campaigns? Was it because Lassiter loaned Bill Clinton's brother Roger \$8,000 to pay off a drug debt and gave him a job? Bill Clinton's brother Roger got \$8,000 from Dan Lassiter to pay off a drug debt.

All of these questions need to be answered in hearings.

Here is a little bit more on Mr. Lassiter. Last September, the Albuquerque Journal published a major expose about political interference in the investigation of Dan Lassiter and Roger Clinton. The article quotes former Lassiter employees at the Lassiter company as telling the FBI that they left Lassiter and Company between 1982 and 1985 because of the pervasive drug use at the company.

□ 1430

The article reported that the FBI received sworn statements from Lasater employees that there were company Christmas parties where cocaine was served in ashtrays. They had it sitting all over the house.

Bill Clinton and Lasater were very close friends. They went to a lot of parties together and a lot of functions, social functions together, so this was not a distant relationship.

The FBI and Arkansas State Police were cooperating in a joint narcotics investigation. State Police Investigator "Doc" Delaughter, and I hope everybody gets this, State Police Investigator "Doc" Delaughter told reporters that the investigation was closing in on Lasater. He said, "Moneys could have been seized and planes could have been seized because we had evidence that cocaine was being used on these planes."

Bear in mind the President flew around in a lot of these planes during several of the campaigns and on personal trips. Cocaine was being used on these planes, and they could have been seized and moneys could have been seized during the investigation.

Delaughter also told the Albuquerque newspaper that the investigation was frustrated by interference by high ranking State officials appointed by Governor Clinton. Delaughter said that he twice briefed State Police Director Tommy Goodwin over the phone about the investigation. Goodwin took the calls in the Governor's personal office.

He was talking to him about this drug problem and this investigation, and Goodwin, Tommy Goodwin, who was the State Police Director, he took those calls in the Governor's personal office. It is not known if Bill Clinton was in the room, but you would assume if it was the Governor's personal office he probably was there.

This investigation involved Bill Clinton's brother Roger. Delaughter told the newspaper that he was prohibited by his superiors from interviewing Dan Lasater or Roger Clinton. The FBI did finally interview them, but Delaughter was told not to interview Roger Clinton, Bill Clinton's brother, or Mr. Lasater.

A second State investigator, a man named Larry Cleghorn, was asked about political interference in the investigation of Lasater. He said this: "You have to understand that we were in a State agency and our Governor was Bill Clinton. We just got done putting his brother in the penitentiary. Lasater was one of the Governor's big friends."

The State agents alleged that the State's part of the investigation was shut down prematurely for political reasons. Lasater did eventually plead guilty to drug distribution, despite the interference by the State administration in the investigation. That was because the Federal investigation was ongoing as well.

Here are some questions:

Did then Governor Clinton's political appointees interfere in the investigation? It would appear they did. In fact, I think it is almost as clear as the nose on your face that they did.

Two, if they did, were they ordered to do so by Governor Clinton? If that is the case, there was an obstruction of justice.

Three, was Governor Clinton present in his office when the State Police Director was being briefed in the case of Clinton's brother?

Four, was Governor Clinton monitoring this case, which involved his brother and his friend?

Five, are these matters being investigated by the Justice Department or the Independent Counsel? And I believe the Independent Counsel is probably looking into all of this, because I have great confidence in Mr. Starr.

Let me just say that in the weeks and the months to come we will be continuing our investigation, my staff and I and others here on Capitol Hill, even though we have not had hearings, into Whitewater, the Arkansas development financial authority, the drug trafficking that was taking place and drug use, pervasive drug problem that was taking place at the hands of Mr. Lasater. We will be looking into all aspects of this investigation and trying to report this to my colleagues.

I'm going to make a "Dear Colleague" for all the freshman Congressmen, both Democrat and Republican, who came in, so they can be kept abreast of what is going on. The fact of the matter is these questions must be answered.

A lot of people across this country are saying, you know, we ought to forget about Whitewater, we ought to forget about these investigations and go on. But the problem is no one is above the law, whether it is the fellow who sweeps the streets or sets pins in a bowling alley, if they still do that, or delivers papers, or the President of the United States.

If the President was involved in any kind of coverup regarding Whitewater, if there was any destruction of documents at the hands of the President or the First Lady that would obstruct the investigation into Whitewater, if the President did something to stop an investigation into drug dealing in Arkansas because this guy was his friend, if there was campaign money being given to the President's campaign that was illegal, that was being diverted through the Whitewater Development Corp., those are criminal violations.

I don't care who it is, they should be investigated thoroughly. If somebody violated the law, they should be prosecuted to the full extent of the law, no matter what their station is in life.

For that reason, we will continue our investigation. We will try to force hearings here on Capitol Hill. I believe there will be hearings. I believe Mr. Starr will continue his investigation of this. Hopefully, we'll come to some kind of a conclusion within the next year.

But make no mistake about it, my colleagues, we will be continuing special orders down here covering this and other topics related to Whitewater, and I hope my colleagues will pay particular attention, because it is very, very important.

NAFTA AND U.S. ECONOMIC POLICY

The SPEAKER pro tempore (Mr. JOHNSON of Texas). Under the Speaker's announced policy of January 4, 1995, the Chair recognizes the gentleman from Ohio [Ms. KAPTUR] for 60 minutes.

Ms. KAPTUR. Today, Mr. Speaker, we are going to spend some time focusing on a very important issue that came before the Congress about a year

ago called NAFTA, the North American Free Trade Agreement, or as some of us would like to say, the agreement that some would call "no more taking American jobs away someplace else, especially south of our border."

If you have been reading the newspapers, though it is sometimes buried on page 17 or 25, you will note that in Mexico there is a severe financial crisis currently going on in that nation. The purpose of today's colloquy will be to discuss with my good friend, the gentleman from Oregon [Mr. DEFAZIO] and others who will join us, what this means for the American worker and what it means for the American taxpayer, as well as the citizens of Mexico, because this week we are introducing legislation which the gentleman from Oregon [Mr. DEFAZIO] will talk about in just a second.

For those of us who opposed NAFTA, it is difficult to get up here and say "I told you so," but if the pain were not so great for thousands of people in our country and thousands of people in Mexico, we would not be so compelled as we are today.

There is a new kind for foreign aid afoot in our land. It is called NAFTA. Because of the instability in Mexico, our taxpayers, with no vote occurring here in the Congress of the United States, our taxpayers are being asked to foot a multibillion dollar bail-out of the Mexican peso. We do not even get a seat at the table.

Congress has no vote. The taxpayers in my district have no vote. The players who are at the table are giving the whole set of transactions a very fancy name. They are calling it debt swaps. They are calling them peso bail-outs. They are calling it tesoro bonos.

The average person that lives on my street in Ohio doesn't know what all this is. Only people connected with Wall Street and the Federal Reserve are supposed to understand this. So today we are going to try to clear the air a bit, because what this deal is actually doing is asking our taxpayers to back up a minimum of \$9 billion of loans to Mexico, and through the Federal Reserve an additional \$5 billion plus, we don't know quite how much.

But of course it is the deposits of our people in our banks, that then make payments into the Federal Reserve, that creates Federal Reserve, so we are all connected to that system. And then there are additional funds coming from some of the commercial banks in this country that are having a whole lot to worry about at the moment.

Over this past year, if you think about it, our Federal Reserve has raised interest rates on the American people seven times. All of the press has been wondering why are they doing that, because wages aren't going up in America. There is no inflation. What is going on over at the Fed? In fact, some group of citizens demonstrated against a Fed a couple of weeks ago.

We understand what the Fed is up to. When you have got to discount losses

that you are going to be taking on loans that went bad through the commercial banking system to countries like Mexico, and when you have to monetize \$150 billion of trade deficit, you have a problem on your hands. They are taking it out in higher interest rates on the American people.

As my colleagues and I predicted, just 1 year after NAFTA, NAFTA has meant a worsening of America's trade position with Mexico. In fact, it has been cut in half. We were told, for example, in the auto industry that we would sell 60,000 more cars to Mexico, but if you look at this charter, this is the truth about what has been happening since NAFTA passed.

□ 1440

Prior to NAFTA passing, this red arrow represents how many cars and trucks Mexico was sending to the United States. Over the years we have only been sending a trickle into Mexico, represented by this little arrow.

But after NAFTA, which was supposed to make this arrow look better for our people and this arrow look worse, what do we have? We have more vehicles coming up from Mexico into the United States, and the trickle from the United States down to Mexico continues, largely automobiles going down to rental car agencies in Cancun and Yucatan and Mexico City where our people vacation. There has been no real growth of the middle class in Mexico.

With what has been happening in Mexico, what have we seen? Their currency, called the peso, has been nearly cut in half. It has been devalued by nearly 40 percent since the end of December.

What does this mean? That means that their goods will be cheaper on export, which means this number, whether it is cars or whether it is electrical wiring harnesses, whatever, it will be cheaper for them to send more into our marketplace and it will be much harder for the United States to send goods down there because our goods will become more expensive in their market.

Mr. DEFAZIO. If the gentlewoman will yield on that point.

Ms. KAPTUR. I yield to the gentleman from Oregon.

Mr. DEFAZIO. I think I recall that during the debate over NAFTA, the gentlewoman from Ohio, myself and others raised the point that we thought the Mexican peso had been artificially propped up and overvalued in order to try and sell the NAFTA agreement. In fact as I recall, we said we thought it was about 20 to 25 percent overvalued. Of course we were wrong. Apparently it was 40 to 50 percent overvalued.

This was clearly on the part of the financiers on both sides of the border and some of the highest political officers in both countries an attempt to distort the ultimate impact of this agreement. In fact, the Mexican opposition party has filed criminal charges