

collapses, those jobs are placed in jeopardy.

That is why we should recognize that the proposed loan guarantee to address Mexico's economic situation is in our national interest. The loan guarantee has been called a bailout and worse, but those who like to throw such terms around don't take into account that real working people's jobs are also at stake.

The loan guarantee is not a foreign aid package.

It is structured to avoid placing Government funds at risk. Mexico would be required to pay loan guarantee fees up front—before the guarantee took effect and before loans would be extended. Those fees would indemnify American taxpayers in exchange for Mexico's right to use our guarantee.

In addition, Mexico would provide security in the form of proceeds from the state-owned petroleum company, guaranteeing that America would be repaid if the loan guarantees were ever activated.

As a result, the extension of loan guarantees would not implicate any Treasury costs in taxpayer dollars. And the risk of exposing tax dollars to possible future loss would be protected by our access to Mexico's export oil earnings.

Even today, the Mexican economy is fundamentally sound. It will rebound and grow. The question for Americans to consider is how long the rebound will take and what potential depths of turmoil the country is likely to encounter in the meantime.

Both those questions matter to Americans because turmoil and joblessness in Mexico will inevitably lead to even greater pressures on our southern border, as people search for a way to earn a living and feed their families.

How long it will take for a Mexican economic recovery matters very much to workers whose products are sold in the Mexican market. They are the Americans whose jobs are at risk today, particularly in the southern border States.

Not only are States like Texas, Arizona, and California the ones to which illegal entrants are first drawn, these are also the States with some of the highest export sales to Mexico.

California sells \$5 billion worth of products to Mexico each year. Nearly 20 percent of Arizona's export sales are made in Mexico. Texas relies on the Mexican market for more than one-third of all its overseas sales—\$13 billion per year.

So, while the jobs of American workers will be placed at risk because of the collapse of the Mexican market for their goods, those border States will also face the pressures of increased illegal entrants.

But the job and income losses will not be limited to the southern border States. States all over the country sell products to Mexico, and residents of practically every State are employed in the process. Even South Dakota,

which is one of the Nation's smaller States in terms of population, had sales of \$4 million per year to the Mexican market.

I know \$4 million doesn't sound like much compared to \$13 billion from Texas, but, in a small State, we take our millions very seriously.

Changes in traditional export relationships are occurring very quickly in today's new global marketplace. Our premier trading partners are Canada and Japan. However, last year our sales to Mexico practically equalled our sales to Japan.

More American exports mean more American jobs. Export-related jobs are relatively high-wage jobs, typically paying between 10 and 20 percent more than the average American job. So, export jobs are among the most desirable in the economy. When they're placed at risk, more income is jeopardized, and a replacement job at a similar income is harder to find.

The growth of our Mexican exports to a total of \$41 billion in 1993 is estimated to have reached more than 10 percent in 1994. In all, since 1987, American sales to Mexico have almost doubled. It's not surprising that private economic forecasters are predicting the potential for significantly large American job losses if this market is allowed to crumble.

We cannot change what has already happened. The peso devaluation that caused the temporary economic reaction in Mexico is a fact of history. But we can help determine how severe its fallout will be for Americans by the speed and firmness with which we act now.

This should not be an opportunity for partisan posturing. We are not talking about the loss of Republican jobs or Democratic jobs. We are talking about the loss of American jobs. Those workers ought to be able to rely on their Congress to set partisanship aside when their livelihood is at stake.

The former President of the United States, President Bush, on January 19, agreed that it is vital for Congress to move promptly on the loan guarantee package.

President Bush stated,

The plan is not a giveaway. \* \* \* In my view, the guarantees will never have to be called.

On January 18, President Clinton said,

The guarantees we will provide are not foreign aid. They are not a gift. They are not a bailout. They are not U.S. Government loans. And they will not affect our current budget deficit. \* \* \* no guarantees will be issued unless we are satisfied that Mexico can provide assured means of repayment.

Both Presidents are right. The plan is not a giveaway. It is the loan of a hose to a neighbor whose house is on fire. We're not proposing to build a fire station and equip it. We're just passing the hose across the fence.

I hope the Congress can agree to set aside partisan bickering and do the right thing now. It's never easy to stand up and vote for something when

the polls indicate that people may not understand it, or might draw the wrong conclusions.

But it is the task of leaders to lead. This is the right thing to do—not just for our neighbor and trading partner to the south, but for America. I hope my colleagues in the Senate—on both sides of the aisle—will work with the administration to approve the proposed loan guarantee legislation as quickly as possible.

#### THE PATH TO A BUDGET PACKAGE

Mr. DOMENICI. Mr. President, there will be much discussion about what will be in the budget package this year. The President will present his list of program terminations, reforms, and money saving proposals. The Congress working with Governors, State and local officials, and many others will start work on a fiscal blueprint for the country's future. And newspapers every day for the next few weeks will be filled with stories about various money saving ideas that are under consideration.

I want to describe the decision-making process that will be going on over the next few months. I also want to tell you why these budget proposals are under consideration in the first place, and how they fit into the bigger picture—the future prosperity of our country. Most important, keep in mind that these are only preliminary proposals and final decisions won't be made until a great deal of fact finding has been done.

The United States currently has \$4.8 trillion in outstanding debt. Just paying the interest on the debt takes 14 cents out of every dollar Americans are paying in Federal income taxes. Every man, woman, and child's share of the national debt is more than \$18,000. Current estimates show our annual deficit increasing every year, growing from \$175 billion this year to over \$250 billion in the year 2000. We are mortgaging our children's and grandchildren's future.

This premise was eloquently stated by Laurence Tribe of Harvard Law School:

Given the centrality in our revolutionary origins of the precept that there should be no taxation without representation, it seems especially fitting in principle that we cannot spend our children's legacy.

Deficit spending and adding to the national debt cannot go on. Governments are no different than families. We all know friends who have let their personal finances get out of hand. Some of us have experienced it ourselves. At some point the out-of-control spending catches up and the credit cards have to be cut up or the family goes bankrupt.

When governments let their deficit spending get out of control, citizens suffer. The economy produces fewer and lower paying jobs. This relationship between our Nation's spending

habits and their impact on our economy's ability to create good jobs gives every American an important stake in putting our fiscal house in order.

To achieve this goal, every Federal program and expenditure, except Social Security, is being evaluated in a bottom-up and top-down review. During the next few months Congress will be considering how to best reduce the size of the Federal Government and implement fiscal policies that will create a strong economy and good jobs. There are hundreds of proposals that are under consideration. Some are sound, others less so. Some are fair, others are not.

One of the best fiscal policies for a prosperous future is a balanced budget. A balanced budget constitutional amendment requires the Federal Government to spend \$1.1 trillion less than it is currently projected to spend over the next 7 years, and yet total Federal spending will still increase every year. In the year 2002—if we reach balance—the Federal Government will expend \$1.9 trillion; this year the Federal Government will expend \$1.5 trillion.

Part of the task is to establish the appropriate metes and bounds of the Federal Government. We need to determine how and on what programs the Government in Washington should be spending our taxpayers' money. There will be a philosophical discussion about the role of the Federal Government in our daily lives. Important questions will be answered. How can taxpayer dollars best and most efficiently be spent? How can we make programs work better and save money? Are there better ways to provide Government services? Are there lessons Congress could learn from State and local governments? Could the private sector do a better job in providing those services that are not quintessential government functions?

There is a feeling that the Government in Washington has been trying to micromanage everyone's lives. And while the Federal Government has been attempting to run everyone else's business, there is a sense that no one has been adequately managing the Government in Washington. Reversing this trend is part of putting our fiscal house in order by developing this year's budget plan.

It would be more consistent with our Founding Fathers' vision of a limited Federal Government with enumerated powers if the Federal Government did less.

Our country would be a better country if some services were provided by the State and local governments instead of the Federal Government. I believe the Federal Government should enter into a new partnership with the States so that the Federal Government imposes fewer strings, fewer rules, and fewer regulations. In addition to achieving more sensible Government, this new Federal-State and local government partnership could provide the same level of service with fewer taxpayers' dollars. If the strings attached

to Federal funding were cut, fewer Federal dollars would be needed to do the same job and fewer taxes being paid by hard working families. This is a win-win solution.

In New Mexico, the Governor and I are eager to forge this new partnership so that government, at all levels, sets the right priorities.

We already know what some of the priorities are; improving crime prevention, detection, and prosecution; preserving the national laboratories; and, making sure New Mexico's military bases maximize their contribution to our national defense.

If the future means lower taxes and less Washington-dictated Government, this evaluation needs to take place. This is what will be going on in the Senate Budget Committee.

On the first day of the new Congress, the Senate cut the size of congressional committee budgets by 15 percent. We are going to lead by example. We are also going to proceed with caution and compassion. I want you to know that throughout this process, it is my intention for everyone to be treated fairly. In making the Federal Government more responsive to its citizens, we must keep in mind the neediest among us. We are a great nation founded on the notion of equal opportunity. Unfortunately, too many of our programs create unintended dependency traps. Part of this Congress' work program is to provide more intelligent programs that provide choices and restore opportunity.

I hope the budget we produce will reflect the priorities of the American people, forge a new partnership with the States, meet the requirements of the balanced budget constitutional amendment, and most important, put into law responsible fiscal policies that will let the economy create good paying jobs and a brighter future for our children and grandchildren.

#### IS CONGRESS IRRESPONSIBLE? YOU BE THE JUDGE OF THAT

Mr. HELMS. Mr. President, the incredibly enormous Federal debt is a lot like television's well-known energizer bunny—it keeps going and going—at the expense, of course, of the American taxpayer.

A lot of politicians talk a good game, when they are back home, about bringing Federal deficits and the Federal debt under control. But so many of these same politicians regularly voted in support of bloated spending bills during the 103d Congress—which perhaps is a primary factor in the new configuration of U.S. Senators.

This is a rather distressing fact as the 104th Congress gets down to business. As of Friday, January 27, 1995, the Federal debt stood—down to the penny—at exactly \$4,805,320,933,038.83 or \$18,241.08 per person.

Mr. President, it is important that all of us monitor, closely and constantly the incredible cost of merely paying the interest on this debt. Last

year, the interest on the Federal debt totaled \$190 billion.

Mr. President, my hope is that the 104th Congress can bring under control the outrageous spending that created this outrageous debt. If the party now controlling both Houses of Congress, as a result of the November elections last year, does not do a better job of getting a handle on this enormous debt, the American people are not likely to overlook it in 1996.

#### THE LATE LORNA SIMPSON

Mr. THURMOND. Mr. President, the Senate is a place of great camaraderie and congeniality, and over the past four decades, I have been fortunate to have made a number of very good friends here. Regrettably, I rise today to memorialize one of them, Mrs. Lorna Simpson.

Lorna is known to all of us as the mother of our colleague, Senator AL SIMPSON, the dedicated and gregarious senior Senator from Wyoming. While most Members probably had the opportunity to meet this kind and warm woman, few are fortunate to have known her as well as I.

I first came to know Lorna in 1962 when her husband was elected to the U.S. Senate and he moved into an office near mine. The Simpsons quickly became my close friends and I very much enjoyed spending time with Al and Lorna.

While Lorna was a consummate entertainer, she was a woman who was civically active and took a strong role in supporting her husband's business enterprises. Every community in which the Simpsons lived benefited from the efforts of Lorna as she contributed her time and efforts to numerous causes including the Red Cross and programs that restored various historic sites. During World War II, Lorna contributed to the war effort by chairing Cody Wyoming's black and scrap metal committees and even served as the acting editor of the local paper. Among her many other activities in the subsequent years, she assisted her husband in negotiations with the Israeli Government concerning gas and oil exploration in that country, and later she served as the representative of the women of the United States to the Organization of American States.

Mr. President, I know everyone will agree with me that Lorna Simpson was a unique woman and a lady in every respect. She possessed high ideals, a lovely character, a friendly personality and all the good qualities that signify the perfect lady. She was a woman who was devoted to her husband and family and she added much to the lives of those whom she touched. Senator AL SIMPSON and his lovely wife Ann have my deepest sympathies and they, along with AL's brother Peter and the entire Simpson family, are in my thoughts and prayers.