

in the ordinary debtor/creditor situation. Then we would know who the holders of the tesobono debt are. They would have to come forth, submit their bearer bonds through investment brokers, commercial, international banks. We would know who they are and they would sit down and work out a deal. That is what should have been done.

I believe it is important that the American taxpayers know who the recipients of this debt are. Some have said, what difference does it make who they are? I think it is important when American taxpayer money is used to provide a guarantee on a foreign government debt to a very select group of holders of debt. Not only are they going to get their principal back; they are going to get the interest back—20 percent.

You and I, where do we go to get 20 percent? I do not know. Maybe you get in line down there and buy some tesobonos. But we ought to know who the beneficiaries are because we know that it is not the Mexican economy that is the beneficiary. This is not going to do a thing for the Mexican economy. Those holders of that debt are moving that money out of Mexico. Yet, the Mexican economy, the Mexican citizens are expected to pay it back. In the conditions that exist in Mexico that is unlikely to occur.

Now, many of my colleagues make the point that we cannot indicate that we are supporting a process and then not follow it through. The problem with this sales package, Mr. President, is we did not understand it in the first place. We were told continually we were going to stabilize the Mexican economy. What we are doing is paying off the debt of sophisticated investors who bought those tesobonos who are standing in line to get United States dollars and will bail out and they are not going to put that money back in Mexico.

There are assumptions that a large portion of this debt is held by Americans, yet the Treasury Department claims that these bearer instruments are of a nature where they do not know who owns the debt.

I do not know who controls the debt. But what if we found out that \$5 billion of the debt was owned by the Bank of Libya or maybe the debt was owned by an investment house operating as a front for the Government of Iraq or Iran. Would not the taxpayer be curious? Do we not have an obligation as we sign off on this money as a Congress to know who those recipients are? Is it too much to demand that when American taxpayer dollars are used by the Government of Mexico to pay off an investor or speculator the identity of that investor or speculator be known? Because again, we are being told that this has to happen to solidify the economy of Mexico. It is going to solidify the holders of those bearer notes.

What my amendment seeks to accomplish is to try to identify who those holders are. Mr. President, re-

ality dictates that if my amendment passes and Mexico does provide the information we are seeking, we will probably never know who really holds that debt. It will probably be reported in the name of the Bank of Panama, the Bank of the Bahamas, a couple of major brokerage house firms, but I think it important that this body focus on this principle: that it was an unnecessary and unwise action taken by this administration at the expense of the U.S. taxpayer to favor the holders of an extraordinary type of foreign debt that was issued out there to make them whole when we do not do it to any other investor when their investments turn bad. But we made an exception for these investors.

The New York Times reported last Sunday:

Most of those investors, a mix of rich Americans and other foreigners, have swept up their hefty profits and immediately transferred their money out of the country of Mexico.

Now, if that is true, Mr. President, we have not done Mexico a favor. We have put a burden on the taxpayer and the Mexican economy because they are the ones we expect to pay that back.

So that is the extent of my statement and my concern, Mr. President. And I urge my colleagues who have anguished over whether or not the Congress should take a position on this matter to recognize that we have an obligation to the U.S. taxpayer to make an accounting of the worthiness of a \$20 billion commitment, and that is not what we have done.

I would feel entirely different in this matter if I felt this was an investment in the Mexican economy which would benefit the Mexican taxpayer.

It is like, if you borrow money, Mr. President—and I know you are a businessman—and you could use that money to make more money, that is a good thing. You are employing more people; you are building up inventory. But if you borrow money and you have to mortgage your income to pay it back, I may be doing you a grave disfavor.

That is the principle that I think is applicable in this particular case of bailing out this select group of investors, whom we have no knowledge of at the expense of the Mexican taxpayer.

Mr. President, I have concluded my statement. I intend to pursue this matter at a later date when the opportunity arises with an appropriate vehicle.

In the meantime, I ask my colleagues to consider the merits of my statement this morning relative to identifying who the beneficiaries are of our \$20 billion commitment. This is just a part of the current Mexican debt, which will in this year require some \$70 billion in order to meet the obligations of the Mexican government.

I thank the Chair and I wish the Presiding Officer a good day.

I yield the floor.

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

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

The PRESIDING OFFICER (Mr. MURKOWSKI). Without objection, it is so ordered.

STRIKER REPLACEMENT

Mr. FAIRCLOTH. Mr. President, on March 23, I introduced S. 603—a bill to nullify Executive Order 12954 which prohibits Federal contracts with any company that hires permanent replacements for striking workers. This is the companion bill to H.R. 1176 introduced by Chairman GOODLING of the Committee on Economic and Educational Opportunities. Yesterday, Mr. GOODLING's committee held a hearing on H.R. 1176, at which testimony was given concerning the fundamental flaws of this Executive order. Many of the same issues were addressed in this Chamber when the distinguished Senator from Kansas, Chairman KASSEBAUM, ably led an effort to limit funding for the implementation of the Executive order.

We lost that fight, but the opponents of this Presidential power grab will not rest until the Executive order is overturned and balance is restored to this Nation's labor policies.

Today, I would like to speak briefly about just a few of the more recent and compelling criticisms of the Executive order.

I share the opinion of those who conclude that the order is invalid because it exceeds the President's constitutional and statutory authority. The Justice Department's legal memorandum in justification of the order cites a statute which was enacted in 1949 to implement the recommendations of the Hoover Commission.

The Justice Department takes the position that this statute authorizes the President to adopt any regulation which promotes economy and efficiency in Government procurement. However, there is no Supreme Court decision that supports the Justice Department's interpretation of this statute as conferring such sweeping Presidential authority.

Moreover, the Congressional Research Service recently concluded that Executive Order 12954 "may not survive even the most restrained judicial scrutiny."

We must be clear about the legal foundation which restricts the President's authority to issue an Executive order regarding a central tenet of national labor policy.

The National Labor Relations Act itself authorizes the hiring of replacement workers—and by so doing, limits Presidential authority to regulate the relationship between management and striking employees. The President has

not been granted authority under any statute to alter this carefully balanced congressional design.

If this order is not overturned, just imagine the possible consequences of allowing the President to bypass Congress and issue directives on any and all matters relating to Federal contractors.

For example, President Clinton would be permitted to unilaterally impose on Federal contractors a mandate to implement the type of health care plan which he advocated last year and which was so thoroughly and soundly rejected by Congress and the American people.

In issuing Executive Order 12954, President Clinton has made a sweeping assertion of Presidential power which is completely at odds with our constitutional system of separated and enumerated powers. It should not be allowed to stand, and during the 104th Congress we should commit ourselves to reversing this ill-conceived precedent.

Mr. President, I yield the floor and suggest the absence of a quorum.

Ms. MOSELEY-BRAUN addressed the Chair.

The PRESIDING OFFICER. Will the Senator from North Carolina withhold his request? The Senator from Illinois is seeking the floor.

Mr. FAIRCLOTH. Mr. President, I am sorry. I did not see the Senator from Illinois.

I withdraw the request for a quorum call.

Ms. MOSELEY-BRAUN. I thank the Senator from North Carolina.

The PRESIDING OFFICER. The Senator from Illinois is recognized. The Chair apologizes. I was raptured by the Senator from North Carolina, and my head was turned the wrong way. I wish her a good day.

WINNERS AND LOSERS OF THE CONTRACT

Ms. MOSELEY-BRAUN. Mr. President, I would like to discuss the first 100 days of Congress, and the winners and losers of the Contract With America.

We have heard a lot from those who would compliment the leaders in the House for their speedy answers to some of this Nation's most pressing problems. Many will say that they have made history for their ability to address so many issues in a mere 100 days. I dare say, though, that if the Contract With America makes history, it will not be for its achievements, but for the reckless manner in which critical issues were considered, issues that have will have a severe negative impact on the lives of countless Americans.

At the outset, I want to say that we all know that spending must be reduced. We all know that the deficit must be brought under control. This is why I supported the balanced budget amendment. But out jobs as Members

of Congress means prioritizing the needs of the American people within our fiscal constraints. What the Contract With America does is give the wealthy a higher ranking over working class families and children in this country.

I can sum up the winners in the last 100 days easily, the super wealthy and the billionaires. Unfortunately the list of losers is much longer, children, students, hard working middle-income families, and the list goes on. The losers are those who would greatly benefit our investment in the people of this great Nation, quality education for our children, job training for young people and adults, efforts calculated to help prepare this Nation for the future.

WINNERS/EXPATRIOTS

Who are some of the winners in the first 100 days? Some of the winners have been big. The big winners include 24 billionaires who escape \$1.4 billion in income and estate taxes by renouncing their citizenship, the expatriots who abandon this great land that has helped them gather their wealth. Democrats tried to close that loophole in the Finance Committee we were outvoted by the Republican majority.

Our current tax laws are not neutral. To favor those that would renounce their citizenship over hard working loyal American citizens who are struggling to get by.

A few dozen ex-patriots take advantage of this loophole in Federal tax laws by removing their assets beyond the reach of U.S. taxing jurisdiction just before renouncing their U.S. citizenship, thereby avoiding taxation of the appropriated value of their assets.

While they enjoyed the benefits of U.S. citizenship—police protection, roads, schools, national security, and countless of other Government services—they looked for ways to get around paying their fair share of taxes.

Although the Senate Finance Committee voted to eliminate this loophole, the provision was restored in conference. This is nothing short of astounding. At the same time that Republican leaders in the House were proposing massive cuts to be placed on the backs of the children and families of this country, the House Republicans chose to continue granting massive benefits to billionaires.

WINNERS/HOUSE TAX PACKAGE

Among the other winners, are those that would benefit from the House tax and spending package that has been labeled the crown jewel of the Contract With America. I fail to see the glitter in this jewel.

Among the tax cuts is a provision which will give families that pay taxes eligibility for a \$500 tax credit for each child under the age of 18, including families earning more than \$200,000 a year.

But what this crown jewel does is reverse an original proposal which would have made the credit partially refundable, meaning that some low-income working families, who pay no income

tax but who do pay substantial social security and Medicare taxes, could have received the credit. This version is now nonrefundable. And what that means is that those earning \$200,000 will not be affected, but that the working poor of this country have once again lost out.

LOSERS/OPENING

And who else loses, well, these tax loopholes and tax breaks are paid for at the expense of middle Americans who will have to pay more to send their children to college or to a child care program. These breaks are also being paid for by the children in this country, thousands of kids, who are on waiting lists to attend a Head Start Program. For example, in my hometown of Chicago, only 26 percent of all poor children qualifying for Head Start are able to attend a program because of the shortage of slots available.

I would like to take a moment to talk about the many other educational programs that will suffer as a result of the past 100 days. I would also like to review, in somewhat greater detail, the consequences of these ill-considered actions to decimate programs that invest in this country's future.

Mr. President, it is an understatement to say that it is vital to the interest of our Nation that we maintain quality public education for all Americans. Education is not just a private benefit, but a public good. It is the cornerstone of a healthy democracy and as a society, we all benefit from a well educated citizenry. What quality education results in is the means by which we prepare our children to succeed, to earn a living, participate in the community and give something back to their communities.

LOSERS/EDUCATION AND THE WORKFORCE

Education is also the vehicle to understanding the technology that has reshaped our workplace. This country is experiencing a new era in economic competition. If we are to succeed and retain our competitiveness into the 21st century, there must be a renewed commitment to education in this country.

The results of a failed commitment to our educational system will have direct ramifications on this country's work force—the private sector—and this country's economy. Every day, businesses across this country are trying to cope with the fact that a great percentage of the work force is functionally illiterate. Every day, thousands of Americans are being told that they do not qualify for jobs because they lack a high school diploma, or a college degree.

Mr. President, our continued commitment to education will mean jobs for the American people.

Nonetheless, as other leaders of our countries continue to recognize the increasing importance of education, many in this country continue—and I am sorry to say, many Members of Congress—continue to wear blinders.