year in medical, litigation, and other costs.

The State of Illinois had a very negative experience with this kind of one-size-fits-all regulatory reform. The Illinois law's mandated cost-benefit analyses did nothing to improve the quality of regulation. But according to a story in the Chicago Tribune, the requirement added as much as 42 months of delay to every rule. In 1992, after 14 years of experience, Illinois repealed the law.

The Wall Street Journal, which supports regulatory reform, admitted in one of its editorials that the bill is designed to ensnare the bureaucrats in redtape. But creating redtape is not the answer to any regulatory problems the American people want solved. It will not in any way expedite the approval of needed drugs and medical devices. It will not focus regulation on the worst problems, and it will not allow agencies to rely on common sense. In fact, it will do just the opposite.

By creating multiple, overlapping, and uncontrollable petition procedures to review all existing regulations, the Dole-Johnston bill will tie up so many resources that agencies will be forced to abandon their examination of new issues, new problems and new solutions. That is the clear and obvious purpose of the petition process, and it is unacceptable.

Without substantial additional budgets and personnel, agencies like the FDA will be forced to shift resources, and will not have enough people to work on approving new products. The Federal work force has been cut by 75,000 workers, and another 125,000 will be cut in the near future. Yet the Dole-Johnston bill piles on new procedural requirements that will cost the agencies hundreds of millions of dollars a year and require more staff, not less.

Compounding the problem, the Dole-Johnston bill literally gives every regulated business the right to compel every agency to examine each separate regulation and decide whether each individual business should be exempted from it. This is a radical, extremist proposal that fundamentally undermines the rule of law. A more honest approach would be to simply repeal the workplace safety, environmental, and public health laws. The Dole-Johnston bill repeals them indirectly through a kind of stealth process.

A sausage maker, for example, who decided he no longer wanted to comply with food safety laws and worker safety laws could petition the FDA and OSHA for exemptions from every applicable regulation. The agencies would be compelled to respond in writing to each factual and legal claim within 180 days, although the bill provides no standard for the decisions they would have to make.

The agencies would be totally overwhelmed if just one-tenth of one percent of the 6 million regulated businesses petitioned for exemption from a single regulation, let alone from multiple regulations. Because a denial of the petition would be immediately reviewable by the courts, the agencies would be forced into an explosion of litigation—or else grant the petitions.

In these and other ways, the bill is a veritable gold mine for lawyers and lobbyists. On issues ranging from securities law, to product liability, to medical malpractice, the effort in Congress has been to reduce litigation in our society, not encourage it. But now, when big business is the plaintiff, the authors of this bill want to widen the courthouse door.

This bill has many other problems. It would make it extremely difficult to protect crops from imported pests, since extensive, peer-reviewed risk analyses would have to be performed before quarantine orders could be issued.

Environmental regulations such as those put in place under the Clean Air Act of 1990, which are removing more than a billion pounds of toxic emissions from the air each year, would be subject to reopening by any regulated business. EPA could be forced to redo its cost-benefit analysis of these enormously successful regulations in order to examine such foolish alterations as making the standards voluntary.

Regulations on veterans benefits suffering from gulf war syndrome would be delayed until cost-benefit analyses and risk assessments could be completed. Drug-testing regulations for truck drivers and congressionally-mandated standards for mammograms would be delayed. FAA air-worthiness and air safety rules would be subjected to cost-benefit tests and the additional paperwork of risk assessments and peer reviews.

Finally, the bill contains a provision that as a practical matter repeals the Delaney clause, the provision in the Food, Drug and Cosmetic Act that protects the American people from cancer-causing pesticides and additives in food. I agree that the 37 year-old Delaney clause should be modernized in light of modern scientific knowledge about the risks of chemicals. But the sweeping and extremist approach in this bill poses a grave threat to all Americans, especially children whose diet and metabolism render them especially vulnerable to cancer-causing chemicals in their food.

Our water and air are not too clean. Our workplaces are not too healthy. Our air traffic and highway systems are not too safe. Our children are not too protected from dangerous products. This bill will delay further progress and undo much of the progress we have made. Without major changes, I cannot support it.

CONCLUSION OF MORNING BUSINESS

Mr. HOLLINGS addressed the Chair.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. HOLLINGS. Is the pending business regulatory reform?

The PRESIDING OFFICER. It will be as soon as morning business is closed.

The time for morning business is closed.

COMPREHENSIVE REGULATORY REFORM ACT

The PRESIDING OFFICER. Under the previous order, the Senate will now resume consideration of S. 343, the regulatory reform bill, which the clerk will report.

The legislative clerk read as follows:

A bill (S. 343) to reform the regulatory process, and for other purposes.

The Senate resumed consideration of the bill.

Mr. HATCH addressed the Chair.

The PRESIDING OFFICER. The Senator from Utah.

Mr. HATCH. Mr. President, as I understand it, both Senator ROTH and I would like to make statements on regulatory reform, but we deferred to Senator KENNEDY. I say to the Senator from South Carolina, as I understood it, Senator D'AMATO was going to make a short statement. Then could we go to the Senator right after that?

Mr. HOLLINGS. Go right ahead on the opening statements.

Mr. HATCH. We would be happy to go to Senator D'AMATO and then to Senator HOLLINGS, if we can, and then if we could make our statements, we would appreciate it.

I ask unanimous consent that be the order.

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

Mr. D'AMATO. Mr. President, let me thank my colleague from South Carolina and my colleague from Utah. I wish to be able to proceed as if in morning business and not interrupt the flow of agenda, and I will attempt to make my remarks succinct.

MEXICO CRISIS REPORT AND CHRONOLOGY

Mr. D'AMATO. Mr. President, since February, I have repeatedly voiced my concern over the Clinton administration's bailout of Mexico. Today, I am releasing a comprehensive report and chronology of the Mexican economic crisis.

Since January, the Senate Banking Committee has held three hearings to examine this crisis. This report and chronology is based on testimony from these hearings and from information contained in numerous internal administration documents. It brings together for the first time a full description of the United States Government's internal and external communications regarding Mexico.

My office will have available the complete report and chronology. We cleared the releases and declassification of many internal documents for use in this report. It does not include or refer to any classified documents.

It does include the background of the Mexican economic crisis; the administration's monitoring of the crisis; the contradictions between the administration's rosy public statements about Mexico during 1994 and the private, far more negative, views the administration and officials had; the failure of the administration taxpayer-funded bailout; and we conclude that the administration should not—the administration should not—send another $10 billion of taxpayers' money to Mexico.

The report and chronology culminates weeks of work and a review of hundreds of documents and testimony. I appreciate the cooperation of Secretary Rubin and Chairman Greenspan in producing the documents used to prepare this report and chronology.

Mr. President, on February 7, 1995, I spoke in this Chamber about the economic crisis in Mexico. I asked the question: What did the administration know about the situation in Mexico and when did they know it? After reviewing the information, the answer is clear.

The administration's own records indicate that key officials, including Under Secretary Summers, knew about the deteriorated economic condition of Mexico as early as February 1994. Administration officials, however, repeatedly painted a rosy public picture of the Mexican economy.

Again, sadly, this will appear as a pattern of this administration. It has a history of not leveling with the American public. This report and the chronology and the administration's own internal documents sadly demonstrate that this has taken place over and over and over again.

The administration's repeat of public praise of the Mexican economy during 1994 stands in stark contrast to the looming signs of economic disaster reflected in internal administration documents. The underlying documents demonstrate that the administration was aware that Mexico was on the road to economic disaster, but the administration did not tell the truth to the American people.

That was wrong. The administration did not tell the truth to the American economists. And that was wrong. The administration has placed $20 billion of American taxpayer dollars at risk to bail out the Mexican Government. The Mexican Government is using these dollars to reward local speculators who bought high-interest-rate short-term Mexican Government notes or tesobonos. The administration has already sent $10 billion to Mexico and beginning on July 1—July 1 we will be out of session—the administration will begin to send another $10 billion to Mexico.

Now, Mr. President, the administration and the Mexican Government officials repeatedly assured Congress and the American people that the second $10 billion would not be needed this year. But again, they have a pattern of saying one thing and doing another, painting one picture and then discovering another.

The Mexican Government financial plan expressly states, ''The second $10 billion of the U.S. Government funds is not''—is not —''intended to be used in 1995, but will be available for unforeseen contingencies.''

This Senator said a long time ago that you are kidding the people. That $10 billion is gone. The next $10 billion is gone. You will have the same disastrous result. The administration should not sink the United States and the American taxpayer any deeper into this Mexican quagmire. The first $10 billion has not solved the economic crisis. The only people who benefited are speculators. Global speculators, not the Mexican people, not the Mexican economy. In July and August Mexico faces a payment bubble of more than $6 billion to pay off tesobonos that are coming due. Now, where is that money going to come from? Guess. The United States taxpayer. That is where. The U.S. taxpayers' money to Mexico to pay off, who? Private speculators, private investors who bought high-risk, high-return investments. And now we are going to pay that off. The United States does not do that for our own citizens. Why should we do this for private speculators who support Mexican tesobonos? Mexico's basic economic problems have not been solved. It is clear that the administration's bailout has not benefited the Mexican people. The Mexican people are worse off because of the austerity measures demanded by the administration.

Middle-class Mexicans and small business owners have been devastated. And in the past few months inflation in Mexico has skyrocketed to almost 80 percent. Mortgage interest rates have risen to 75 percent. Consumer credit card interest rates increased from 90 percent to 100 percent. The peso 6 months after the administration bailout stands at 6.28 to the dollar, still near record highs. Last month Mexican citizens and business leaders told the Banking Committee that the Mexican bailout is a failure and that the Mexican economy is in shambles. When the Clinton administration first tried to sell the Mexican bailout to Congress they told us they would commit $40 billion in loan guarantees to help Mexico through its short-term liquidity crisis. They reassured Congress that taxpayer funds would not be at risk. After Congress refused to support a bailout, the administration then unilaterally decided to give Mexico $20 billion through the United States exchange stabilization fund, an unprecedented and legally doubtful use of this fund.

The problems with the Mexican economy are not new. They are well-known to administration officials. Throughout 1994, as the documents and the chronology demonstrate, over and over again, the administration officials were alerted to unmistakable signs of economic distress in Mexico. Yet throughout the year the same administration officials continue to issue glowing public statements about the Mexican economic condition and strong support for the Mexican economic policies. The record is clear. Let me give you a few brief highlights.

On March 24, 1994, Under Secretary of Treasury Summers informed that the Mexican Government ''is looking for some comforting Treasury words to soothe the press.'' Secretary Bentsen then issued a statement saying: ''We have every confidence that Mexico is on the right economic path.'' Mr. President, clearly again, a pattern of the administration not leveling with the American people, not leveling with the Congress.

In a news conference that same day President Clinton said, ''Mexico's institutions are fundamentally strong * * * they have a great future and we do not expect any long-term damage.'' Mr. President, clearly the statement is at variance with the facts in the record. Again, a pattern of not leveling with the American people.

Again on April 26, 1994, Under Secretary Summers said publicly, ''Mexico is fundamentally sound and has a fundamentally sound currency.'' Earlier that same day however in an internal memo, the same day that he talks about a sound economy, a sound currency, Summers informs Secretary Bensten that the Bank of Mexico had been intervening to support the peso and that ''Mexico's dependency on the financing of its large account deficit from largely volatile investment remains a serious problem.'' Again, a pattern of deception of saying one thing when the facts are clearly different.

Now, how can you come and say that the economy is fundamentally sound, publicly, when at the same time you are informing the Secretary of the Treasury that there are severe problems? In the fall of 1994 the Mexican Government policies were the cause of concern among administration officials. In an internal memo on September 27, Under Secretary Summers questioned the Mexican Government's decision to maintain a highly overvalued peso. And November 18, 1994, another Treasury Department memorandum discusses the weakening of the peso and that Mexicans commitment of their dwindling resources to prop up the peso. Nevertheless, on the same day, the United States Ambassador to Mexico, Jim Jones, told a group of American investors that those journalists who were predicting financial problems in Mexico were alarmists. Again, a pattern of deception. Just wrong. Just wrong.

Despite the administration's obvious internal concerns and knowledge, on November 21, 1994, Under Secretary Summers said ''Mexicans would very much like for Bentsen to make a statement today.'' Summers told the Secretary that he ''has worked out'' a proposed press statement for him for the

Government of Mexico. Why were officials of the United States Government working on public relations for the Mexican Government, and I might add, putting out false information, aligning themselves to false information being circulated?

The letter to the Washington Post, my colleagues, Senators SPECTER and KERREY, advised, ''We believe—based on a reading of United States analysis since last spring, that policymakers were adequately forewarned of Mexico's declining financial position and of domestic political pressures that made it difficult for the Mexican Government to take timely action in the economic sphere.''

Mr. President, internal administration documents make clear that Under Secretary Summers and other treasury officials were not forthcoming to the Congress and the American people. I agree with A.M. Rosenthal of the New York Times who wrote on April 4, 1995, in a column entitled ''Cover-Up Chronology,'' ''Real concern for Mexico would have meant public warnings from Washington as soon as trouble was discovered. Legitimate confidentiality does not include deceiving the world.''

I think that bears repeating: ''Legitimate confidentiality does not include deceiving the world.'' That is what we have a pattern of, deception.

There are vital lessons to be learned from the handling of the Mexican crisis. The American people and their elected representatives were entitled to the truth about Mexico's precarious and deteriorating condition during 1994. Mr. President, the official reports by the Mexican Government and the positive public statements made by the United States administration were completely contradictory to the true condition of Mexico's economy. The American taxpayers should not be forced to bear further financial risk. U.S. dollars should not be used to bail out private investors who gambled on high-risk, high-return instruments. We should not be sending another $10 billion in American taxpayer dollars based upon a web of half-truths, distortions, and concealments. That is wrong. The American people have a right to be outraged that their tax dollars are going to bail out local speculators and not improve the plight of the Mexican people. Congress should be outraged as well.

Mr. President, I thank my colleagues for giving me this opportunity to make this report to the American people.

I yield the floor.

Mr. HATCH addressed the Chair.

The PRESIDING OFFICER (Mr. CAMPBELL). The Senator from Utah, Mr. HATCH, is recognized.

COMPREHENSIVE REGULATORY REFORM ACT

The Senate continued with the consideration of the bill.

Mr. HATCH. Mr. President, we now resume consideration of S. 343, the Comprehensive Regulatory Reform Act of 1995, and in doing so, I am reminded of an ancient story. When Hercules was tested, one of his tasks was to slay the Hydra, a nine-headed serpent. Yet, for every head of the Hydra that Hercules cut off, two more grew in its place. It seems that regulations have become the 20th century Hydra, the only difference being that at least the Hydra was mythical and regulations are not.

For hard-working, middle-class Americans, trying to cope with thousands upon thousands of regulations is indeed a Herculean task. Today, a small business person needs a law firm, an accountant and a doctor in order to cope with the regulations and barriers they impose. Why a doctor? First, for the headaches he or she will have trying to decipher all of the gobbledygook, and later for the heart attack when the agency issues citations for violations he or she did not even realize were violations.

I recall testimony the Labor Committee received back in 1981 when we were considering legislation to revamp the CETA Program. I remember it because I was so impressed with the specific numbers cited to demonstrate the regulatory burden of the then Federal program. The testimony from the county job training official in Ohio pointed out that CETA regulations ''cross-referenced 75 other laws, Executive orders and circulars. The Department of Labor has issued an average of over 400 field memoranda, more than 1 per day, including Sundays and holidays.''

This is not how Government is supposed to work, and it has to stop. The problem is that the bureaucracy is replacing democracy, and it is imposing high costs on private citizens and impinging on private rights and productivity. This bill remedies that by imposing common sense, rational decisionmaking on agencies. When any rational person is trying to make a decision, he or she weighs the cost of the action and the benefits that the action will bring. Now that is just simple common sense. That is what this bill does.

There are some who will say, ''Oh, we are going to do away with clean water and clean air'' and all the other regulations they claim are so important to all of us, and they are important. No, we are not going to do that. We are just going to make sure there is common sense in these regulations, and they have to meet a cost-benefit analysis and some risk-assessment matters as well.

I just have to say the Federal bureaucracy in this country does not have common sense, and we are in danger of losing our country. Nobody ever contemplated that the bureaucracy would become the fourth branch of Government, but it is now the fourth branch of Government and it may be more powerful than the other three that are constitutionally set apart.

Under current law, when the bureaucracy considers making another rule, it often considers only the benefits and not the costs. It comes as no surprise that everything looks like a good idea if you have to only look at the benefit side and you do not have to pay for it.

I am reminded of the headline in the Wall Street Journal not too long ago that spoke volumes. It read something like: ''If you're buying, I'll have sirloin.'' All this bill seeks to do is to make sure the agencies look at the cost side as well. I cannot believe that anyone in this body would find that objectionable.

Let me briefly explain how the bill works. The Comprehensive Regulatory Reform Act of 1995 is aimed at stopping regulatory abuses and curbing excessive costs. The bill embodies the most basic notion of decisionmaking: Justify the costs. That is all the American people ask of their Government, that it justify the costs of its actions.

Indeed, it is only common sense that when an action would produce more harm than good, it should not be taken. Accordingly, the centerpiece of the bill is the requirement for cost-benefit analysis of proposed rules. Right now, agencies are notorious for only looking at the benefits of rules and ignoring the cost to society. This bill forces the agencies to put both costs and benefits on the table.

This provision is eminently reasonable and sensible. For one thing, it applies only to major rules which are defined as those having an annual effect on the economy of $50 million or more. In general, the agency must set out the costs and benefits and identify the reasonable alternatives. The agency then selects the best option in conjunction with requirements in the underlying statute.

Significantly, the cost-benefit provisions of this bill work in harmony with the particular statutes that the Federal agencies implement. The cost-benefit criteria do not override specific statutory criteria for agency decisionmaking. Instead, they supplement those criteria to fine tune the regulatory process.

Complementing the cost-benefit analysis is a risk-assessment provision. This sets out guidelines for how various risks are to be evaluated. Right now, agencies sometimes regulate for minuscule risks but at a tremendously great cost to the country. If, for example, we applied the same test to driving an automobile as we do to marketing of some food additives, drugs or medical devices, no one would be driving a car in this country. You could not afford to do it and you would not be able to.

Also, agencies sometimes evaluate the risks based on questionable scientific techniques. By requiring a risk assessment and by establishing standards for scientific quality, this bill will ensure reliable results when agencies