

has a downturn. Have our policy-makers who have outlined a free-trade policy for the United States supposedly with a deep intellectual base really been right when the effect of their policy is to handcuff the United States to Third World nations in deep water that do not know how to swim? That is what we have done.

If we have lost our independence and if we now are committed to bail out every nation which becomes inextricably linked with our economic well-being through our trade policies, is that smart?

Regardless of whether or not you like the trend lines on the exports and the imports, is it right for us to give up our independence and link ourselves with these nations? Does that mean we are now going to link ourselves with Argentina, we are so linked that we now have to bail them out if they have a problem, or any of the other dozens and dozens of Third World nations which now will call on the United States to help bail them out because we have a substantial trade relationship?

Now, let me just conclude by giving one "I told you so" and "Let's look at this thing in the future," to all of my colleagues, my good friends, who supported NAFTA. The claim by the pro-NAFTA advocates on this floor was that Mexican workers were going to achieve a larger standard of living, go above that \$1,900 per capita per year income, and they were going to get up there to the point where they were making enough money to buy large amounts of American consumer goods and increase our exports. This devaluation has decreased the capability to buy by about 30 percent. This proves that NAFTA was wrong.

#### OIL AS COLLATERAL

The SPEAKER pro tempore (Mr. HASTINGS of Washington). Under a previous order of the House, the gentlewoman from Ohio [Ms. KAPTUR] is recognized for 5 minutes.

Ms. KAPTUR. Mr. Speaker, I want to compliment the previous speaker, the gentleman from California [Mr. HUNTER], who has been so much a part of our efforts to really open up international trade and explain the consequences to people in this country and abroad.

I rise tonight with a rather heavy heart because of the action of the Clinton administration. Our Government is not a monarchy. We are a nation of laws and of balance of powers between this legislative branch, which is the first branch that the Constitution mentions, and the action, in my opinion, by the Clinton administration in extending over \$47 billion worth of credit from the taxpayers of this country is outside the constitutional boundaries of the executive branch.

Now, Wall Street today and their irresponsible money men are cheering, because they essentially have been bailed out along with their 24 billion-

aire friends in Mexico with this gift package from the taxpayers of the United States of America with no vote by Members of this Congress. Wall Street investors have every reason to be happy. They got their money back from you, the taxpayers, but the American people should know that they are at risk, because this deal is backed up by worthless paper certificates of oil serving as collateral.

Now, why do I say this? Does not oil have value? Under normal circumstances, it would. But the Mexican Government has long used its oil over and over, the same oil again, as collateral for debts they already owe.

Did you know that Mexico has already pledged its oil in the European bond market, the Euro-bond market, for upwards of \$10 billion? The fact is Mexican oil no longer has any value for use as collateral on new debt, because it is pledged to old debt, and Mexico owes anywhere between, on the public debt it owes, between \$160 billion and \$200 billion.

It would be almost better for Mexico to pledge jumping beans rather than to repledge their oil again.

In the RECORD tonight I have taken out of Moody's Manual a list of where Mexico's monopoly-owned, state-owned oil company, Pemex, has already pledged the assets of their oil company.

Suffice it to say, all the administration accomplished by conditioning new loans, these \$47 billion worth of loans from our taxpayers, on Mexican oil was to put our taxpayers at the end of a very long line of creditors to that oil. Even adding up all the assets and production of Pemex, Mexico does not have enough oil revenue to cover the \$47.5 billion worth of new loans.

In fact, the Houston Chronicle reports that Mexico will become a net oil importer by the turn of the century, because it is essentially producing half of the oil it produced a decade ago because of problems inside that oil company.

Now, add to that what Mexico's own officials have said. The Mexican Secretary of the Treasury said, "Our oil resources are not going to be used for guarantees." Well, if they are not, what is backing up the risk to the taxpayers of this country?

And Mexico's Energy Minister was quoted recently, and a direct quote again, "Our oil will not be mortgaged nor will it form any part of any loan guarantee."

Now, maybe the United States Ambassador to Mexico cannot read Spanish, but it is all there in the Mexican newspapers to be read by anyone.

Basically, my friends, by dodging Congress, our people have been sold a bill of goods that have no value by the administration in collaboration with the Government of Mexico. Now our administration is scrambling to make this back-door deal look as legitimate as possible, but the fact remains the so-called collateral that Mexico is putting up for the \$47.5 billion in loans is

worthless and, in fact, experts have estimated the entire worth of Pemex at somewhere perhaps, if we are lucky, about \$24 billion.

So ask yourself when you read the fine print and they say they are going to book sales of oil on the Federal Reserve of New York's books, who is cooking the books? We are not getting barrels of oil. We are getting pledges of collateral that has already been overpledged.

And if you really want to get cynical, and I will end with this statement, is it not interesting that this is not the first time this has happened? But in fact it happened right after the Presidential election of 1988, during that period when they were trying to prop up the value of the Mexican peso. It happened in 1982, and now they devalued the peso right after the Mexican election in 1994.

Let the record speak for itself.

#### COST-EFFECTIVENESS IN WELFARE REFORM

The SPEAKER pro tempore. Under the Speaker's announced policy of January 4, 1995, the gentlewoman from California [Ms. WOOLSEY] is recognized for 60 minutes as the designee of the minority leader.

Ms. WOOLSEY. Mr. Speaker, over \$5 billion in child support goes uncollected every year. This is a national disgrace that is punishing our children and bankrupting our welfare system.

Tonight I am pleased to be joined by many of my Democratic colleagues to call attention to this tragedy and to call on the 104th Congress to make child support collection a top priority as we work to reform the welfare system. Democrats have long recognized that holding both parents responsible for their children is the most cost-effective way to reduce the welfare rolls.

Why then, we ask, is there no mention of child support in the Republican's welfare reform bill? Why then did it take so much prodding to get the Republican leadership to even schedule a hearing on child support collection? Do they not know that getting family child support is one of the best ways to get them off welfare?

Mr. Speaker, I have known for over 25 years just how important child support is in preventing the need for welfare, because in 1968 I was a single working mother with three small children, ages 1, 3, and 5. Although I had a court order, I never received a penny in child support. In order to provide my children with the health care and child care they needed, I was forced to go on welfare to supplement my wages.

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Today, Mr. Speaker, millions of families are forced to go on welfare for the same reason. In fact, 91 percent of first-time welfare recipients cite lack of financial support from a parent as the main reason they are on welfare.