

happy retirement and many more years to come.●

A CONSUMER'S GUIDE

● Mr. SIMON. Mr. President, there is a great deal of discussion about the loan guarantee for Mexico, most of it negative because that is where public opinion is today.

Any careful study of the merits of the issue suggest that the safer gamble between doing nothing or having a \$40 billion loan guarantee is the \$40 billion loan guarantee. I do not like the option, but that is the reality we face.

We are being asked to cosign a note, but there is some security with a note, and if we do not go ahead, the consequences in terms of illegal immigration, loss of export markets and, simply, the suffering that will take place south of our border are much too clear.

Tom Friedman of the New York Times has a column which puts another perspective on this matter that I think also makes sense. He is not interested in bailing out the bankers who hold some of the Mexican bonds, but he is interested in preserving our pension systems, which also hold many of these bonds.

What he says makes sense, and I ask that the Tom Friedman column be printed in the RECORD.

The column follows:

A CONSUMER'S GUIDE

(By Thomas L. Friedman)

ZURICH.—One of the hottest topics in finance these days is how to prevent another Mexico from destabilizing the global financial system. Finance ministers will tell you that the subject has been dominating all their international meetings, and you are going to hear a lot of their proposed solutions at this week's G-7 summit in Halifax. This is a Warning: There is more nonsense than common sense among these proposals. Since some of them could cost you money, I offer this survival guide to the I-can-prevent-the-next-Mexico schemes.

I. Bad Ideas That Sound Good.

The worst of these bad ideas is the proposal to establish a \$50 billion standby rescue fund—administered by the I.M.F.—that would be ready as a life preserver to be tossed to any country dragged under the waves by global markets running amok.

I call this idea "The George Soros Memorial Gift Fund." In 1992 Mr. Soros, the billionaire currency speculator, mounted a fierce attack on the overvalued British pound, and Prime Minister John Major of Britain spent billions trying to defend his inflated currency against a devaluation. Eventually the pound was broken. But you can bet that if there had been a \$50 billion rescue fund available in 1993, Mr. Major would have tapped it. And just as surely, that \$50 billion would be in Mr. Soros' pocket today. The more money that government leaders have to defend faulty economics and their own egos, the richer Mr. Soros becomes by exposing their foolishness.

Don't get me wrong. I'm for the Mexico bailout. But I want it to be hard. Dangling a \$50 billion fund out there only invites buccaneering governments to be reckless. Professors should never begin the semester by announcing when the makeup exam will be. Governments should have to operate on the assumption that there will never be a make-

up exam—and if there is one, it will be an extraordinary event.

II. Good Ideas That Are Not as Good as They Sound.

The best of this lot is the decision by the I.M.F. to intensify its surveillance of financially shaky nations. The I.M.F. used to do only a once-a-year checkup on its client countries. But it was precisely in the months between annual checkups that Mexico went on the wild spending binge that caused its financial heart attack.

The I.M.F. has now promised to keep closer tabs on its clients. But this is no cure-all. Remember one thing: Many of Mexico's financial problems, on the eve of its crash, were hiding in plain sight. Public data showed it was running unsustainable deficits and was too dependent on hot money from abroad. These data were ignored because investing in Mexico had become a fad. Too many foreign investors had been to cocktail parties where people were whispering: "Mexico—you gotta be in Mexico." Fads will always trump logic. When the Hula Hoop was hot, no one wanted to hear that it was bad for your hips.

III. Small Ideas That Could Make a Big Difference.

1. Copy Chile. Chile demands that foreigners who want to buy Chilean stocks hold them for at least a year. That way if your country is practicing sound economics it won't be punished when the next Mexico crashes and jittery investors scream to their brokers: "Get me out of all emerging markets." In Chile's case, investors could not get out, and so Chile, unlike Brazil and Argentina, was not punished for Mexico's sins.

2. Save, save and save. If your country has a low savings rate, it will have to rely on another country's savings for growth. That will make your country vulnerable to the whims of global markets and global markets vulnerable to the crazy behavior of your country. (See encyclopedia entry for Mexico.)

3. America's next global economic crusade should be to get more developing countries to adopt U.S.-style securities laws—the toughest in the world for financial disclosure, conflict of interest and insider trading. Many of the new stock markets in Asia and Latin America are still rigged casinos, where investors are just begging for trouble. (See encyclopedia entry for Barings Bank, Singapore.)

4. Fasten your seat belts, put your tray tables and seat backs in a fixed and upright position and enjoy the ride. Because there is simply too much money, moving around the world too quickly, with too few controls, and too many governments ready to do anything to get slice of it, to prevent another Mexico somewhere over the horizon.●

JUNETEENTH DAY

● Mr. KOHL. Mr. President, I would like to join my fellow citizens in the State of Wisconsin in celebrating Juneteenth Day, a day which celebrates the abolition of slavery in the United States. As much as any other event in African-American history, the Emancipation Proclamation was one step in the long struggle which has lasted the last two centuries. This document is an affirmation of freedom and dignity, and is also a reaffirmation of the goals, hopes and dreams of all African-Americans.

The African-American community has given so much to this country, and Juneteenth is a day to celebrate the many achievements made by African-

American men and women. This day is not only a celebration of freedom, but a statement of understanding and pride in the African-American culture. History is rich with the contributions made by African-Americans, and they continue to be a valuable part of this society.

The Emancipation Proclamation of 1863 was the beginning of a long road for the African-American community which we still continue to travel today. The fight for equality continues and we must push for the dream of Dr. Martin Luther King Jr. that all children "not be judged by the color of their skin but by the content of their character." We have come a long way since the enactment of the Emancipation Proclamation, but we must persist with the idea that each person in this country be offered every opportunity and there is equality in every aspect of society. I invite my colleagues to join me in celebrating Juneteenth Day, a day of freedom, pride, and dignity in the African-American community.●

UNICEF ASKS BROADER AID FOR CHILDREN

● Mr. SIMON. Mr. President, recently, Barbara Crossette had an article in the New York Times titled, "UNICEF Asks Broader Aid For Children."

The article quotes the new head of UNICEF, appointed by the President of the United States, Carol Bellamy, as saying the United States should do better in our response to the needs abroad.

I could not agree with her more.

I hope we do not diminish the United States contribution to world stability by cutting back on foreign aid, as we seem destined to do right now.

I ask that the Barbara Crossette piece be entered into the RECORD at this point.

The article follows:

[From the New York Times, June 12, 1995]

UNICEF ASKS BROADER AID FOR CHILDREN

(By Barbara Crossette)

UNITED NATIONS, June 9—The United States now ranks lowest among 21 industrial countries in the amount of foreign aid it gives in relation to its gross national product, according to a new study by Unicef, the United Nations Children's Fund.

Although American aid is second only to Japan's in dollars—\$9.7 billion as calculated by international organizations using 1993 figures—it represents 15 hundredths of 1 percent of G.N.P.

The Scandinavian countries and the Netherlands lead the list, with levels above 80 hundredths of 1 percent, and in those countries, as in the United States, aid budgets are facing new cuts.

The general reduction in foreign aid comes at a time when Unicef is urging all countries to look at the situation of children in the broadest terms, including the environments in which their mothers live.

"The child can't really be seen as separate and on an island," said Carol Bellamy, Unicef's executive director. "You can adopt some concrete objectives and go out and seek to achieve them, but the child has to be seen in the broader context of the community."

In an interview here last week before leaving for Berlin, where she released the report

today, Ms. Bellamy said the Unicef board had recently approved clean water and education programs that would benefit whole villages and people of all ages.

Taking a broader look, she said, means that programs can be tailored to national needs and levels of development: basic survival in a country like Chad or children's rights in Argentina or Chile.

Among its recommendations, the report calls for campaigns to attack vitamin deficiencies and malnutrition, the precursors to disease in many countries, and to ameliorate or end deprivations and social abuses of children that weaken them and ultimately threaten their lives.

"In all regions of the world," the report said, "children continue to be malnourished, to be plagued by preventable disease, to be denied even a basic education."

Unicef says that about 200 million children worldwide suffer from vitamin A deficiency, which impairs the immune system and can lead to blindness and death. One million to two million children's lives could be saved each year by vitamin supplements, the report says.

About half of the 13 million children who die each year are victims of three major illnesses: pneumonia, diarrheal disease and measles. While measles is in retreat, the report says, pneumonia, the single largest killer of children, is not. And AIDS is now a threat. About one million children now have the virus that causes AIDS, many in Africa and Asia.

With the world population growing fastest in the poorest countries, where children are likely to live in the worst conditions, Ms. Bellamy said the reduction in aid was especially unfortunate.

"None of us benefit if our partners in development are being hurt, because we are actually all in the same development boat," she said.

Ms. Bellamy, a former Peace Corps volunteer in Guatemala and director of the Peace Corps before she joined Unicef in May, said she had the point of interrelationships driven home when she became City Council President in New York in 1978.

"Here in New York City—the industrialized world—we had not had a full-scale immunization program for a number of years," she said. "A third of all youngsters in New York City schools and close to a half of poor youngsters were not immunized. So we started a program to get all kids immunized."

"There is a direct connection between that investment in aid and health care back here in the United States. If polio breaks out one place in the world it can just come back and spread again. The walls between nations are now very thin curtains."

IN RECOGNITION OF EUGENE PETERS

• Mr. BRADLEY. Mr. President, I rise to offer my gratitude and respect to a long-time member of my staff, Eugene Peters, who recently left my office after 10 years. I will miss Gene, as will everyone who worked with Gene on my staff, and his colleagues and counterparts on the Committee on Energy and Natural Resources.

Gene is a member of a very small club here—second-generation Capitol Hill staffers. His father held several high posts in the House of Representatives, and Gene worked his way through college, in New Jersey, by spending summers as an elevator operator in this building. By the time he

joined my staff in 1984, Gene had turned to scientific and academic pursuits, completing graduate work in both engineering and public policy. But while he may have been taught to think like an engineer, he was a natural at the very different and less orderly demands of getting legislation passed. His instinctive, entrepreneurial skill was demonstrated by his ability to handle hundreds of issues at once and find opportunities in each one to improve the quality of life in New Jersey.

Gene Peters deserves not only my thanks, but those of the people of New Jersey. The shore is clean again this summer, because, in part, of Gene. Open spaces, which are jealously guarded in a State so densely populated, remain pristine, because of Gene Peters. There is less lead in the air and soil, and more awareness of its dangers, because of Gene. And hopefully, before this year is over, the citizens of New Jersey will have better protection from gas explosions in part because of Gene's hard work.

The quality that has made Gene a great member of my staff is a simple one, but rare: He knows his stuff. Behind his relaxed, dressed-down persona, Gene knows just about all there is to know about Federal energy programs, land-use and water policy, beach erosion and replenishment, wasteful agricultural programs and numerous other issues that came his way. Gene brought to all these issues not just enthusiasm and knowledge, but the perspective of a parent who understands that the environmental laws we pass have important and far-reaching implications for the well-being of future generations. His ability to keep the work he did in perspective set an example for my entire staff. I will miss him, and I wish him luck in his new position at the Independent Energy Producers Association.●

REDUCING GANG VIOLENCE

• Mr. SIMON. Mr. President, today, I would like to share an important Chicago Tribune article with my colleagues. It highlights an interesting new program offering healthy alternatives to gang members.

Irving Spergel, a University of Chicago professor and national expert on gangs, has founded a program in the Little Village neighborhood of Chicago designed to reduce gang violence. The program, which is federally funded, is entitled the Gang Violence Reduction Project. Professor Spergel is building on the many failures and few successes of past gang intervention programs. Based on his experience in this field, he is careful not to set his sights too high. He is not trying to eliminate gangs, nor is he trying to turn them into peaceful entities. Such efforts have been tried, and they have almost always failed. Instead, his program focuses on individual gang members who have violent histories, uses simple

tools such as jobs, education, and personal attention, and emphasizes community involvement and cooperation in the effort.

Gang intervention is an inexact science and any success is usually accompanied by heartbreaking failures. However, there is some indication that this approach is working where others have failed. In the 2 years prior to the start of the project, there were 15 gang-related homicides in Little Village, compared to 8 such homicides in the 2 years that followed. Aggravated assaults in Little Village rose 19.4 percent, but skyrocketed 291 percent in a nearby neighborhood with the same profile during the same time period. While these are not the kind of statistics that make headlines, in the complicated effort to reduce violence, they are indeed promising.

But these statistics don't tell the story of this program's success as well as the individual examples of the young people it has helped. By the age of 19, Guillermo Gutierrez had already survived two stabbings and a shooting, and was a suspect in a drive-by shooting. Before he met Marilu Gonzalez, who runs a new community group called Neighbors against Gang Violence formed by the Gang Violence Reduction Project, Guillermo believed there was nothing anyone could do for him. One year later, he has earned his high school equivalency certificate. Even more importantly, he has discovered his community. Guillermo volunteers as a tutor for elementary school children and at an AIDS prevention project.

Although Guillermo's story is an example of one of the successes of this program, it is a qualified success. Guillermo recently began a 6-year prison sentence for attempted murder from a nonfatal drive-by shooting he committed before he began participating in Professor Spergel's project. Many would consider Guillermo a lost cause. Yet, the day after his sentence, Guillermo spent 8 hours volunteering at community service projects.

The story of Little Village is an important lesson for everyone concerned about violence. The causes of violence are complex, and no single approach will solve the problem. We should not expect violence reduction programs to produce miraculous changes in troubled communities. We should, however, continue to provide the seed money for innovative programs such as the Gang Violence Reduction Project. I ask that the full text of the article be printed in the RECORD.

The article follows:

[From the Chicago Tribune, June 5, 1995]

GIVING GANG MEMBERS OPTIONS, NOT THREATS

(By George Papajohn)

"There's nothing you can do for me."

Meeting the cold glare of the young gangbanger issuing this challenge, Marilu Gonzalez had little reason to doubt him.

For his part, Guillermo Gutierrez, a dropout, a heavy drinker, a survivor of two