right and responsible thing is to bail out Mexico.

The value of the Mexican currency, the peso, fell a dangerous 40 percent in just three weeks. In one week alone, American investors withdrew $12 billion dollars from Mexico. But—that's the free market at work.

Our middle class stands to be a big loser in this deal. Of the billions of dollars pumped into Mexico in the wake of NAFTA, many were invested by U.S. speculators who sent to Mexico the hard-earned dollars of middle class families in the form of mutual or pension fund investments.

With the passage of NAFTA, we created a speculative environment in which middle class investors, the mom and pop investors so vital to Wall Street brokers, were led to believe that investing some of their hard-earned life savings on emerging Mexico was a safe bet. But billions of dollars later, we know it's not.

Now the United States proposes to act as a lender of last resort to salvage the Mexican economy. But will this bailout really help? Even the most ardent NAFTA supporters have their doubts. Listen to avid NAFTA backer, Wesley Smith of the Heritage Foundation: ''This takes real pressure off the Mexican Government to make substantive changes.'' James K. Glassman of the Washington Post agrees that the loan guarantees may provide a disincentive for reforms in Mexico. Like parents who are too lenient with a rebellious adolescent, we may be encouraging misbehavior in the future. We may be helping the speculators who poured money into Mexico, but harming the prospects there for economic and political reform. I have serious doubts as to whether the Administration's proposals will win my support.

If the United States is going to be generous as a lender of last resort, then it is appropriate that we ask Mexico to be a first-rate client. The administration must insist on assurances that would make the loan guarantee effective:

The money that the United States guarantees must only be used for what it is intended: to pay the debts on short-term Mexican bonds.

If we are going to bail out speculators, then we should protect middle class Americans by reporting to the American people through this legislation the losses they incurred through mutual or pension funds invested in Mexico.

The billions in oil revenues that Mexico earns annually must be used as collateral should the Mexican Government default.

The Mexican Government should accelerate and broaden its privatization program.

The Mexican Government should continue the political, economic, and social reforms that it requires if it is to achieve long-term stability.

And by the way, none of this money should be used to prop up the 36 year Cuban dictatorship of Fidel Castro, who has recently benefited from generous Mexican investments, debt forgiveness, and debt-for-equity swaps. No Mexican foreign assistance, nor any investments sustained by United States credit lines, should go to Cuba's oppressors—neither from the Mexican Government nor any of its banks or state-related companies. Not one red cent.

This crisis is about speculation. It is about the speculative environment created by those who supported NAFTA without the appropriate safeguards. That speculative environment has led to the loss of billions of United States dollars invested by hard-working American families who put their savings in mutual funds and pension funds investing in Mexico. It is time to bring a reality check to the risks of the emerging markets and to the joys of the good old U.S. Treasury and blue chip stocks.

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NUTRITION PROVISIONS IN THE PERSONAL RESPONSIBILITY ACT

The SPEAKER pro tempore (Mr. GEKAS). Under a previous order of the House, the gentleman from Missouri [Mr. CLAY] is recognized for 5 minutes.

Mr. CLAY. Mr. Speaker, I rise to oppose the provisions in the Personal Responsibility Act which contains a food assistance block grant.

The child nutrition provisions in the Personal Responsibility Act will completely eliminate the National School Lunch Program as it has existed since 1946. The Personal Responsibility Act would combine a set of Federal food assistance programs—including food stamps, school lunch, school breakfast, the WIC Program, elderly nutrition, and the Emergency Food Assistance Program [TEFAP] into a single block grant to States, with a reduction in overall funding for the programs. The House Republican Conference has estimated that the 4-year reduction in funding as compared with current law would be $11 billion. Probably a more accurate reduction is $17.5 billion as projected by the center on budget and policy priorities.

There are many reasons why I oppose the block grant method for the distribution of funds:

Historically, when Federal funds have been left to the discretion of a few, they have not been distributed to the most impoverished or the ones in need the most. Giving States carte blanche authority does not guarantee that Federal funds will be used to address the national needs that Congress has identified.

By definition, block grant programs do not require that specified programs are provided for specifically targeted populations. Reporting and evaluation requirements for most block grants are so limited that information about program participation levels, implementation and effectiveness is not sufficient to provide guidance for continued funding of the programs.

Even though education is administered through 50 States and over 15,000 local educational agencies [LEA's], and conditions do differ among States and LEA's, certain identifiable national problems are of sufficient importance to merit special Federal programs.

For these and other reasons, I ask my colleagues to oppose this movement to combine nutrition programs into a block grant.

SPECIAL ORDERS

The SPEAKER pro tempore. Under the Speaker's announced policy of January 4, 1995, the gentleman from New York [Mr. FORBES] is recognized for 60 minutes as the designee of the majority leader.

WHY I SUPPORT THE BALANCED BUDGET AMENDMENT

Mr. FORBES. Mr. Speaker and Members of the House, I rise today in support of the Contract With America's version of the balanced budget amendment that requires a three-fifths vote of this body in order to raise taxes. It is the most responsible proposal on the table for bringing down our national debt and applying discipline against this Nation's outrageous spending programs.

I support the tax limitation amendment because I agree with President Reagan who so often reminded us that the problem is not that the government spends too little. It is that the American people are taxed too much.

The budget must be balanced, and it must be balanced by cutting spending, not by raising taxes.

On election day, Mr. Speaker, the people in my area on Long Island and the rest of the country spoke loud and clearly. They sent me and my new colleagues in the freshman class—in fact they sent all of us here to Washington with a very specific mission, to end business as usual. No more raising taxes, no more reckless spending, no more of the arrogance and the double standards that have plagued this distinguished body and that have punished this country for the past half century. My neighbors on eastern Long Island want Members of Congress, and in fact all of Washington, to start acting like so many families have to act, with responsibility for our actions and a good dose of common sense in our decisions. But the people's call for responsibility was not an angry and hysterical demand for change of any sort. On the contrary, Mr. Speaker, it was a very specific endorsement of a very particular set of policies.

The Contract With America is a study in middle class values, and ideas and goals that can bring our government, once and for all, under control and restore fiscal integrity across this Nation, and the notions contained in the Contract With America, to the chagrin of many of my Democratic colleagues, have been embraced by the people whom we have the privilege and the obligation to serve, and key to our contract with the people is a tax limitation balanced budget amendment, a call to live within our means, a demand