

That is why I am astounded that the Senate Appropriations Committee has approved an education funding bill that slashes our investment in education by \$2.2 billion—a 7.7 percent reduction below the 1995 amount.

Yet, this Congress passed a Defense appropriations bill that provides \$6.7 billion more in spending for defense programs than the Pentagon wanted or believes we need. It makes no sense to take \$2 to \$3 billion from education while questionable military projects like star wars receive increased funding. In fact, eliminating funding for two amphibious ships, which were added to the defense bill by the Republican Congress, could restore education spending to the 1995 level.

I find it unconscionable to deny more than 55,000 low-income children the opportunity to enroll in Head Start or to deny 6.5 million disadvantaged kids the help they need to improve their math and reading skills in order to pay for unneeded military hardware. We are saying to local school districts that we cannot afford to help them implement the reform plans they have developed—but we can afford an enormous increase in our defense spending that the military experts say we do not need.

I hear from parents and students in North Dakota and across the country every week about the difficult time they are having paying for a college education. And yet the majority party in Congress has responded by cutting Federal financial aid by 11.4 percent and higher education by 7.5 percent.

If these programs are not an investment in our Nation's defense, then I do not know what is. I think these education cuts will prove to be devastating for the future of our country. Education ought to rank at the top of the national agenda, and if funding is not restored to reasonable levels, I will find it impossible to support this appropriations bill. ●

THE MEXICAN BAILOUT AND PROPOSED BAILOUT FUND

Mr. D'AMATO. Mr. President, I rise this evening because the annual meeting of the International Monetary Fund, IMF, and the World Bank are being held in Washington this week; as a matter of fact, this very evening. As financial leaders gather from all over the world, I think it is incumbent that we review recent developments concerning the IMF, the Mexican bailout and the IMF's proposed international bailout fund.

The IMF recently released its annual survey of global capital markets, which includes an analysis of the Mexican peso crisis. This IMF report confirms many of the concerns that I have expressed since the beginning of the year. The IMF report also raises many troubling questions.

First, did the Mexican Government persuade the U.S. officials to approve a loan package by exaggerating this crisis after denying there was a problem for over a year? And by overstating the crisis, did the Mexican Government in-

crease its own problems and further destabilize the peso?

Second, was the bailout, as structured, really necessary? The Mexican Government and the Clinton administration claimed that without the bailout, conditions in Mexico would have been far worse. But the situation in Mexico is a disaster. Just ask the Mexican people.

Third, was the crisis in Mexico certain to spread to other emerging markets? That is the rumor that was spread. That is what Congress was told. According to the IMF report, the answer is no. The IMF report states that: once the panic trading subsided, markets discriminated, albeit imperfectly, among countries according to the quality of their economic fundamentals.

Fourth, should the administration have sent American taxpayers' dollars to pay off rich tesobono holders? The administration pushed this bailout plan without a single vote of Congress. The American people should not have been forced to bear the financial risk of the Mexican Government and foreign investors. The administration should not have soothed the pains of speculative investors at the expense of the American taxpayers and the Mexican people.

Mr. President, we now know that the U.S. tax dollars were sent to Mexico to bail out speculators. In fact, the IMF report indicates that the peso's devaluation was precipitated and made far worse by the massive withdrawal of money by Mexican and foreign investors. We now know that Mexican investors who had a firsthand view of Mexico's rapidly deteriorating political and economic situation in 1994 were the first to cash in their holdings and take their money out of the country.

Mr. President, the IMF report underscores the initial question that the American taxpayers have asked over and over: Why were billions of American taxpayers' dollars sent to a foreign country that was first abandoned by its own wealthy citizens, citizens who, Mr. President, had inside information and bailed out?

At a minimum, the Mexican Government should have looked to its own rich countrymen for help before turning to U.S. taxpayers to bail them out. At a minimum, our Treasury Department should have insisted upon that.

The IMF report confirms that the Mexican Government withheld important financial data and provided inaccurate and overly optimistic economic forecasts. If a country does not provide complete and accurate disclosure of key economic figures, we should punish this deception, not reward it.

Mr. President, I am also troubled by the IMF's role in the Mexican peso crisis. I am deeply concerned by the recent Whittome report, an internal study which focuses on the IMF's review of economic conditions in Mexico. Unfortunately, the U.S. Department of Treasury has classified this report. But according to news articles in the international press service, the Whittome report concluded that the IMF dis-

torted its own reporting on Mexico in response to political pressure from the Mexican Government.

Why is this report being withheld from the American public and the Congress? We have a right to know what happened in this Mexican bailout. Unfortunately, this administration has made a habit of concealment. The Treasury Department has classified the Whittome report so the American people cannot read it and make their own judgment about how this crisis was handled. Mr. President, that is wrong. People have a right to know.

The Mexican Government has been less than candid with the American people and the world financial markets. The administration should not be aiding them in their disingenuous behavior. We should not reward bad economic policies or deception. That report should be made public.

The IMF and the World Bank and the Clinton administration have proposed the creation of a \$50 billion bailout fund to handle future Mexico-style crises. I am opposed to using U.S. taxpayers' dollars to support this bailout fund.

The American taxpayers have already been forced to contribute more than their fair share. The Mexican bailout was billed to the Congress and the American people as an international effort, but American taxpayers were left holding the bag.

The American people are sick and tired of picking up the check. We still have not been paid back for the first bailout, and despite last week's propaganda, I doubt we ever will be. The Mexican Government and the U.S. Treasury have proudly proclaimed that the prepayment of \$700 million of a \$12.5 billion debt shows the bailout was a success.

What they have not told us is that this so-called "prepayment" of \$700 million is only a fraction of the \$2 billion that is due in a few weeks. What about the remaining \$1.3 billion that is due at that time? It is no accident that this publicity coincides with Mexican President Zedillo's visit to Washington and the IMF's annual meeting.

I do not see how we can have a serious discussion about increasing the amount of money the IMF makes available to bail out other countries if we cannot trust the IMF's own reports, if we do not even get to see the IMF's report, if the Treasury Department classifies it.

The IMF's future role in the world economy must be reexamined, especially in the light of the disturbing reports that the fund has become too easily swayed and manipulated by political pressures. We must demand candor, honesty, and good business judgment from our own officials and from anyone else asking for U.S. taxpayers' dollars. The American people deserve accountability. As the World Bank and the

IMF consider international bailout funds and other mechanics that deal with global economic problems, the Congress must not be idle.

Mr. President, the Congress must remain vigilant in its efforts to protect taxpayers' dollars. We will be watching for the full payment from the Mexican Government at the end of this month, and we will be closely reviewing any proposed international bailout fund. If the administration is ready to declare the Mexican bailout a success, then we should have immediate repayment of the entire \$12.5 billion of taxpayers' money.

Mr. President, I yield the floor.

PRAISING SOUTH DAKOTA YOUNG PEOPLE

Mr. PRESSLER. Mr. President, I rise today to praise Paul Glader, a young man from my home State of South Dakota. Although only 17, Paul has accomplished much. At his young age, he already is an experienced, successful journalist, having published several articles in local and regional newspapers. Paul is, indeed, a talented, articulate person.

I always am pleased and impressed with the accomplishments of young South Dakotans. Paul and other talented, young South Dakotans represent the future of my State. I am proud of their successes. I encourage and support their efforts.

Mr. President, Paul recently sent me three articles he published while working as a news editorial intern at the Indianapolis News. The articles demonstrate that Paul Glader has a promising, exciting future. I look forward to seeing more of Paul's work as he pursues his career. I am pleased to ask unanimous consent that three of his columns be printed in the RECORD at the end of my remarks. Again, my congratulations to Paul Glader. I wish him continued success.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Indianapolis News, July 6, 1995]

CHANGING PRISONERS' PATHS

(By Paul Glader)

An innovative prison industry program in Florida is proof that prisons sometimes can develop good citizens rather than hardened criminals.

At a prison in Dade County, 85 inmates manufacture modular homes for Prison Rehabilitative Industries & Diversified Enterprises Inc., better known as PRIDE. While they work, they learn marketable skills in carpentry, electrical installation, plumbing and air conditioning.

During fiscal 1993-94, more than 5,200 Florida inmates worked for PRIDE. Today, some of the men grow crops and livestock, while others learn upholstery, printing, dentistry, optical work, tire retreading, computers, merchandise or architecture.

Since PRIDE was chartered by the Florida Legislature in 1981, the corporation has operated 57 industries at 22 state correctional institutions across Florida.

By now, you are wondering how much it costs Florida taxpayers to pay PRIDE.

Nothing.

By non-profit, public/private corporation finished in the black this year with gross sales of \$78 million and net earnings of \$4 million. Out of that \$4 million, it paid nearly \$1.2 million to the Department of Correction for inmate incarceration, \$635,000 for inmate services and \$261,000 for victim restitution, retaining a \$1.9 million surplus.

Obviously, the program works well economically. But that is not the only benefit and certainly not the most important.

Through teaching skills, PRIDE reduces prison idleness, provides incentive for good behavior and reduces the cost to state government.

PRIDE also is placing prisoners in jobs after they leave prison. Many are becoming productive rather than destructive citizens because of newfound skills and character.

David Jackson, a former inmate and PRIDE worker, now works at Premdor Inc. of Tampa and makes wood doors, Premdor General Manager Frank Moore said that David started as a laborer and worked his way up to lead man of the paint department, supervising three other workers.

Jackson recently was named employee of the month at Premdor, "I love my job," he said. Jackson also said he learned a work ethic at PRIDE of staying with a project until it was finished and doing the best possible quality of work.

A tracking study of 3,876 PRIDE graduates from 1991 through 1994 showed 873 of them had jobs upon release from prison. Of those 873, only 11 percent returned to prison. That is significant compared to the national recidivism rate of 70 percent.

PRIDE officials said that they help prisoners with housing, transportation, clothing and support when they are released so they can land on their feet and start working right away.

Sometimes PRIDE employees have an extra motivation for hard work. Female inmates in PRIDE's textile industry sew their own garments. Briefs they sew are purchased by all female correctional institutions in Florida. They may end up wearing what they made.

PRIDE workers also have made silk screen decals for St. Petersburg police cars. These inmates, who may have ridden in the cars as detainees before sprucing them up, impressed Officer Pete Venero. "They do fantastic work for real competitive prices," he said.

From a public policy standpoint, PRIDE is like a glass of ice water to a parched throat.

Both political parties sing the woe-filled ballads of prison overcrowding, repeat offenders and prisons' cost to taxpayers. Here is a remedy that works.

There is a lesson here for Indiana. Mayor Stephen Goldsmith has brought the idea of privatization and competition to city government. The race for governor in 1996 ought to include some PRIDE-like proposals for expanding Indiana's prison industries.

[From the Indianapolis News, May 24, 1995]

SAYING BYE TO BACKYARD NUKES

(By Paul Glader)

I lived with the Cold War in my backyard. Ranchers around my area in remote South Dakota sold 1.5-acre sections of their land to serve as nuclear missile launch pads for the U.S. Air Force nearly 30 years ago. More than 13,500 acres in South Dakota were used for this purpose.

The government purposefully put the missiles in states such as South Dakota, North Dakota and Wyoming because of their low populations.

Razor wire surrounded the spots, and missile silos tunneled 60 feet below the surface.

A Minuteman II missile rested inside each silo. Small bases were built to house the soldiers who monitored the groups of missile sites.

Occasionally, the soldiers would allow schoolchildren to tour the bases, where they would explain how the missiles program worked. In general, however, people in the area understood little about the international significance of the projectiles in their pastures.

To think that this prairie—their homes and cattle industry—could be in the sights of the Soviet Union's military was a sick contrast to the quiet, peaceful ranch country.

Cows grazed around the sites. The high-tech mesh of metal and wires contrasted with the dry rolling plains.

My sister and I would use the missile stations as checkpoints when we rode our bikes up the long gravel roads.

Armored vehicles periodically zoomed up and down the roads to check on disturbances at the missile sites. Often, the culprits were only birds flying past the radar.

Nearly two years ago, the Air Force vehicles stopped zooming past.

Camouflaged personnel disappeared.

Monstrous Air Force semi-trucks came and hauled away the unearthed missiles.

For a time, the silos lay empty.

Then the government contracted with blasting firms to come and implode the silos with dynamite. This measure was required under the START I treaty.

While home this winter, I covered the blast project for several newspapers in my area. The Air Force officials let the rancher push the button to detonate the implosion on his land. Rather than watching catastrophic destruction, I witnessed a small BOOM and a mushroom puff of dirt.

It is the end of an era for the U.S. military.

The Cold War seemed like a gigantic game of chicken that never developed. We can be thankful, however, that the weapon-holders didn't act prematurely.

Sometimes when you hear about highly complex international disarmament pacts such as the Nuclear Non-Proliferation Treaty and START I and II treaties, it is easy to be confused. It is easy to wonder, "Are they actually disarming?"

But you can be assured by South Dakota's common people that START treaties are followed on this side of the ocean.

The missile wing in ranch country brought down utility bills, and the Air Force paid for maintenance of the gravel roads. On one hand, many of us were disappointed to see the money leave our vast, poor land.

On the other hand, people there may find joy in the fact that we finally may be off the Russian surveillance system.

But in the perspective of most, the missiles and personnel just came and went.

Life hasn't changed too much for us. We still have to fight our own Cold War every winter when we put on our coveralls and go feed the cows.

[From the Indianapolis News, July 20, 1995]

LEAVING THE FRONTIER LAND

(By Paul Glader)

Leaving a place called Opal to move to the other side of South Dakota with my family last month was the most difficult departure I've ever made.

Actually, Opal is not a town; it is a ranching community. It has a post office (run by a ranchwife in her basement); a K-8 school (two rooms located seven miles east of the post office); a fire department (a rancher's garage storing two watertanks on gooseneck trailers ready to hitch to a pickup); and a small community church.

During the first week after our family moved to the small, double-wide trailer-