

majority to declare that the State government, State subdivisions, municipalities, and school districts are powerless to act to provide a remedy for arbitrary discrimination.

Observers of today's argument are hopeful that the Supreme Court will uphold the Colorado Supreme Court's decision invalidating amendment 2. I congratulate Denver and the other appellees for their powerful arguments before the Supreme Court this morning, and look forward to a decision consistent with this Nation's commitment to the civil rights of all its citizens.

WELCOME TO PRESIDENT ZEDILLO

(Mr. RICHARDSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RICHARDSON. Mr. Speaker, today the new President of Mexico, Ernesto Zedillo, is in town meeting with our President and the bipartisan congressional leadership. Mr. Speaker, Mexico is a good friend, and it has had some tough times, and it is important that we show support to the new government and the new President of Mexico.

Last week the President of Mexico paid back \$700 million of Mexico's debt ahead of schedule. As a good neighbor should, the United States helped Mexico out of a severe financial crisis with a loan of \$20 billion. Among our top priority goals in United States-Mexico relations are to disrupt and defeat the narcotrafficking that so negatively affects both of our countries and to build the American economy by helping United States business do business with Mexico.

Mr. Speaker, it is important to welcome the new President of Mexico, to say that we are friends, that we back each other, that we need each other, that the problems of immigration and drugs and many other foreign policy issues and our economic ties are strong and should become stronger.

Mr. Speaker, I include for the RECORD a letter to me from Ambassador James R. Jones, as follows:

EMBASSY OF THE UNITED STATES OF AMERICA, MEXICO,

OCTOBER 3, 1995.

Hon. BILL RICHARDSON,
U.S. House of Representatives,
Washington, DC.

DEAR MR. RICHARDSON: Bill, I have written many "Dear Colleague" letters during my seven terms in Congress. This is the first time I have written you as U.S. Ambassador to Mexico. The occasion is the State Visit to Washington next week of Mexican President Ernesto Zedillo. I want to give you my assessment of our bilateral relationship and the status of Mexico's economic and political condition and prospects for the future.

Overall, U.S.-Mexico relations are the most mature, positive and cooperative I have seen since first visiting Mexico as a young White House Assistant nearly thirty years ago.

Among our top priority goals here at the U.S. Embassy in Mexico, two principal objectives are to disrupt and defeat the narcotrafficking that so negatively affects both of our countries and to build the Amer-

ican economy by helping U.S. business do business with Mexico.

Mexico and the United States are cooperating more closely and effectively than ever in the fight against domestic and foreign drug cartels who hope to use Mexico as a shipping point to America. President Zedillo has told me each time we have met how seriously he views the threat of organized crime to Mexico's sovereignty and its economic well-being. He has ordered closer cooperation of Mexican law enforcement agencies with ours and we are seeing results. A major narcotics trafficker and several cartel lieutenants have been arrested. Together with Mexican authorities we have developed more effective measures to detect and intercept drug shipments. So far this year, more than 400,000 metric tons of cocaine, heroin, marijuana and dangerous drugs have been seized in transit. We have a long way to go to stop the flow of drugs to the United States, but we are moving in the right direction.

Progress continues also in developing commercial opportunities for U.S. business with Mexico in ways that benefit both countries. The North American Free Trade Agreement (NAFTA) is working. Last year, Mexico surpassed Japan as our second largest trading partner before the currency crisis hit in December causing Mexico's most severe recession in decades. Today, even in the midst of this economic crisis, U.S. exports to Mexico are seven percent higher than before NAFTA took effect. And today our exports to Mexico support more than 700,000 U.S. jobs.

In addition, the economic recovery program in Mexico is also working. Absent a most unexpected event, I believe that the macroeconomic recovery will begin by the end of this year and recovery of the real economy by the middle of next year. This is important to us for two reasons: first, Mexicans buy overwhelmingly from the U.S. About 70 percent of their imports come from us. When Mexican consumers increase their purchasing power, it will expand our market opportunities which enhance jobs in the U.S. Second, creating economic opportunities in Mexico itself is without doubt the most effective way to control illegal immigration. Therefore, increasing commerce helps us both.

The Mexican Government has held steadfast to free market economic reforms and sound fiscal and monetary policies. The loan assistance package which the United States arranged to help Mexico avoid a default which could have triggered a global recession was not foreign aid. This loan has already earned our government \$479 million in interest and there are indications that Mexico will be able to pay the principal ahead of schedule.

Mexico is experiencing its greatest political, legal and democratic reforms in history. Election law changes last year have resulted in generally recognized fair elections and have given strength to opposition political parties. The Mexican Congress has gained vast new powers. The Supreme Court has been reformed. Some critics have viewed these developments as a sign of weakness in the Presidency and of potential instability. I believe just the opposite. It takes more strength to advance democracy than it does to retain authoritarian rule. We strongly support these democratic reforms and believe they improve stability in these difficult times.

This is a period of dramatic transition in Mexico as well as with our bilateral relations. The direction of this change is very positive. The values being promoted in Mexico such as a free market economy, open democratic systems, cleaning out corruption and strengthening law enforcement are values we share.

We also share a 2,000 mile border with this nation of 92 million people. We must make our relationship work to provide new opportunities for both countries. I will welcome your ideas.

Sincerely yours,

JAMES R. JONES,
Ambassador.

SPECIAL ORDERS

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. HORN] is recognized for 5 minutes.

[Mr. HORN addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

NEW REPUBLICAN MEDICARE PLAN

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey [Mr. PALLONE] is recognized for 5 minutes.

Mr. PALLONE. Mr. Speaker, I would like to continue with part of what I was talking about earlier today, and, that is, the new Republican leadership Medicare plan which I say new because as a member of the House Committee on Commerce, I first received the actual legislation not yesterday, but a week ago Monday on the day when the Committee on Commerce was expected to mark up the bill without any opportunity for a hearing. As a consequence, the Commerce Democrats decided to have their own hearings a week ago last Tuesday, on October 3, and there were a number of things that came out of that hearing that were very interesting in terms of where this Republican Medicare plan is taking us.

The concern that I have or one of the major concerns that I have is that this bill seeks to lure seniors into HMO's or other managed care programs with no choice of doctors in order to try to achieve the \$270 billion in savings that are proposed. If seniors do not move into managed care plans, budgetary gimmicks would kick in to take even more money out of the Medicare system. So I consider this plan a very unhealthy plan for the future of Medicare.

Let me talk a little bit about the concerns I have and why I say that it will force essentially seniors into HMO's or managed care systems. One of the concerns that I had a few months ago was that the Republican plan was going to basically put forward a voucher system whereby the Federal Government would give the senior a certain amount of money in a voucher or coupon and that if that was not enough to pay for a good quality health care plan, the senior would have to make up the difference by putting out more money.

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Mr. PALLONE. One of the things we found in this bill is that only a set amount of money would be directed to pay for the HMO or the managed care plan and that seniors, if they wanted a better plan or if they felt that HMO did not provide adequate coverage, would, in fact, be asked or could, in fact, be asked by the HMO or managed care system to pay more out of pocket. That is the reality.

That is what we have before us when we look at this, when we look at this GOP Medicare plan that is before the Committee on Commerce. It is essentially a voucher system. But worse than that is that there is a proposal, if enough savings are not achieved, in other words, if enough seniors do not opt to go into a managed care HMO system, then cuts would automatically occur a few years down the line.

But the cuts, again, would be not to those people who go into the HMO or to the managed care system but rather for those seniors who opt to stay in a traditional fee-for-service system where they choose their own doctor or own hospital. All of the cuts that would come into play, if enough people do not go into HMO's or managed care, all of the cuts in the reimbursement rates to the hospitals or physicians or to other health care providers would come on the fee-for-service side.

What that would mean is that eventually those hospitals and doctors that continue in the fee-for-service system, where you can choose your own doctor and you do not have to go into managed care, they would find less and less money coming to them from the Federal Government, and they ultimately would have to, again, move into an HMO or managed care system because it would not pay for them to stay in the traditional fee-for-service system.

So what we have here is a program that essentially forces all of our senior citizens ultimately into an HMO or fee-for-service where they do not have choice of doctors.

The other thing that came to light in the document that was given to the Committee on Commerce last week is that the whole discussion on the part of the Republican leadership about how they were trying to go after fraud and abuse in Medicare, well, essentially that is a hoax. Because if you look at the actual bill, it makes it more and more difficult for the Federal Government to weed out fraud and abuse in the Medicare system. We estimate that over a course of 7 years, \$126 billion could be saved by reducing fraud and abuse.

But the GOP bill makes the existing civil monetary penalties and anti-kickback laws considerably more lenient. According to the inspector general of the Department of Health and Human Services, who testified before our alternative Commerce Democrats' meeting, hearing last week, the Medicare restructuring legislation would substantially increase the Government's bur-

den of proof in cases under the Medicare-Medicaid anti-kickback statute. Although a fund would be created to direct funds recovered from wrongdoers, this fund would not go to further law enforcement efforts. What that means is it is going to be harder for the Government to prove fraud and abuse because the Government would have a higher burden of proof.

If we do recover monies, because we do find fraud and abuse, find these kickback schemes that have existed, that money will not go back to law enforcement. There will be less and less, and it will be more and more difficult for the Government to go after fraud and abuse.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida [Mr. GIBBONS] is recognized for 5 minutes.

[Mr. GIBBONS addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

A DANGEROUS PROPOSAL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Colorado [Mr. SKAGGS] is recognized for 5 minutes.

Mr. SKAGGS. Mr. Speaker, I would like to continue the discussions that we have been having here for some weeks now about the so-called Istook-McIntosh-Ehrlich proposal, an un-American, unfair effort to clamp down on political expression and political advocacy activities through a broad swathe of America, individuals and nonprofits and for-profits and partnerships. You name it, just about everybody is going to be covered by this effort to restrict the ability of Americans to enjoy their first amendment rights to participate in the public affairs of this country.

One of the things that is buried in this voluminous proposal has to do with the compliance provisions to make sure that no one and no organization was too active politically if they happened to get anything of value or a grant from the Federal Government. Remember that anything of value encompasses a multitude of possibilities, including, for instance, such things as irrigation water going to a western rancher or farmer from the Bureau of Reclamation.

In any case, anybody that is subject to the Istook limits on political advocacy and expression could be called to task, not in order to defend against a government allegation of a violation but, if challenged, would have to prove their innocence under this legislation. Again, it is not a case where the Government has to prove a violation. If you are challenged for having done too much political activity in a year, you have to prove your innocence. You not only have to prove your innocence by what would be the normal standard in our courts of a preponderance of the

evidence, more than 50 percent, you have to establish compliance by clear and convincing evidence.

Now we are talking, remember, about exercising our first amendment rights and being able to show that we have not overexercised, if you will, and having to show that on meeting our own burden of proof by clear and convincing evidence. Not only could a government agent come in to challenge a citizen or a nonprofit or a for-profit organization about this in this land of the free, but this bill invites, by incorporating what is called the False Claims Act, invites rampant vigilantism throughout this country because under the False Claims Act any citizen can sue anybody that they think may have violated these restrictions and any citizen can put an organization or their neighbor to the task of defending, of proving innocence under the absolutely warped scheme that would be imposed on this country under the Istook-McIntosh-Ehrlich bill.

Under the False Claims Act, if you are put to this proof that you have not overdone your political expression this year, you are doing so at the risk of treble damages and fines imposed under the False Claims Act. Again, an invitation to the opponents of anyone who is taking a position that may not be particularly popular in their community or in their neighborhood, an invitation to this kind of gratuitous activity by badly motivated vigilantes.

One of the other things about this proposal that, again, has not gotten the kind of attention it deserves is the reporting requirement. Every organization in this country that gets any grant or thing of value from the Federal Government, and that may be, for instance, a reduced postage mailing permit for publications and newspapers, but anyone that gets such a thing of value from the Federal Government is going to have to file every year a certification with regard to their compliance that enumerates their political activities for the preceding Federal fiscal year and gives an estimate of how much was spent on political activity.

All of these individual reports will be collated by every Federal agency that dispenses anything of value or any grant money and sent over to the Census Bureau, which every year will be required under this crazy legislation to pull together a national registry of political activity in this country and make it available on the Internet.

Can you imagine anything as inconsistent, as contradictory to the fundamental principles of this democracy, of the free exercise of speech and communication and freedom of assembly, having to do with the political life of our democracy?

Rumor two, although, this masquerades as having to do only with lobbyists and the Federal Government, these restrictions apply across the board to anything anybody does having the