under section 501(c)(3) or 501(c)(5) or 501(c)6 or any of the other 25 categories, or maybe more, if I recall, of the Internal Revenue code. And I would remind my colleagues that 501(c)(3), which is not affected by this legislation, this amendment—this is the one that encourages activities, that are, and I quote directly from the code, 501(c)(3)'s are not affected by this amendment, are to ''Relieving the poor and distressed,'' or for ''Advancing religion or education.'' Thus, this amendment would not affect the Salvation Army, nor any other of the educational institutions in your State or any ''charities.'' Nor would it affect the tax-exempt groups that file under 501(c)(5) or 501(c)(6) of the Internal Revenue Code. These organizations include the labor organizations, and business organizations, groups such as the chamber of commerce, and the AFL–CIO—not dealt with here; no impact at all.

This amendment deals very directly with section 501(c)(4) only. You can read that, the big lobbyists, the big boys and girls, and quite a list. That is the category that some organizations have chosen to file under when they want to spend an unlimited amount of money on the lobbying of the Congress. Unlike a 501(c)(3) which has a floating cap on how much can be spent on lobbying, there is no such cap on a 501(c)(4), none.

This means that an organization under 501(c)(4) can under current law enjoy a tax exemption, enjoy receiving the Federal grant money and enjoy spending untold millions—that is the number, untold millions—lobbying the Congress. This is huge loophole benefiting the powerful lobbyists at the expense of the collective interests of our citizenry. It is small wonder that we have such difficulty here casting votes to benefit the average citizen and Americans when we are simultaneously subsidizing the programs and activities of some of our largest lobbying groups. This is a reform that absolutely must be made, and soon. And there is no better place than I think the time today because there is a fundamental basic incompatibility between the current construction of 501(c)(4) law and the delivery of Federal grant money.

I feel, after looking at it as carefully as I can, that rather than to design the limitations on the lobbying, or other advocacy activities of the 501(c)(4) organizations, that we should simply acknowledge that this is not the provision of the Tax Code under which altruistic, caring, charitable groups file. They do not file under 501(c)(4). But rather, this designation attracts those groups that are organized principally to lobby the Federal Government, and do so without financial limitations.

There are, of course, and be assured, countless fine organizations doing good work and good works, organized under 501(c)(4) of the Tax Code. And if they wish to continue their administration of Federal grant money, certainly we should encourage them to file as a 501(c)(3) or any other available provision of the Tax Code.

My amendment would not prevent the truly altruistic groups from doing just that, but if they wish to enjoy the benefits of 501(c)(4) and also enjoy the special privilege to lobby just as many bucks as their bank account will allow, then they should not be paid off in Federal grant money.

I hope we might receive bipartisan support for this amendment, good bipartisan support. I have heard some of my colleagues take the floor at other times during this year to state that such lobbying activities should not be underwritten by the Federal Government. I have heard some on the other side of the aisle say that the NRA in particular should not be receiving Federal grant money. Many concur.

So this is the Senate's chance to put an end to these conflicts of interest. I hope the Senators on both sides of the aisle will support this needed reform and vote to curtail the delivery of grant money to these, the most powerful lobbying groups and organizations in America. It is really a fundamental test of our sincerity in removing the decisionmaking process from obvious conflicts of interest. I ask my colleagues for their support with regard to the amendment.

Mr. President, I will yield to Senator BROWN whenever he wishes the floor, but let me speak another few moments.

MEDICARE AND SOCIAL SECURITY REFORM

Mr. SIMPSON. Mr. President, I was listening with interest to the discussion of Medicare and these issues that confront us, what we are going to do—the ancient litany of a tax cut for the rich, and this type of activity. I just want the American people to be certain that they remember that Medicare will go broke in 7 years and Social Security will go broke in the year 2031. It would be very helpful if they could come forward and tell us what we should do about that.

LOBBYING DISCLOSURE ACT OF 1995

The Senate continued with the consideration of the bill.

Mr. MCCONNELL. Mr. President, before the Senator from Wyoming leaves the floor, I listened carefully to the explanation of his amendment, and I wanted to commend him for what I think is an outstanding amendment, a very important contribution to the underlying legislation. I fully intend to support him and encourage this effort. I wish to thank him for his leadership in this area.

Mr. SIMPSON. Mr. President, I thank the Senator from Kentucky. No one has been more vitally involved in these issues than my friend from Kentucky, Senator MCCONNELL. And those are powerfully reliable words. I appreciate it very much.

Mr. MCCONNELL. Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Colorado.

Mr. BROWN. Mr. President, what is the pending business before the Senate?

The PRESIDING OFFICER. Currently the Simpson amendment No. 1839 is pending.

Mr. BROWN. Mr. President, it is not my intention to preclude further debate on the Simpson amendment. Obviously, I join him in the hopes that it will pass and be accepted. But would the Senator be comfortable if I temporarily set it aside and move back to the Brown amendment?

Mr. President, I ask unanimous consent that we temporarily set aside the Simpson amendment.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

AMENDMENT NO. 1838

Mr. BROWN. Mr. President, are we now considering the Brown amendment?

The PRESIDING OFFICER. Yes, the Brown amendment is now the pending business.

Mr. BROWN. Mr. President, it is my intention to offer three amendments for consideration of the body. The first one, as we have spelled out, is the reporting categories; that they are meaningful in reporting the value and, as we have already discussed, a current limitation of closing the valuation at $1 million could be very misleading.

The second amendment I hope to offer is one that deals with qualified blind trusts. Currently, the statutes under which we operate provide that a recipient or beneficiary of a qualified blind trust is allowed under a qualified blind trust to be advised of the total cash value on a periodic basis.

Our amendment, the second amendment we will offer, simply would make it clear that if one is advised of their total cash value, under the statutes, of a qualified blind trust, that total cash value—not the value of the assets underneath but the total cash value—is disclosed.

The third amendment is one that will deal with personal residences that exceed $1 million. While there may be very few of these—at least I do not anticipate there would be very many—there is a tax implication which was passed by previous Congresses in regard to valuation of a residence. That tax rule that Members are familiar with involves financing of a personal residence in excess of $1 million and imposes limitations or, to be more precise, limits the deductibility for tax purposes. Inasmuch as that tax provision exists and raises potential conflict of interest for Members voting who might come under that provision, the third amendment would provide for the reporting of personal residences in excess of $1 million.

Mr. President, as I understand it, Members are now considering the first amendment, which would expand our reporting categories, and it would be my intention to allow this to proceed under a voice vote, if that is the wish of Members of the Senate, so that we could maximize the use of our time.

I yield the floor, Mr. President. I note the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BROWN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BROWN. Mr. President, it will be my intention to lay down the other amendments that I have referred to. So I rise at this point for the purpose of offering an amendment. First, I ask unanimous consent that the pending Brown amendment be temporarily set aside.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

AMENDMENT NO. 1840

(Purpose: To amend title I of the Ethics in Government Act of 1978 to require the disclosure of the value of any personal residence in excess of $1,000,000)

Mr. BROWN. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Colorado [Mr. BROWN] proposes an amendment numbered 1840.

At the appropriate place, insert the following:

SEC. . DISCLOSURE OF THE VALUE OF ANY PERSONAL RESIDENCE IN EXCESS OF $1,000,000 UNDER THE ETHICS IN GOVERNMENT ACT OF 1978.

(a) IN GENERAL.—Section 102(a) of the Ethics in Government Act of 1978 is amended by adding at the end thereof the following:

''(8) The category of value of any property used solely as a personal residence of the reporting individual or the spouse of the individual which exceeds $1,000,000.''.

(b) CONFORMING AMENDMENT.—Section 102(d)(1) of the Ethics in Government Act of 1978 is amended by striking ''and (5)'' and inserting ''(5), and (8)''.

Mr. BROWN. Mr. President, this second amendment is quite straightforward, and it was the reason I thought it appropriate to allow it to be read in full. What it does is fill a gap in our reporting requirements. Since we have specific legislation that provides separate tax treatment if someone borrows more than $1 million on a personal residence, there is currently an issue before Congress in terms of a tax policy where the ownership of a residence in excess of $1 million in value presents a potential conflict of interest.

Thus, this amendment would fill the gap in our current reporting requirements. It would allow disclosure of personal residences that are in excess of $1 million or, I should say more precisely, it provides for that disclosure and would provide information with regard to potential conflict of interest when voting on tax issues of that kind.

Mr. President, I ask unanimous consent that the second Brown amendment be temporarily set aside.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 1841

(Purpose: To amend title I of the Ethics in Government Act of 1978 to require an individual filing a financial disclosure form to disclose the total cash value of the interest of the individual in a qualified blind trust)

Mr. BROWN. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Colorado [Mr. Brown] proposes an amendment numbered 1841.

Mr. BROWN. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place insert the following:

SEC. . FINANCIAL DISCLOSURE OF INTEREST IN QUALIFIED BLIND TRUST.

(a) IN GENERAL.—Section 102(a) of the Ethics in Government Act of 1978 is amended by adding at the end thereof the following:

''(8) The category of the total cash value of any interest of the reporting individual in a qualified blind trust, unless the trust investment was executed prior to July 24, 1995 and precludes the beneficiary from receiving information on the total cash value of any interest in the qualified blind trust.''

(b) CONFORMING AMENDMENT.—Section 102(d)(1) of the Ethics in Government Act of 1978 is amended by striking ''and (5)'' and inserting ''(5), and (8)''.

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendment made by this section shall apply with respect to reports filed under title I of the Ethics in Government Act of 1978 for calendar year 1996 and thereafter.

Mr. BROWN. Mr. President, Brown amendment No. 1841 deals specifically with qualified blind trust. Under the current statutes, we provide an exception or an exemption from reporting, and it is done only in an area where a trust is involved and where it meets the standards of qualified blind trust under law.

Under the statutes of a qualified blind trust, the beneficiary of that trust is allowed to receive certain information. The beneficiary is allowed to be advised of the earnings of that trust, which is obviously necessary for tax purposes, and also under the law is allowed to receive information of the total cash value of that trust and can be reported to the beneficiary as often as four times a year under the current statute.

Ironically, though, we have exempted the beneficiary from disclosing that information which they are allowed to receive under the terms of the qualified blind trust. This amendment merely provides that the total cash value be reported, along with the other information in someone's disclosure. It does not require disclosure of the assets in which the trust is invested. But it does provide that the beneficiary of that trust report the information that they receive from the trust; that is, the total cash value.

Mr. President, there is a specific exemption included in the third Brown amendment, that is amendment No. 1841. That exemption is this: If someone is the beneficiary of a qualified blind trust and that trust was executed prior to today and the terms of that trust precludes the beneficiary from receiving information on the total cash value, then one need not report it.

So while the statute allows people to receive information on the total cash value, it is certainly possible that some Members operate or receive benefits under a trust that does not advise them of that total cash value. It would be our intention to not push those Members into a difficult bind under these circumstances and, thus, we have provided this exception; that is, if the terms of the trust do not allow the beneficiary to be advised of its total cash value, then the Member would be exempt from having to report that information; that is, it would not have to report the information that they do not have and cannot get under the terms of the qualified trust.

The change, though, is this: If someone has a qualified blind trust and is advised under the terms of that trust the total cash value, then they would no longer be exempt from reporting that. It, in effect, puts Members on equal footing. It seems to me this fills a very important loophole in our current disclosure provisions.

Mr. President, I ask unanimous consent that we temporarily set aside amendment No. 1841 and return to the Brown amendment No. 1838.

Mr. McCONNELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. McCONNELL. Mr. President, just briefly, I want to commend the Senator from Colorado for three excellent amendments that I think fit the spirit of the underlying legislation, and I want to commend him for presenting them. I fully intend to support them and hope the Senate will as well.

Mr. President, I yield the floor.

Mr. LEVIN addressed the Chair.

The PRESIDING OFFICER. The Senator the Michigan.

Mr. LEVIN. Will the Senator yield for a question on amendment No. 1841?

Mr. BROWN. Sure.

Mr. LEVIN. As I understand the amendment, the categories of total cash value of any interest of the reporting individual would be the same categories as are provided by law for other assets; is that correct?

Mr. BROWN. That is correct.

Mr. LEVIN. So if Brown amendment No. 1838 were adopted, it would be the new categories as provided in Brown amendment No. 1838 that would be applied to the blind trust situation.

Mr. BROWN. That is correct.

Mr. LEVIN. On Brown amendment No. 1840, the one relating to the value of a house, is it my understanding that the valuation of the home would be done in accordance with one of the various methods of valuation which are currently allowed for other assets?

Mr. BROWN. That is correct, in my understanding. The Senator, I know, is well versed in this and may be willing to straighten me out on this, but my understanding is you can report historic costs if you do not have a firm fix on what the current valuation is.

Mr. LEVIN. My recollection is, and I am not sure I do have any greater knowledge than my friend from Colorado, but my recollection is that there are at least three methods of valuation which are allowed for real estate. You can take cost—I think there is a depreciation factor—historic valuation, there is a tax assessment valuation and there are a number of other ways, perhaps. But whatever it is that is allowed for real estate under the current requirements would be allowed when it comes to the valuation of a home under Brown amendment No. 1840; is that correct?

Mr. BROWN. That is correct. I might say that it certainly would not be my intention to require in any way an annual appraisal or something like that. I think the alternatives that exist in law, at least in my view, are more than satisfactory for reasonable disclosure.

Mr. LEVIN. Mr. President, we are attempting to determine whether or not there are Senators that wish to debate any of the three Brown amendments, and pending that determination, I ask that the amendments either be laid aside so that we can return to some other business, or if anybody else wishes to come to the floor to debate the bill or any of the amendments which have already been laid aside, that they do so.

I yield the floor.

Mr. BROWN. Mr. President, for clarification purposes, I wanted to mention for the RECORD what I think is an important aspect of this. Amendment No. 1841, which deals with the qualified blind trust, uses the term ''total cash value.'' The reason that we use that term is that it is the precise language that the current statute uses; that is, the current statutes provide that you can have a trust that qualifies as a qualified blind trust and still report to the beneficiary the total cash value. So that is the origin of that.

In contacting the Ethics Committee, we sought to learn what was meant by the term ''total cash value.'' We are advised that they do not have an independent legal opinion on the use of that term, even though they have questions about its usage in filing. But we are also advised that they believe that it means and relates to, in effect, the value of the trust, market value of the trust, the value it would have if the trust were converted to cash on the current market.

It seems to me that is a reasonable definition, and it is certainly with that understanding in mind that we have used that term; that is, to give full disclosure to what is the current value under the current market conditions of the value of that trust, those trust assets.

I yield to the distinguished Senator from Michigan.

Mr. LEVIN. Mr. President, I wonder if the Senator will yield for an additional question which relates to line 1 on page 2. It says there, ''the category of the total cash value of any interest of the reporting individual.''

I want to see if my understanding is correct. Is the cash value of interest related purely to the value of the asset? And is my understanding correct that this amendment does not require the disclosure of income from that asset? Or is that already required under law?

Mr. BROWN. It is my understanding that the law already requires the reporting of income accruing to the beneficiary of the trust, but in the past has not required the disclosure of the total cash value of the underlying assets.

Mr. LEVIN. So whatever the current law is relative to disclosure of income from the qualified blind trust, it is not affected by this amendment?

Mr. BROWN. That is correct.

Mr. LEVIN. I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. McCONNELL. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. CRAIG. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. ABRAHAM). Without objection, it is so ordered.

AMENDMENT NO. 1839

Mr. CRAIG. Mr. President, last week I introduced legislation on this floor to deal with the very topic that the Senator from Wyoming came to the floor earlier this afternoon to introduce, an amendment to the lobby reform bill that is now pending before the Senate. The issue is the Federal Advocacy Reform Act of 1995, and to be able to deal with it in the amendment form tied to this is most appropriate.

For a few moments this afternoon I would like to talk briefly about the scope of this amendment and why I think it is so important for us to consider in the context of Federal lobbying.

People are correctly focused on lobbyists and gifts to legislators as the Senate convenes today to debate these important topics. But I think we also need to worry about Government's gifts to lobbyists. Some of my colleagues would say, ''Senator, what are you talking about?'' But the Senator from Wyoming, AL SIMPSON, this afternoon very clearly laid out the growing phenomenon in this country of more and more Federal tax dollars going in the form of contracts and grants, and in some instances outright gifts, to advocacy groups which then allows them to use the tax base, the tax dollars of this country, to argue their maybe very narrow point of view. The question is, is this in the best interests of our country? Should we allow these kinds of things to go on?

It is not a new question that we ask. Mr. President, 75 years ago Senators stood on this floor and clearly argued that Federal tax dollars should not be used for the purpose of advocacy for a narrow or single purpose. But Federal tax dollars should at least be spread for the common good and they should be cautiously used, but in all cases the common good or the broad base of the American public's interests ought to be at mind.

Over the last good number of years, we have watched grow to a point now where over $70 billion annually in the form of grants go out to a broad cross-section of interests across this country, and in many instances, then, we find those tax dollars right back here on the doorstep of the U.S. Capitol, being advocacy dollars for sometimes a very narrow, specific point of view.

I think it is now time for this Senate, as we debate the broader question of lobbying, to argue, is that the right thing to do? With nearly a $5 trillion debt, a $200 billion deficit, and the very real concern that this year for the first time this Congress is going to establish increasingly narrow and tighter public priorities as to where our dollars get spent, is it not time we do the same in this area and with these categories?

Our associates and friends in the House are approaching it from a different point of view. Amendments will be offered before the appropriations process over there that will deal with more than the 501(c)(4) category inside the Internal Revenue Code that the Senator from Wyoming and I are discussing this afternoon. They will talk about the ''not for profits'' and ''for profits,'' the 501(c)(3)'s and all of those that fall under the broad category of section 501 of the IRS Code.

But, today, our amendment is very clear and it is narrow. It says that, for those not-for-profit advocacy groups, who choose to be, for their purpose, advocating a point of view, that they should be disallowed from receiving Federal dollars. It is very straightforward and very simple in its approach.

When I introduced S. 1056 last week, Senator SIMPSON worked with me in the cosponsorship of that, along with my colleague from Idaho, DIRK KEMPTHORNE, and Senator COVERDELL, Senator GREGG, Senator NICKLES, Senator LOTT, Senator KYL, Senator

GRAMS, and Senator FAIRCLOTH, and it was only but for a few moments on Friday that I worked that issue. Obviously it is one of great concern and I think very popular, and it ought to be debated here on the floor and tied to this important legislation we are dealing with this afternoon.

Mr. President, I ask unanimous consent that a position paper developed by the Heritage Foundation be printed in the RECORD.

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

[From the Heritage Foundation]

RESTORING INTEGRITY TO GOVERNMENT: ENDING TAXPAYER-SUBSIDIZED LOBBYING ACTIVITIES

To compel a man to furnish funds for the propagation of ideas he disbelieves and abhors is sinful and tyrannical.—Thomas Jefferson.

INTRODUCTION

The federal government subsidizes lobbying by tax-exempt and other organizations through grants and contracts to advocacy groups. Each year, the American taxpayers provide more than $39 billion in grants to organizations which may use the money to advance their political agendas.

Federal funding of private advocacy is not limited by ideological scope. Organizations to the left and right of the political center use taxpayers' funds to promote their ideas and positions. Almost every interest in America—from agriculture to zoology—has one or more organizations receiving government funding. Recipients range from the American Association of Retired Persons, which received over $73 million in a one-year period, to the American Bar Association, which received $2.2 million. Over the past forty years, Congress has helped create a vast patronage network or organizations that enjoy tax-preferred status, receive federal funds, and engage in legislative or political advocacy. The days of big city political machines disbursing patronage may be coming to an end, but the disbursement of financial dividends to political friends is a prominent feature of the federal budget. As Heritage Foundation Senior Fellow Marshall Breger has written:

''Lacking the imprimatur of democratic consent, government subsidy of private advocacy can be seen for what it is—the public patronage of selected political beliefs. That these advocacy subsidies are rarely made openly but are often disguised through grants and contracts for legitimate public functions merely underscore the dangers inherent in a system of expansive government subsidy.''[1]

Clearly, the right to petition government to redress grievances should not be infringed. Individuals and organizations using funds from the private sector should be encouraged to engage in the legislative and political process. It is an entirely different matter, however, to employ the coercive power of the federal government to force taxpayers to finance organizations which lobby Congress or other government entities. It is every bit as unjust to force liberal taxpayers to fund organizations on the right as it is to force conservative taxpayers to finance organizations on the left. The fundamental principle is that it should be anathema to force taxpayers to underwrite advocacy with which they disagree.

Taxpayer funding of advocacy organizations is wrong—fiscally, morally, and logically. It is fiscally irresponsible to spend federal revenues on activities that provide no meaningful return to the American people. It is morally wrong for the government to take sides in any public policy debate by assisting the advocacy activities of an elite few. And it is logically wrong for the government to fund activities that often result in lobbying for increased federal expenditures. The reasons are summarized aptly by George Mason University professor James T. Bennett and Loyola College professor Thomas J. DiLorenzo in their comprehensive study, Destroying Democracy.

''A large number of individuals with strong views can express their preferences by contributing funds to a group that promotes that issue. With tax-funded politics, however, a small number of zealots with access to the public purse can obtain resources from government to advance its views even though few individuals in society share the group's philosophy. Whenever government funds any political advocacy group, it effectively penalizes those groups that advocate opposing public policies and provides a distinct advantage to the group or groups that it favors in the clash of ideas.''[2]

THE FUNDING OF FACTION

The Founding Fathers recognized the dangers of factions in a republic. James Madison wrote in Federalist Number 10 that ''Among the numerous advantages promised by a well-constructed Union, none deserves to be more accurately developed than its tendency to break and control the violence of faction.'' Madison defined faction as ''a number of citizens, whether amounting to a majority or minority of the whole, who are united and actuated by some impulse of passion, or of interest, adverse to the rights of other citizens, or to the permanent and aggregate interests of the community.''

What the Founding Fathers referred to as factions we now call special interests. Instead of restraining factions, however, the federal government today subsidizes them. This distorts the political process by favoring one faction over another and by nourishing a network of special interests—a welfare-industrial complex—with a direct self-interest in a growth of the welfare state. The financial cost to the taxpayer is far higher than the amount funneled to these organizations. Each one not only lobbies for its contract or grant, but also advocates for bigger, more expensive social welfare programs, further complicating efforts to put the nation's fiscal house in order. Moreover, while these organizations often claim that the money they receive helps the less fortunate, the reality is that it bolsters their own political power, perks, and prestige.

The advocacy network and its leaders contribute to what author James Payne has referred to as a ''culture of spending'' in Washington which makes it extremely difficult to trim government programs: ''Leaders of such federally dependent interest groups should not be seen as representing independent citizen opinion. They are quasi-governmental officials with a vested interest in the spending programs that benefit their organizations.''[3]

Not every dollar given to an advocacy group goes directly to political advocacy activities. However, federal dollars are fungible. Every federal dollar frees private resources to be spent on political, lobbying, and other advocacy activities. Moreover, federal funds make the organization appear to be a larger force in the political arena than it would if it were totally reliant upon private contributions. For example, the National Council of Senior Citizens receives 96 percent of its funding from the federal government.

The NCSC is but one of many advocacy organizations receiving federal funds. Here are just a few other examples:

The AFL–CIO benefited from more than $2,000,000 between July 1993 and June 1994. According to the AFL–CIO News Online, the AFL–CIO used the Memorial Day recess to increase pressure on Members of Congress with its ''Stand UP'' campaign: ''In those [5 targeted] districts, the AFL–CIO provided radio ads and coordinators to work with local union officials and legislative action committees. Other activity included direct mail, jobsite leafleting, phone call drives using the AFL–CIO's toll-free hotline, petition drives, town meeting attendance, and letters and columns submitted to local newspapers.''[4]

Recently, the Service Employees International Union produced a newspaper advertisement opposing tax cuts and efforts in Congress to slow the growth of welfare and Medicare. SEIU claims Congress is attempting to ''loot'' welfare programs and ''steal'' from low-income home-energy assistance to help finance ''corporate special interests.'' The ad lamented the impact on Fannie Johnson and her family in Ohio.[5] This labor special interest benefited from $137,000 in taxpayer funding in 1993 (for an ''anti-discrimination public education campaign''). Terminating it would eliminate the tax burden of nearly 30 families just like Ms. Johnson's in Ohio.

Families USA—a driving force behind the Clinton big-government health care plan, including the failed last-ditch attempt to revive it last summer through a nationwide bus tour[6]—received $250,000 from the taxpayers between July 1993 and June 1994.

The Child Welfare League of America received more than $250,000 in federal funding, then turned around and launched an ad campaign to increase welfare spending. The League ran an advertisement opposing the Contract With America's welfare reform bill which charged that ''More children will be killed. More children will be raped.''[7]

The National Trust for Historic Preservation received approximately $7 million from the federal government in FY 1994—22 percent of its budget. In the same year, the Trust ''launched a lobbying campaign against the Disney project'' in Northern Virginia.[8] In 1993, it ''lobbi[ed] Congress to expand the historic rehabilitation tax credit.''[9] The group's president, Walter Mondale's former chief of staff Richard Moe, said the full credit would cost ''$1.4 billion over five years.''[10]

The American Nurses Association received nearly $1 million between July 1993 and June 1994 from the U.S. taxpayers. In 1994, the ANA endorsed the Gephardt health care plan and actively lobbied for it. According to the union's own press release announcing this endorsement, ''The American Nurses Association is the only full-service professional organization representing the nation's 2.2 million Registered Nurses through its 53 constituent associations. ANA advances the nursing profession by . . . lobbying Congress and regulatory agencies on health care issues affecting nurses and the public.''[11] The *Political Finance and Lobby Reporter* revealed on May 12, 1995, that two new ANA lobbyists had registered.

The American Federation of State, County and Municipal Employees, which received nearly $150,000 in the most recent grant reporting period, denounced the House welfare plan, saying it ''will drive more families into poverty and turns its back on hardworking Americans who fall on bad times. This is the small print in their evil Contract on America.'' AFSCME President Gerald McEntee went on to say that ''AFSCME will continue to fight for real welfare reform that includes

Footnotes at the end of article.

jobs at decent wages, child care, health care and education and training.''[12]

Actually, however, government funding of advocacy organizations can hurt their cause. Well-grounded public policy institutions prosper from strong grassroots support backed by individual financial contributions. Much like a profitable company, they can measure support by looking at how many people were willing to open their checkbooks for the cause:

The plain fact is that political advocacy groups will not flourish on the basis of government subsidy. Rather they will prosper only insofar as they develop financial roots in the polity. Reliance on the government trough is no sign of the commitment of your adherents to your cause.[13]

NOT A NEW PROBLEM

Federally funded advocacy is not a new problem. Congress recognized the potential for abuse more than 75 years ago when it passed a law prohibiting the use of federal funds for political advocacy. Unfortunately, the prohibition was too vague, too lenient, and too weakly enforced. Put simply, auditing of federal grants by the government does not provide the level of scrutiny needed to root out abuse.

The scope of the problem can be seen by examining the *Catalog of Federal Domestic Assistance*, published every six months by the federal government. It details nearly every federal program from which eligible individuals, organizations, and governments can receive tens of billions of dollars in taxpayer funding.

For years, congressional offices have worked with constituents to help them find federal grants, in the process becoming very familiar with the *Catalog* as a guide to sources. But very few congressional staff employees have been aware of abuses in the grants process. These abuses are long-standing. In testimony before the House Committee on Government Operations in 1983, Joseph Wright of the Office of Management and Budget noted that the General Accounting Office had found problems as far back as 1948.[14]

In the early years of the Reagan Administration, the OMB attempted to revise OMB Circular A–122 (originally issued in the final year of the Carter Administration) to redefine limits on ''allowable costs'' by federal grantees. The revision, first released in January 1983, was widely criticized as overly broad, excessively burdensome, and unenforceable.

One of the focal points of the initial debates was the fact that the original OMB proposal apparently would have disallowed the use of any equipment, personnel, or office space for both federal grant and political advocacy purposes if at least 5 percent of the organization's resources was used for lobbying. For example, a copy machine could not be used to produce flyers for a rally on Capitol Hill if it was paid for—in whole or in part—by taxpayer funds. Many nonprofits objected to such clear separation between federal funding and political advocacy.

Months later, OMB Director David Stockman and General Counsel Michael Horowitz withdrew the original proposal and released a new draft with a more narrow definition of prohibited activities. This watered-down version no longer drew a clear line between allowable and unallowable costs. Instead, it specified a few examples of prohibited behavior, including a prohibition on reimbursement for conferences used in ''substantial'' part to promote lobbying activities.

Unfortunately, this effort to appease federally funded nonprofits and quell opposition in Congress was futile. Because Congress signaled its clear opposition to working with the Reagan Administration to curb federally funded lobbying activities, despite the fact that all parties acknowledged such behavior was inappropriate, A–122 failed to improve substantially the restrictions on lobbyists billing Uncle Sam for their activities.

EXISTING PROHIBITIONS ARE NOT WORKING

Federal law prohibits the use of federal funds for lobbying (18 U.S.C. Section 1913). However, there is no clear set of guidelines as to specific prohibited practices. In addition, numerous appropriations riders have been offered and approved in the past in an effort to curb federally subsidized lobbying. The purpose of the Reagan Administration's attempt to create a more stringent version of OMB Circular A–122 was to tighten the gaping loopholes in existing law and to implement Congress's intent in passing lobbying prohibitions.

Circular A–122 drew on several distinct concepts to frame the new guidelines.

Taxpayers are not obliged to fund advocacy they oppose. The Supreme Court in 1977 ruled that taxpayers are not required, directly or indirectly, ''to contribute to the support of an ideological cause [they] may oppose.'' (Abood v. Detroit Board of Education)

Freedom of speech does not depend on federal funding. In 1983, the Supreme Court unanimously ruled that the federal government ''is not required by the First Amendment to subsidize lobbying. . . . We again reject the notion that First Amendment rights are somehow not fully realized unless they are subsidized by the State.'' (Reagan v. Taxation with Representation)

The Internal Revenue Code does not alleviate the problem. The notice of the request for public comment on the second revision of A–122 notes that current IRS rules threaten tax-preferred organizations only if they exceed defined limits on lobbying. However, the limits are not tied in any way to the receipt of federal funds, leading to many of the same problems from which the 1919 law prohibiting federally funded lobbying suffers.

Unfortunately, the firestorm created by the first proposed revision of A–122 led to a second draft that watered down the tough initial provisions and failed to solve the problems outlined by the Administration in presenting its proposals. The notice of public comment on the second proposal stated that its ''purpose [was] assuring compliance with a myriad of statutory provisions mandating that no federal funds used for lobbying purposes, and to comply, in balanced fashion, with fundamental First Amendment imperatives.'' Despite the best of intentions, the revised A–122 did not meet these goals.

A particularly serious provision of the second revision was its enforcement mechanism. A popular maxim in the 1980s was ''trust but verify.'' OMB Circular A–122 relied on trust alone:

''[T]he federal government will rely upon [the nonprofit employee's] good faith certification of lobbying time below 25%. . . . Under the proposal, the absence of time logs or similar records not kept pursuant to grantee or contractor discretion will no longer serve as a basis of contesting or disallowing claims for indirect cost employees.''

In essence, this lack of verification of time spent on lobbying activities permits the individual to state that he is complying with the law even if that is not the case. This is worse than the fox guarding the henhouse. If a nonprofit is willing to violate the restrictions on advocacy, surely it will have no qualms about certifying it is in compliance with the law.

TOUGHER RESTRICTIONS NEEDED

Tougher laws are needed to prevent the abuse of taxpayers' funds by federal grantees. There is no excuse for compelling John Q. Public to support political advocacy that he opposes. It is fiscally irresponsible and morally indefensible.

The following should be essential parts of any congressional efforts to curb current abuses:

Truth in Testimony. Witnesses testifying before Congress should be required to divulge in their oral and written testimonies whether they receive federal funds and, if so, for what purpose and in what amount. This will permit committees to view the testimony in an appropriate light.

No Federal Funding for Advocacy. No organization that receives federal funds should be permitted engage in any thing but incidental lobbying activities, except on issues directly related to its tax status.

No Bureaucratic Shell Games. No recipient of federal funds should be permitted to maintain organizational ties to any entity that engages in lobbying activity. All subgrantees should be treated as it they received the funds directly from the federal government. Independent Sector, an organization representing hundreds of nonprofit advocacy groups, unwittingly indicated the need for this in a recent report: ''Although the nonprofit organization received a check from the local government, the local government may have received some or all of its funding for this project from a Federal Community Development Block Grant (CDBG).''[15]

Meaningful Auditing. The Inspectors General of the various federal departments and agencies must investigate more thoroughly any abuses of current law, as well as new laws passed by the Congress.

Tough Penalties. The consequences for violating the prohibition on federally subsidized lobbying must be sufficient to discourage organizations from violating the standards. Under no circumstances should any organization that willingly and knowingly violates the prohibitions receive further federal funding.

Representative Robert K. Dornan (R–CA) has introduced H.R. 1130, the Integrity in Government Act, which would prohibit a recipient or paid representative of any federal award, grant, or contract from lobbying in the following circumstances:

In favor of continuing the award, grant, or contract;

In favor of the actual program under which the funds were disbursed;

In favor of any other program within the broad department or agency; and

In favor of continued department or agency funding.

The Dornan legislation also prohibits tax-exempt lobbying organizations from receiving federal funds. Representatives Bob Ehrlich (R–MD), Ernset Istook (R–OK), and David McIntosh (R–IN) also are working on legislation to remedy this problem.

It is difficult to craft legislation that satisfactorily defines prohibited activities. Moreover, any bill designed to redress these abuses must prevent organizations from simply establishing separate bank accounts and separate names. To be effective, there must be a definite and complete physical separation between all federally and privately funded resources.

CONCLUSION

Taxpayer-subsidized political advocacy represents pure fiscal folly and moral injustice. No hard-working American should be compelled to finance lobbying activities with which he disagrees. The Founding Fathers would be appalled at current federal grant making. Thirteen years ago, The Washington Post editorialized:

''[W]e agree that there is something disturbing about organizations that strongly

advocate positions many sensible people find politically or morally repugnant, acting at the same time as administrators of government programs. It is easy to believe that the advocacy groups' employees will sometimes proselytize the program's beneficiaries in ways we would consider inappropriate (though not unheard of) for a civil servant. Advocacy organizations might also want to ask themselves whether they risk compromising their own purposes by accepting government money, and whether they want to assume the inevitable risk that it might be withdrawn suddenly for legitimate political reasons.''[16]

Abuse of federal grant funds must be stopped. Tougher restrictions are needed to prevent lobbying organizations from obtaining some or most of their revenue from the American taxpayers. Auditing and investigation of federal grantees by the Executive Branch must be strengthened. However, a danger always exists that as long as government funds go to advocacy organizations, the ''wall of separation'' will be porous. Moreover, the less fortunate would be assisted more directly by eliminating the middleman who ''does well by doing good.''

Without restoring integrity to government by ending federally funded lobbying, Congress and the President will continue to squander millions of taxpayer dollars each year. Political patronage should have no place in the federal budget.

Marshall Wittmann, Senior Fellow in Congressional Affairs.

Charles P. Griffin, Deputy House Liaison.

FOOTNOTES

[1] Marshall Breger, ''Halting Taxpayer Subsidy of Partisan Advocacy,'' Heritage *Lectures* No. 26, 1983, p. 10.

[2] James T. Bennett and Thomas J. DiLorenzo, *Destroying Democracy: How Government Funds Partisan Politics* (Washington, D.C.: Cato Institute, 1985), p. 388.

[3] James Payne, *The Culture of Spending* (San Francisco: ICS Press, 1991), p. 17.

[4] *AFL-CIO News Online*, June 7, 1995, downloaded from the AFL-CIO's Internet site on June 16, 1995.

[5] Advertisement, ''Fannie Johnson Can't Afford Another Republican Tax Cut,'' *The New York Times*, June 15, 1995, p. B–11.

[6] ''The $2 million [bus] trip is financed by Families USA, a liberal philanthropy, with unions and other groups.'' Families USA was the ''chief sponsor of the caravans.'' Jennifer Campbell, ''Caravan Met with Mixed Reaction,'' *USA Today*, July 29, 1994, p. 4A.

[7] Advertisement, ''First neglect at home, Now abuse by Congress,'' *The Washington Times*, March 22, 1995, p. A19.

[8] Editorial, ''The War of the Subsidies,'' *The Washington Times*, May 6, 1994, p. A22.

[9] James H. Andrews, ''Historical Trust Uses Its Clout for US Heritage,'' *The Christian Science Monitor*, May 14, 1993, p. 12.

[10] Charlene Prost, ''Historic Preservation Trust Seeks to Gain New Members,'' *St. Louis Post-Dispatch*, October 5, 1993, p. 13B.

[11] PR Newswire, ANA press release, August 11, 1994, obtained from NEXIS.

[12] PR Newswire, AFSCME press release, March 27, 1995, obtained from NEXIS.

[13] Marshall Breger, ''Partisan Subsidies: Democracy Undone,'' *The Washington Times*, December 6, 1983, p. 2C.

[14] Joseph R. Wright, Jr., testimony in *Hearing on Proposed Revisions to OMB Circular A–122*, Committee on Government Operations, U.S. House of Representatives, 98th Cong., 1st Sess., March 1, 1983, p. 2.

[15] See ''Impact of Federal Budget Proposals Upon the Activities of Charitable Organizations and the People They Serve,'' Independent Sector, June 1995, p. 314.

[16] Editorial, ''Financing the Left,'' *The Washington Post*, April 26, 1982.

APPENDIX

The following case studies demonstrate the need to reform the federal grants process. The organizations analyzed were selected for illustrative purposes and do not represent the entire universe of the problem.[1]

American Association of Retired Persons (AARP)

AARP receives funding for approximately one-quarter of its annual expenditures from the federal government. Sources range from programs for the elderly to millions of dollars annually to provide clerical support to the EPA.

Senior Environmental Employment Program (EPA: 66.508)	$20,000,000
Tax Counseling for the Elderly (IRS: 21.006)	4,600,000
Sr. Community Service Employment Program (DOL:17.235)	49,000,000
Breast/Cervical Cancer Detection Program (HHS: 93.919)	75,000
Total	73,675,000

American Bar Association (ABA)

The American Bar Association received $2.2 million in federal grants between July 1993 and June 1994.

Missing Children's Assistance (DOJ: 16.543)	$1,242,000
Social, Behavioral, and Economic Studies (NSF: 47.075)	138,000
''Resistance and Rebellion in Black South Africa: 1830–1920''	
Juvenile Justice and Delinquency Prevention (DOJ: 16.541)	100,000
Nat'l Institute for Juv. Justice and Delinquency Prev. (DOJ: 16.542)	50,000
Justice Research, Development and Evaluation (DOJ: 16.560)	139,000
Drug Control and System Improvement (DOJ: 16.580)	125,000
Title IV—Aging Programs (HHS: 93.048)	200,000
Child Welfare Research and Demonstration (HHS: 93.608)	125,000
Child Abuse and Neglect Discretionary Activities (HHS: 93.670)	58,000
Disaster Assistance (FEMA: 83.516)	30,000
Total	2,207,000

AFL–CIO

The AFL–CIO (and its affiliates) received $10.7 million in federal funding between July 1993 and June 1994. Following is an overview of this organization's federal funding:

Tripartite Construction Training Tech. Xfer (DOL 17.AAA)	$1,119,000
Section 8 Rehabilitation (HUD: 14.856)	868,000
Occupational Safety and Health (DOL: 17.500)	70,000
Targeted Training Program—Logging	

In addition, the following contracts were awarded to the AFL–CIO Appalachian Council:

DOL/ETA: Vocational-Technical Training	$2,670,000
DOL/ETA: Other Ed/Training Services	5,974,000
Total	10,701,000

Child Welfare League of America (CWLA)

The Child Welfare League of America received the following grants between July 1993 and June 1994:

Intergenerational Grants (Corporation for National Service: 72.014)	$58,000
Adoption Opportunities (HHS: 93.652)	2,000
Special Programs for the Aging (HHS: 93.048)	200,000
Total	260,000

Consumer Federation of America (CFA)

The Consumer Federation of America received more than $600,000 from the EPA. The code assigned to the award was not found in the Catalog.

Radon Projects (EPA: 66.AAC)	$610,000
Total	610,000

Environmental Defense Fund (EDF)

The Environmental Defense Fund benefited from more than $500,000 in taxpayer funding.

Drainage Management System (DOI: 15.BBZ)	$50,000
Tradable Discharge Permits (EPA: 66.AAC)	15,000
Air Pollution Control Research (EPA: 66.501)	90,000
National Recycling Campaign (EPA: 66.AAC)	360,000
Total	515,000

Families USA

Families USA received at least $250,000 from the Department of Health and Human Services.

Special Programs for the Aging (HHS: 93.048)	$250,000
Total	250,000

League of Women Voters (LWV)

The League of Women Voters benefited primarily from EPA funding for various environmental research projects.

Clean Air Act Policy Development (EPA: 66.AAC)	$100,000
UV Index (EPA: 66.AAC)	21,000
Managing Solid Waste Training (EPA: 66.951)	39,000
Community Ground-Water Education Project (EPA: 66.AAC	190,000
Nuclear Waste Primer (DOE: 81.065)	261,000
Total	611,000

National Council of Senior Citizens (NCSC)

The NCSC receives 96 percent of its funding from the federal government.

Dislocated Worker Assistance (DOL: 17.246)	$6,000
Senior Environmental Employment Program (EPA: 66.508)	9,988,000
Section 8 Housing Rehabilitation (HUD: 14.856)	522,000
Sr. Community Service Employment Program (DOL: 17.235)	61,000,000
Total	71,516,000

World Wildlife Fund (WWF)

The World Wildlife Fund received $2.6 million in federal funding between July 1993 and June 1994. Following is an overview:

[1] The dollar amounts provided are approximate, based on information provided by congressional offices from searches in the Federal Assistance Awards Data System (FAADS) database. All financial data cover the period from June 1993 to July 1994, unless otherwise specified. Numbers in parentheses are referenced numbers for programs listed in the *Catalog of Federal Domestic Assistance*.

Undesignated EPA Grants	$618,000
Global Marine Contamination Project (EPA: 66.501)	450,000

In addition, 31 federal contracts were awarded to ''Resolve, World Wildlife Fund'' during this same period. These contracts were from the EPA for ''Other Management Support Services'' and totaled $1.5 million.

Total	2,600,000

Mr. CRAIG. This paper spells out a broad cross-section of groups in this country that receive as much as $2 and $3 million a year in tax dollars, under grants, directly to them, to fund a variety of activities. Many of those interests engage in direct lobbying here, in paid advertising, in every method possible under their right of free speech to cause the Congress of the United States to vote in a certain way.

It is time, I believe, that we make it very clear to those groups that they have every right to exist and that their right to free speech is not infringed upon. But let me suggest that the right of free speech is not tied directly to the right to receive a Federal grant so you can have free speech. While some may argue that they have the right to do certain things—and I would not dispute that—we, as legislators, without question have the right to determine where the tax dollar goes. That is what I am asking that the Senate decide this afternoon and I think that is what the Senator from Wyoming is asking in the amendment he has offered, in a very narrow section of the IRS Code, that we say that the not-for-profit advocacy groups not be allowed to receive money in the Federal form of grant or contract or loan that in any way they can use for the purpose of advocacy or for the purpose of lobbying.

I hope my colleagues will join with the Senator from Wyoming and myself and others in the support of this amendment as we incorporate it in this important legislation, as we work to clarify the whole concern about lobbying in our country, so that the American taxpayer clearly understands our relationship with special interests and the right of all special interests to come to the Congress of the United States to argue their point of view.

I strongly support that. But I do believe it is important that in every way we make it clear and simple to understand how we are approached through the public process.

Mr. President, let me close with this quote from Thomas Jefferson.

To compel a man to furnish funds for the propagation of ideas he disbelieves and abhors is sinful and tyrannical.

Even then Thomas Jefferson was recognizing that no person's dollar should be used to argue a point of view that he or she disagreed with.

Mr. President, in closing, I ask for the yeas and nays on the Simpson-Craig amendment.

Mr. LEVIN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The amendment is not before us at this time, the Chair informs the Senator.

The absence of a quorum having been suggested——

Mr. LEVIN. Mr. President, I withhold that. Is there a vote now which has been ordered on the Simpson amendment?

The PRESIDING OFFICER. That amendment is not before us.

Mr. LEVIN. Is it the intention of the Senator from Idaho to ask unanimous consent that it be in order to ask for the yeas and nays on the Simpson amendment.

Mr. CRAIG. It is, and I would so do.

The PRESIDING OFFICER. Without objection, it is so ordered.

Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. LEVIN. Now I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. CRAIG. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. GRAMS). Without objection, it is so ordered.

Mr. CRAIG. Mr. President, I ask unanimous consent that the Simpson amendment be in order for the purpose of a second-degree amendment.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

AMENDMENT NO. 1842 TO AMENDMENT NO. 1839

(Purpose: To prohibit certain exempt organizations from receiving Federal grants)

Mr. CRAIG. Mr. President, I so send that second-degree amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Idaho [Mr. CRAIG] proposes an amendment numbered 1842 to amendment No. 1839.

Mr. CRAIG. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Strike all after the word ''Sec.'', and insert the following:

. EXEMPT ORGANIZATIONS.

An organization described in section 501(c)(4) which engages in lobbying of the Internal Revenue Code of 1996 shall not be eligible for the receipt of Federal funds constituting an award, grant, contract, loan, or any other form.

Mr. CRAIG. Mr. President, the purpose of the second-degree amendment is to make clear what, by some people's concern, was not clear, and that is what is the intent of the Simpson amendment. We are addressing section 501 of the IRS Code and, in particular, the 501(c)(4) not-for-profit advocacy groups who receive Federal grant money. What we are saying and what the second-degree amendment clarifies is the difference between their options under this amendment; that is, they could continue to hold their 501(c)(4) status and lobby, but they could not receive Federal moneys under that status.

If they chose to want to continue to receive Federal grants, they would have the election, under the 501 section of the IRS Code, to become a 501(c)(3), and in that category, not only is the definition of ''lobbying'' very clear, but the method by which they must handle and account for their Federal dollars. The IRS is very strict and very clear as to the accounting and the management of those dollars so that they are not commingled, so they are kept separate, so that the organization, without question, divides the use of those dollars, so there is not the intent or the ability to use Federal dollars for the purpose of lobbying.

That is, without question, the intent of the Simpson amendment. We thought it was important that it be clarified. I believe the second-degree amendment so clarifies.

Mr. McCONNELL. Will the Senator from Idaho yield for a question?

Mr. CRAIG. I will be more than happy to yield for the purpose of a question.

Mr. McCONNELL. So the Senator from Kentucky is correct in assuming that the purpose of the Craig second-degree amendment to the Simpson amendment is to make it clear that a group currently qualifying under 501(c)(4) can continue to be a 501(c)(4)——

Mr. CRAIG. A not-for-profit advocacy group.

Mr. McCONNELL. And receive Federal grants, but if Federal grants are received, that organization will no longer be allowed to lobby.

Mr. CRAIG. That is correct.

Mr. McCONNELL. And is the Senator from Kentucky further correct in inquiring as follows: If a group currently a 501(c)(4) after the adoption of the Simpson amendment, as amended by the Craig amendment, concluded that receiving Federal grants was critical to its mission, then a logical response to the adoption of this amendment would be to consider qualifying as a 501(c)(3); is that correct?

Mr. CRAIG. That would be correct.

Mr. McCONNELL. I thank the Senator from Idaho. I think his amendment is very useful.

Mr. SIMPSON addressed the Chair.

The PRESIDING OFFICER. The Senator from Idaho has the floor.

Mr. CRAIG. Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. SIMPSON. Mr. President, I want to thank very much Senator McCONNELL for his precise inquiry here, and particularly Senator LARRY CRAIG, my colleague from Idaho. There is no intent here to injure the groups that are listed under what I use as a pretty active resource, the GAO report on selected tax-exempt organizations. It gives a list of 501(c)(4) organizations.

Mr. President, I ask unanimous consent that that list be printed in the RECORD.

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

Assets, Revenues and Expenses of the Tax-Exempt Organizations Included in This Study

[In thousands of dollars]

Name of organization	Assets	Revenues	Expenses
Social welfare organizations:			
American Association of Retired Persons	330,638	292,264	310,763
AVMED, Inc	98,346	310,256	288,561
Bank of Sweden Tercentenary Foundation	284,429	20,988	14,371
Blue Care Network of Southeast Michigan	132,446	173,845	158,686
Blue Care Network-Great Lakes	54,598	172,034	169,729
Blue Cross Blue Shield Association	134,320	133,381	131,159
California Vision Service	143,754	304,224	299,865
Capital District Physician's Health Plan, Inc.	69,372	164,166	151,289
City of Mesa-Municipal Development Corporation	50,152	3,101	2,339
City of Scottsdale Municipal Property Corporation	203,588	41,913	15,178
Columbus Multi-School Building Corporation	57,291	1,653	3,316
Connecticare	60,906	190,645	187,197
County of Riverside Asset Leasing Corporation	580,280	34,651	29,879
CSDA Finance Corporation	274,390	19,787	19,730
Delta Dental Plan of Michigan, Inc	148,660	401,729	399,206
Delta Dental Plan of New Jersey, Inc	67,113	130,564	122,605
Disabled American Veterans	144,832	70,995	68,854
Firemen's Association of the State of New York	66,710	9,549	5,610
Firemen's Relief Association of Minnesota	52,968	3,403	1,419
Group Health Association	82,704	251,817	248,624
Henry Ford Health Care Corporation Liability Fund	55,565	23,345	21,712
Higher Education Assistance Foundation	216,210	172,588	62,703
Higher Education Loan Program of Kansas, Inc	235,523	14,972	10,969
Independent Health Association, Inc.	83,935	252,288	244,398
International Olympic Committee	127,121	18,122	22,696
JADER Trust	101,133	6,194	4,060
Luso-American Development Foundation	130,327	24,890	15,188
Marine Spill Response Corporation	264,818	84,610	72,888
Medcenters Health Care, Inc	102,899	352,189	349,834
Merrillville Multi-School Building Corporation	117,269	3,304	5,773
Midwest Foundation Independent Physicians Association	110,063	225,844	213,056
Minneapolis Fire Department Relief Association	165,395	15,777	11,714
Minneapolis Police Relief Association	264,282	41,230	967
Minnesota School Boards Association Insurance Trust	67,554	42,090	42,056
Mohawk Valley Physician's Health Plan	66,183	178,909	175,637
Municipal Improvement Corporation/Los Angeles	69,061	151,037,	158,579
Mutual of America Life Insurance Company	5,521,940	746,637	718,746
National Rifle Association of America	111,019	101,781	139,022
New Albany-Floyed County School Building Corporation	57,932	1,242	51
Physicians Health Plan, Inc	56,639	178,754	178,352
Regional Airports Improvement Corporation	489,656	38,936	38,936
Sisters of Providence Good Health Plan of Oregon	58,863	117,663	111,068
The Buffalo Enterprise Development Corporation	78,897	2,192	2,926
Trans-Alaska Pipeline Liability Fund	327,579	37,746	57,633
Tufts Associated Health Maintenance Organization	88,902	311,821	300,897
Washington Dental Service	73,670	191,874	188,824
Labor and agricultural organizations:			
AFL–CIO	77,991	69,037	61,736
Air Line Pilots Association	97,057	82,143	69,723
Amalgamated Clothing and Textile Workers Union-Rochester Joint Board	25,273	3,589	2,053
American Federation of State, County and Municipal Employees	26,862	77,326	74,497
American Federation of Teachers, AFL-CIO	51,073	69,280	63,279
Atlantic Coast District ILA	26,130	3,275	2,726
Bakery Confectionery and Tobacco Workers International	24,178	11,875	12,056
Carrier-ILA Container Freight Station Trust Fund	33,375	14,544	2,330
Dakota's Areawide IBEW-NECA Pension Fund	35,770	3,447	1,295

Mr. SIMPSON. Mr. President, if each of those groups or members of those groups contacted their elected representatives, I am sure that they would be in shock, indicating that they were going to lose something.

So what has occurred in this colloquy and with the second-degree amendment is a very important reiteration of points I made when I spoke during the offering of the amendment as to why the amendment is important.

I think it has been clarified, but let us just do it one more time and, perhaps, if there are any further questions, I hope those who resist the amendment will enter the debate so that we can assure them that this amendment, now as second degreed by Senator CRAIG, does not prevent any 501(c)(4) organization from refiling as a 501(c)(3) and then accepting that category's limits on lobbying.

The only circumstance in which they would be cut off from Federal funds would be if they chose then to remain entirely under 501(c)(4), in effect choosing the unlimited lobbying over the Federal grants.

Under the second-degree amendment, they now have an additional option to stay in 501(c)(4) status without lobbying. So there is no attempt to restrict anyone. The 501(c)(4)'s have the ability—I hope you hear this—they have the ability to spend millions and millions of dollars without restriction. They have no restriction whatsoever. All we are saying is that in the language now of the amendment, as amended by the second-degree amendment—I am going to read it so it will be right in context in this debate, it will now read:

> An organization described in section 501(c)(4) which engages in lobbying . . . shall not be eligible for the receipt of Federal funds constituting an award, grant, contract, loan or any other form.

That is the intent. It is, I hope, clarified now. And if there are those who are not in accord with the amendment, those in opposition, Senator CRAIG and I and others—

Mr. CRAIG. Will the Senator yield?

Mr. SIMPSON. Yes, indeed.

Mr. CRAIG. I want to take this brief moment to thank the Senator from Wyoming for his leadership in this area. As I mentioned in my comments, this is an issue we have debated now for over 75 years in one form or another, on one occasion or another, and the fundamental concern of Senators long before us was that Federal tax dollars should never be used for the purpose of lobbying; that we should never restrict the right of the citizen, or the group, or the organization to be an advocate before their Government, but that the Government should not be promoting, by the use of those dollars, their right, or their role, or their activity as an advocacy group, that they could under another category receive Federal dollars and perform services so defined by the grant of, or the use of, the Federal dollar or contract. But they could not use those or turn those dollars for the purpose of advocating what might be a very narrow position and not a majority position or a mainstream position of the American people.

The Senator from Wyoming has, in the last good many months, been a strong and outspoken leader on this issue; I think rightfully so. I think the fact he has brought before the American public that literally billions of

dollars are now being used for these purposes—and they should not be—has been well taken. I am pleased that he came forth with the amendment. It helps us clarify the use of these dollars, and I think the American taxpayer will applaud his effort. I thank him for it.

Mr. SIMPSON. I appreciate that indeed. That is a reason. There is another reason, as I have observed it over the past many months. Oftentimes, these groups that obtain Federal funding and support will use that money to then lobby the Federal Government for more Federal support for their members. In other words, whatever the issue is—it may be health care, or whatever it may be—they are using the Federal support to then lobby for more Federal support, to get more money from the Federal Treasury for whatever issue is paramount on their screen. I think that is wrong. I add that.

Mr. LEVIN. Mr. President, who has the floor?

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. LEVIN. Will the Senator yield for a question?

Mr. SIMPSON. Indeed, I yield to my friend from Michigan.

Mr. LEVIN. As I understand the amendment, as amended by the Senator from Idaho, it would prevent an organization, such as the Disabled American Veterans, that I see on the list here, from receiving any kind of a grant from the Federal Government, if they also want to use even funds that are from a totally unrelated source for lobby; is that correct? In other words, the amendment of the Senator from Wyoming, as amended, is not simply restricting the 501(c)(4) organization, such as the DAV, from both lobbying and receiving a grant. But what the Senator is doing in his amendment, as I understand it, is now telling these organizations that if you get a grant from the Federal Government for one purpose, even though you are using money from a totally different source for lobbying, you may not do both; is that correct?

Mr. SIMPSON. Mr. President, in response to the Senator from Michigan, if I understand the question, what we are saying here is if they get anything from the Federal Government in the form of an award, grant, contract, loan, or any other form, they can file as a 501(c)(3) corporation, nonprofit, or they can stay and continue their work as a 501(c)(4) corporation, but they cannot lobby.

Mr. LEVIN. Now, we have asked the members of the Finance Committee, or the staff of the Finance Committee that are more familiar with (c)(3) and (c)(4) than this Senator—I have not had any dealings with this—I am simply trying to obtain information while we are getting a reaction from committee members and the staff. I believe there was a hearing on this issue, and I think it was in the Judiciary Committee or Finance, in the last few months on this issue.

Mr. SIMPSON. Mr. President, we have had a hearing on the issue of 501(c)(4)'s that receive money from the Federal Government. In this case, it was in the form of grants and awards. We have held a hearing.

Mr. LEVIN. In the Judiciary Committee?

Mr. SIMPSON. In the Finance Committee.

Mr. LEVIN. So we are hoping that the Finance Committee members have some feelings about the Simpson amendment, as amended, and that they would make those feelings known, because this Senator is not able to comment on some of the intricacies—or implications, I should say—of the amendment. I want to be real clear on one thing. If a 501(c)(4) organization—and I see on this list that they include the Disabled American Veterans, International Olympic Committee—if they receive a grant from the Federal Government for some purpose totally unrelated to lobby, they then may not use funds from some different source, other than the Federal Government, to lobby and continue to have their 501(c)(4) status, is that correct?

Mr. SIMPSON. That is correct, Mr. President.

Mr. LEVIN. What all the implications are of that on these organizations, I do not know. I assume that an organization that has a (c)(4) status, which is allowed to lobby, presumably not using Government funds to do so, because I think that would be prohibited under current law; nonetheless, that organization would then have to make a choice, and I presume one of the choices would be to form another (c)(4) organization for the purpose of lobbying—which would be allowed to lobby; put it that way—using sources other than nongovernmental sources. That would always be a choice.

Let me ask my friend from Wyoming, who is much more knowledgeable about this, under current law, can a 501(c)(4) organization use a Federal grant or award for lobbying purposes?

Mr. SIMPSON. Mr. President, a 501(c)(4) corporation cannot, in that sense, use a Federal grant or award for ''lobbying'' purposes.

Mr. LEVIN. That is under current law, is that correct?

Mr. SIMPSON. Under current law, yes.

Mr. LEVIN. Well, Mr. President, again, I am not as familiar with the implications of this. It would seem to me, however, that if one of these organizations wanted to create two 501(c)(4)'s, they could do so under the Simpson amendment, as amended, and have one organization accept Federal grants for the purposes that the grants are awarded for, and its other (c)(4) organization be in business for whatever the current business is, including permission to lobby, providing it does not use Federal funds for that purpose, as the current law is.

Mr. SIMPSON. Mr. President, I just add that the problem is this: The Government in this situation, then, is subsidizing the activities, the benefits provided by the largest of lobbyists, who have this extraordinary advantage over all other lobbyists. And there are 25 different section (c) corporate tax exempts; there are 25 of them—the (c)(3)'s, which are familiar to most of us, and the (c)(4), (c)(5), (c)(6), and (c)(7), et cetera. It is the subsidization of the activities, the benefits provided, because they have the ability to spend as much as they wish. They have unlimited ability to inject as much money—if I might have the attention of my friend from Michigan, who I have the deepest affection and respect for. If we are really going to do something about big, big lobbyists, then it seems to me that we should direct it at the biggest ones of all, the ones who have unlimited ability to lobby. There is not a single restriction on a 501(c)(4). They can spend themselves into oblivion. I say, let them do that if they are going to raise their money from contributions and dues and the things that supposedly guide an organization's efforts and objectives, but not in grants, and on and on, from the Federal Government. That is the pitch. I am not directing it at any single institution.

In my research, I came across these extraordinary things. There are some organizations listed on here that you and I probably have never heard of, that have millions and millions of dollars involved in lobbying. All we are saying is, Look, lobby to your little old heart's content. You just keep right on doing it. But if you are going to get Government support, then you are going to have to go to 501(c)(3), which is truly charitable, for religious, charitable, veterans, education, compassion, whatever you have to list. Let them do that. Let them go to 501(c)(3).

You mentioned DAV. There is not a single group here listed in the 501(c) that could not qualify as having a charitable purpose and meet every test of a 501(c)(3).

Mr. LEVIN. Mr. President, will the Senator yield?

Would it also not be true an organization such as the DAV could create an additional 501(c)(4) which would have as its purpose whatever the purposes are of the current 501(c)(4), and be allowed to lobby, providing it did not receive Federal grants?

In other words, there is an additional option. It is not just a 501(c)(4). The Senator from Wyoming has opened the option to create another 501(c)(4) which will receive Federal grants, and the original 501(c)(4) could continue to lobby.

That is an additional option which the Senator does not preclude, is that not correct?

Mr. SIMPSON. As I understand the question—I am a bit preoccupied. You might ask it again.

Mr. LEVIN. The Senator does not preclude an opening of an organization such as the DAV, creating an additional 501(c)(4) to receive those Federal

grants, providing that additional organization does not engage in lobbying activities?

Mr. SIMPSON. Mr. President, that would be my understanding. If they decided to split into two separate 501(c)(4)'s, they could have one organization which could both receive grants and lobby without limit.

Mr. LEVIN. And the Senator does not in his amendment remove the provision in the current law that exempts 501(c)(4)'s from paying taxes, even if they engaged in lobbying activities, providing, then, they are not eligible for Federal grants or awards?

Mr. SIMPSON. We are not, Mr. President, involved in anything more than the singular amendment, saying that they shall not be eligible for the receipt of Federal funds constituting an award, grant, contract, loan, or any other form.

We are not changing the tax-exempt status in that sense, although there have been many suggestions in both the hearing and on the floor and in discussion as to what to do with these groups. It is felt that this would be the most appropriate and understandable approach.

Mr. LEVIN. Mr. President, I just point out to my dear friend from Wyoming that his amendment leaves open many possibilities to these organizations. His remarks suggest that somehow or another if they are going to engage in lobbying, we will remove the subsidy under this amendment.

In fact, this amendment does not touch their tax-exempt status, if they continue to engage in lobbying. And, in fact, this amendment does not preclude, as the Senator from Wyoming phrased it, the splitting of an organization and the creation of another organization which could do the lobbying effort while organization No. 1 receives the Federal grants.

So offhand I do not see that this precludes 501(c)(4) from a number of options which it currently has, and therefore I am not in a position where I can say that I oppose it, because it seems to me it leaves open many options for 501(c)(4).

Again, I want members of the appropriate committee to take a look at this. I would not be able to accept it at this time. As one Senator, I have no objection to it, but I do want to weigh the views and members of the Finance Committee on this issue.

I yield the floor.

The PRESIDING OFFICER. The Senator from Idaho.

AMENDMENT NO. 1842, AS MODIFIED

Mr. CRAIG. As the maker of the second-degree, let me send a correction of that amendment to the desk. It is a clerical correction.

The PRESIDING OFFICER. The amendment will be so modified.

Mr. LEVIN. Mr. President, I wonder if the clerk would read now the amendment, with the second-degree amendment as modified. I think it is still relatively short, and I think it would clarify things for everybody if we would read the entire amendment, assuming the second degree were adopted as modified.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

Strike all after the word ''Sec.'', and insert the following:

. EXEMPT ORGANIZATIONS.

An organization described in section 501(c)(4) of the Internal Revenue Code of 1986 which engages in lobbying shall not be eligible for the receipt of Federal funds constituting an award, grant, contract, loan, or any other form.

Mr. SIMPSON. Mr. President, the insert was in the previous sentence and it is now correct where it appears, appropriately on the second line. That is the intent. It is what I read into the RECORD a moment ago.

Let me just say to my friend from Michigan, ask my friends from Kentucky and Idaho, what we are finding is that there are groups in America who have tax-exempt status who, in effect, really skirt very closely to just truly big business. They are involved in big business.

I hope that maybe my friend would help in making inquiry of the tax-exempt status of some of these organizations—not now, but in the future—because I intend to propose additional reform, especially in this area of unrelated business income tax, called the UBIT legislation, taxing sources, income, royalties, and I plan to look at whether we should tax royalties, tax commercial insurance income. That is tax legislation. That needs to go through finance.

Here, I am dealing only with grants to lobbyists. That is what this is singularly to.

Mr. LEVIN. Mr. President, I know there are a number of Members that have questions about the amendment. Again, I am not able to accept the amendment at this time.

Mr. KYL. Mr. President, unless the Senator from Kentucky has something, I would like to speak to this amendment.

Mr. MCCONNELL. If I may briefly indicate that Senator LEVIN and I have reached an agreement on the underlying bill. It is our hope to offer that amendment and have it voted on at 6 o'clock. I would like to have a chance to explain the compromise well before 6 o'clock, but I have no problem giving up the floor at this point.

Mr. KYL. I plan to take about 3 minutes to speak in favor of this amendment. If the Senator would prefer to speak now, or I can go ahead.

Mr. MCCONNELL. I yield the floor.

Mr. KYL. I, too, hope this amendment can be agreed to. It has been pointed out there are ways around it, and that is certainly a possibility, should the amendment be adopted.

But it seems to me that, if we adopt this amendment, we will have made a statement that we want people to divide their operations if, in fact, that is what they choose to do. They cannot be using the same operation, in effect, for both purposes. It is their right to divide the operation, to do lobbying with one and to have the 501(c)(3) with the other, and that is a possibility. But we would at least be on record as expressing our desire that Federal funds should not be used for lobbying.

That is why I support the amendment, and I want to just express a couple of other reasons why. It has been pointed out that there is a great deal of grant money that has been going to these taxpayer subsidized lobbying organizations, or I should say special interest organizations who also lobby.

Mr. President, at least $39 billion in Federal grant money was distributed to more than 40,000 organizations in 1990 alone, the last year for which I have figures. That is money that Congress supposedly appropriated to help address important national needs.

Some of the organizations are ones that I have had an affiliation with.

The American Bar Association, for example, received $2.2 million in Federal grants between July 1993 and June 1994 for such activities as missing children's assistance; aging programs; justice research; development and evaluation; and child welfare research and demonstration.

The American Association of Retired Persons received about $84.7 million over the same period for the senior environmental employment program and the senior community service employment program.

The AFL–CIO received $2 million. The National Council of Senior Citizens received $71.5 million or about 96 percent of its entire budget from the Federal Government.

The problem, as has been noted, Mr. President, is that once a Federal grant reaches the organizations' bank account, it simply frees up additional dollars for the groups to spend on lobbying activities. Many of the organizations are on Capitol Hill every day, often lobbying for more taxpayer money on one program or another. Congress has not only been filling the trough, but paying these groups to feed there.

AARP, for example, has been lobbying strenuously against Medicare reform. The American Bar Association staged a protest on Flag Day against the proposed constitutional amendment to protect the flag. CARE, another organization that receives Federal funds, has been lobbying against cuts in foreign aid.

That is all fine. It is their right. Each one of those groups is entitled to its views, but none has the right to use taxpayer dollars to underwrite its lobbying activities. The U.S. Supreme Court, in the case of Regan versus Taxation with Representation, ruled unanimously in 1983 that the Federal Government ''is not required by the first amendment to subsidize lobbying.'' The Court went on to say, ''we again reject the notion that first

amendment rights are somehow not fully realized unless they are subsidized by the State.''

Thomas Jefferson said it best 200 years ago: ''to compel a man to furnish funds for the propagation of ideas he disbelieves and abhors is sinful and tyrannical.''

The amendment directly prohibits any recipient of a Federal grant from spending those grant funds on political advocacy. I think we can all agree that is appropriate. And because money is fungible, it also sets limits on the amount of political advocacy that a grantee can perform with nongrant funds.

This amendment is not about free speech, or the right of any organization to petition the Government. Everyone is free to say what he wants. Every group is entitled to express its views to Government officials. What these groups are not entitled to is a subsidy from taxpayers to do that.

No American should be taxed to advance the political agenda of an organization that he or she may have no wish to support or one that advocates an agenda he strongly opposes. Subsidies for political advocacy are wrong.

There is another issue besides lobbying at stake here. When a group asks for Federal funds to conduct a certain activity—whether it is the YMCA to serve the needs of our Nation's youth, the World Wildlife Fund to protect the environment, or the National Council of Senior Citizens to help older Americans—we should expect that the group puts the funds to the intended use. When dollars are commingled and spent in lobbying, it is the every people we want to help that are hurt most. Every dollar that an organization pays a lobbyist is a dollar that could have been used to help a hungry child, someone who is homeless, or in need.

If an organization would rather lobby the Government than serve the needs of the people, it should be frank about, it, refuse Federal funds, and go on about its business. We can find another organization that will devote the resources toward the intended purpose.

Mr. President, cutting aid to lobbyists should be the easiest cut we make in Federal spending. We should certainly eliminate it before considering any reductions in aid to the people these lobbyists purport to represent—children, the elderly, the needy, and the environment, to name just a few. It is time to cut off Federal funding for political advocacy by select groups.

It's time to let special interests raise their own funds to promote their points of view.

This amendment will do that, if not totally, 100 percent, at least in a way that sends the message that Congress wants to send on this important issue.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. McCONNELL. Mr. President, I am pleased to indicate that Senator LEVIN and I have reached an agreement on the underlying bill which he will be sending to the desk shortly. We had hoped to have a vote on this Levin-McConnell compromise at 6 o'clock, but there are some problems on this side with regard to getting a vote at 6. But we thought we would go ahead and describe for our colleagues the agreement that has been reached and at the earliest opportunity, it would be the intention of Senator LEVIN and my intention to get a rollcall vote on this compromise.

Let me say first, in the category of the definition of a lobbyist, the original bill by my friend from Michigan required that 10 percent of the time spent lobbying made one a lobbyist for purposes of the legislation. The alternative that I had earlier offered said that you must spend 25 percent of your time in order to meet that threshold. The compromise that we have reached is 20 percent. I think it is a reasonable compromise, and allows us to sign off in the definition of lobbyist section. And the rationale is clear, that to qualify as a lobbyist, the individual is to have to spend more than just a casual amount of time lobbying.

Second, in the area of thresholds which would trigger registration requirements, the original Levin bill said that $2,500 in income received by a lobbying firm or $5,000 spent by an organization which lobbies—$2,500 for a firm; $5,000 for an organization—would trigger the requirements. What the Senator from Michigan and I have agreed to is that, with regard to lobbying firms, $5,000 would trigger coverage; and with regard to organizations, $20,000 in expenditures by an organization which lobbies.

Here again, the rationale is that those who do not have a regular, ongoing presence in Washington should not be required to register. My hope here, which my friend from Michigan has agreed to in this compromise, is to not bring under the bill those folks back home who may come up here occasionally but who are not in any real sense lobbyists.

Third, in the grassroots area, the issue that bogged us down last fall in passing this legislation last year, the original bill of my friend from Michigan contained a reference to grassroots activity. The compromise deletes all references to grassroots activity and no longer makes any suggestion that any grassroots testimony would trigger registration. This bill will not require any reporting or disclosure whatsoever of grassroots activity.

Obviously, the goal here that the Senator from Michigan and I have is not to discourage genuine grassroots activism out in America to convey to us the opinions of those groups on any legislation that we may be considering.

Fourth, in the area of administration and enforcement, Senator LEVIN's original bill created a new Federal agency with the responsibility of enforcement. This bill now will create no new Government agency. The Secretary of the Senate and the Clerk of the House would receive reporting and disclosure forms. I think clearly that is a step in the right direction. I want to thank my friend from Michigan for that compromise. We do not believe creating additional Government agencies is a good idea, particularly in this atmosphere of $5 trillion in cumulative Federal debt.

Finally, with regard to coverage of the executive branch lobbying, the compromise of the Senator from Michigan and myself will cover those contacts within the executive branch but only contacts made by political appointees; that is, schedule C's and above; Presidential appointees which require confirmation by the Senate and schedule C's.

So we have had a very good effort here to reach this agreement. I want to thank my friend from Michigan for his willingness to come together here in a proposal that I think, clearly, Senators on both sides of the aisle ought to feel comfortable in supporting. And it is my hope that at some point, preferably early this evening, we might be able to get a vote on this.

I see my friend from Michigan on his feet. I will be glad to yield the floor.

Mr. LEVIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Michigan.

Mr. LEVIN. Mr. President, while both the Senator from Maine and the Senator from Kentucky are here, let me first say that the changes that we are going to be sending to the desk are important ones but not as significant as the changes in the original Levin-Cohen bill which we have before us. I am going to try to see if I cannot state what the differences are so that there is no confusion when people come to vote.

For instance, in the bill before us, the so-called Levin-Cohen, et cetera, bill, there is no new agency created. That point which Senator MCCONNELL just made reference to was already addressed in the underlying bill. So there is no change in that regard in terms of the amendment which I will be sending to the desk, which will be called the Levin-McConnell amendment. There was no new agency created in Levin-Cohen. There is no change in that in terms of the so-called Levin-McConnell amendment.

One of the areas of contention here is whether or not the executive branch should be covered. It was the determination of Senator COHEN and me and others that lobbying activities include the executive branch. We have had hearings in our subcommittee relative to the executive branch. We had hearings into Wedtech, for instance, where the executive branch was lobbied heavily by outsiders and contracts were obtained for a company that never should have gotten contracts and which cost the Treasury millions of dollars. That lobbying activity was never disclosed because executive branch lobbying was not covered by the existing law.

Executive branch lobbying is covered in the Levin-Cohen bill. It is going to

continue to be covered if the so-called Levin-McConnell amendment to Levin-Cohen is adopted. But what will not be covered, however, will be lobbying activities of employees of the executive branch below the political appointee level. We are not going to get to lower level employee lobbying. We are going to focus on where the lobbying really has an impact, which is at the higher levels of the executive branch, including the schedule C's.

So the key issue, however, is that the principle that we are going to include executive branch lobbying for the first time has been preserved. That principle was embedded in the underlying Levin-Cohen bill. It is retained even if we adopt the so-called Levin-McConnell amendment to Levin-Cohen, but we will just be excluding lobbying activities with certain lower level executive branch employees.

Next, we tried to make clear in Levin-Cohen that there was no intent to cover the lobbying activities of people at the grassroots. The only reference to grassroots in Levin-Cohen was where a registered lobbyist hired somebody else to stimulate grassroots activity. But then those expenses would have to be included in the expenses that would be disclosed by the person who is already required to register. That was the sole reference.

There was objection to even that. It did not tell us much, in any event, because it was not identified as being a separate expenditure to stimulate grassroots lobbying. And we decided to avoid any suggestion, even though there was none, to make sure that none could even be made that there is any coverage of grassroots lobbying. We have removed that provision that would have told us very, very little, in any event, since it would not identify that the expenditure was to stimulate grassroots lobbying, but simply would have included that amount in the total expenditure of somebody who is already required to register.

But again, I think we wanted to make sure that nobody could argue, rightly or wrongly, that we were covering grassroots lobbying. So we have agreed to delete even the inclusion of that expenditure that someone who is already required to register would have had to have included in their disclosure form. So that is a minor change. But it is one that we gladly accepted.

As far as the threshold is concerned, we have retained the threshold for firms that lobby, and at $5,000. That threshold that is in Levin-Cohen is retained at $5,000. The change that has been made is for the small organizations that lobby themselves, not by hiring a firm but that lobby themselves. In Levin-Cohen, the threshold for that was $10,000. In the McConnell substitute, the threshold was $50,000. And the agreement that we have reached is to go from $10,000 to $20,000 for those organizations that lobby themselves. So just for clarification, Levin-Cohen said the threshold was $10,000. MCCONNELL was $50,000, and we have gone to $20,000.

I think that the Senator from Kentucky has covered a number of the other questions. I will not add to that except that I think he has covered this. But in case he has not, we are simplifying disclosure requirements by eliminating the requirement to disclose the specific committees that are contacted, and we are clarifying the requirement to disclose lobbying on specific executive branch actions. We also are making clear that the Clerk of the House and the Secretary of the Senate will handle all administrative tasks, including providing guidance for the public. I think it was our intention that the Clerk of the House and Secretary of the Senate do that. But there apparently was some ambiguity about it. And the Senator from Kentucky and I have agreed that we would make that very clear explicitly in this amendment that we will be sending shortly to the desk to the underlying Levin-Cohen bill.

So I want to thank again my friends from Maine and Kentucky for working on the underlying bill and working for the amendment to that underlying bill. I think we have a very strong lobbying disclosure bill that closes the loophole—no more lawyers' loopholes—which allowed lawyers to be exempted from lobbying disclosure requirements. No more loopholes for those who did not spend all of their time lobbying Members of Congress since just about nobody spends all their time personally lobbying Members personally. They spend a lot of time with staff and a lot of time in preparation.

We have eliminated every loophole we could get our hands on, and it is a strong lobbying bill that has also streamlined and simplified this process. I hope we can keep this bill in its strong form and that it will not be diluted in any way, because, finally, we will be doing what 50 years ago Congress thought they were doing, which is to require that professional lobbyists, persons who were paid to lobby, disclose to the public who is paying them, how much, on what issue. And the important add on to that original intent is that now we are going to cover the executive branch. And that is a critically important addition because so much lobbying activity in this town is both aimed at the executive branch and aimed at Congress urging Members of Congress to weigh in with the executive branch.

One of the difficulties with the original McConnell substitute is that it had language in it which suggested that it was not covering lobbying activities which were aimed at getting us in the Congress to lobby Members for the executive branch.

The underlying Levin-Cohen bill and the Levin-McConnell substitute to Levin-Cohen are absolutely clear that lobbying activities of both the executive branch and of Congress to get us to weigh in with the executive branch are covered lobbying activities.

Again, let me close with thanks to my colleagues on both sides of the aisle. We have had tremendous support here from Senator DASCHLE, and Senator GLENN, as ranking member of Governmental Affairs, has been absolutely steadfast in his support for these reforms, as have so many other of my colleagues on Governmental Affairs. But I particularly want to take off my hat to Senator COHEN who, whether he was the ranking member of the subcommittee we are on or the chairman of that subcommittee, has been constant in his determination that we are going to finally close the loopholes and get paid lobbyists to tell us and tell the public who is paying them how much to lobby Congress and the executive branch and on what issues.

With that, I yield the floor.

Mr. COHEN addressed the Chair.

The PRESIDING OFFICER. The Senator from Maine.

Mr. COHEN. Mr. President, let me take just a moment to thank my colleague from Michigan and also my colleague from Kentucky. I think the substitute language they have agreed to will make an improvement on the underlying amendment we offered to the legislation earlier today. For simplicity's sake, we might call it the Levin-McCohen bill. That would perhaps clarify the fact that Levin-McConnell is amending the Levin-Cohen amendment and perhaps eliminate some of the confusion surrounding that.

The changes which have been agreed upon I think do improve the amendment in the sense that it makes it clearer; that it also will achieve what I believe to be an overwhelmingly bipartisan vote for the measure. It has been a long time in the making.

I take this opportunity to thank Senator LEVIN for his steadfastness in pursuing lobby disclosure reform over the years we have worked together.

I yield the floor.

Mr. MCCONNELL. Mr. President, just for the information of our colleagues, there is now a great likelihood we will be able to have a vote at 6 on the Levin-McConnell compromise, and even though I do not have the unanimous-consent agreement in front of me to read yet, there is an excellent chance we will have a recorded vote very shortly.

Mr. LOTT. Will the Senator yield——

Mr. MCCONNELL. I yield the floor.

Mr. LOTT. Just so that I might comment?

I know there are a number of issues pending out there, a lot of discussion is still underway on the McCain amendment with regard to Ramspeck. I understand they are very close to some agreement on that, so we hope maybe we can dispense with that on a voice vote.

We are continuing to work on both sides on the language in the Brown amendments and hopefully something will be worked out on two of those.

We would like to have a vote—I believe we already have the yeas and nays ordered—on the Craig substitute to the Simpson amendment. So I believe we could have a vote on that at 6 o'clock. And then the agreement on Levin-McConnell. So we would be able to move forward with a recorded vote on two at 6 o'clock, and I believe we can work out several of these other issues on a voice vote. If we find out later we cannot, we can always have a recorded vote on those if negotiations do not work out. So I believe we would be ready to ask for unanimous consent shortly with the idea of getting a vote at 6.

Mr. LEVIN. If the Senator will yield on that question.

Mr. LOTT. I will be happy to yield.

Mr. LEVIN. Mr. President, as I understand it, the yeas and nays have been ordered on the underlying Simpson amendment.

Mr. LOTT. I believe that is the amendment offered by the Senator from Idaho [Mr. CRAIG].

Mr. LEVIN. My understanding was it was on the Simpson amendment, but that does not make any difference. I do not know that the yeas and nays are needed on the second-degree amendment. I think they may be needed, however, on the underlying amendment.

Mr. LOTT. Right. That is what we would hope to get in our unanimous-consent agreement.

Mr. LEVIN. Then I hope this amendment, the Levin-McConnell amendment, the rollcall on that, if necessary, will come immediately following. Is that the intention of the Senator from Mississippi?

Mr. LOTT. I believe that would be appropriate. We could do it either way. But I think in view of the fact——

Mr. LEVIN. May I suggest that the vote on the Levin-McConnell amendment come first, to give people a little more opportunity to focus on what is in the underlying Simpson amendment, and I think we are ready to have a vote on the Levin-McConnell amendment, which, by the way, has not been sent to the desk.

If the Senator will yield further, I wonder if he would permit me now to send the so-called Levin-McConnell amendment to the desk.

Mr. LOTT. Mr. President, I would yield for that purpose so that the Levin-McConnell amendment can be sent to the desk. Just very briefly, I want to emphasize that this once again is evidence of the substantial progress that has been made by the distinguished Senator from Michigan and the distinguished Senator from Kentucky. A lot of details have been worked out. I hope the Members will have an opportunity to take a look at this agreement. I believe it is the basis for concluding this lobby reform legislation very shortly.

AMENDMENT NO. 1843 TO AMENDMENT NO. 1836

The PRESIDING OFFICER. Without objection, the pending amendments are set aside. The clerk will report the amendment submitted by the Senator from Michigan.

The assistant legislative clerk read as follows:

The Senator from Michigan [Mr. LEVIN], for himself and Mr. MCCONNELL, proposes an amendment numbered 1843 to amendment No. 1836.

Mr. LEVIN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Strike the text of the amendment and insert the following in lieu thereof:

On page 3, line 20, strike paragraph (E) and redesignate the following paragraphs accordingly.

On page 5, line 9, strike paragraphs (5) and renumber accordingly.

On page 6, line 5, strike ''Lobbying activities also include efforts to stimulate grassroots lobbying'' and all that follows through the end of the paragraph.

On page 7, line 10, strike line 10 through 21 and insert in lieu thereof ''cense); or''

On page 8, line 11, strike ''that is widely distributed to the public'' and insert ''that is distributed and made available to the public''.

On page 9, line 11, strike ''a written request'' and insert ''an oral or written request''.

On page 13, line 15, strike ''1 or more lobbying contacts'' and insert ''more than one lobbying contact''.

On page 13, line 17 and 18, strike ''10 percent of the time engaged in the services provided by such individual to that client'' and insert ''20 percent of the time engaged in the services provided by such individual to that client over a six month period''.

On page 16, line 3, strike ''30 days'' and insert ''45 days''.

On page 16, line 8, strike ''the Office of Lobbying Registration and Public Disclosure'' and insert ''the Secretary of the Senate and the Clerk of the House of Representatives''.

On page 16, line 23, strike ''$2,500'' and insert ''$5,000''.

On page 17, line 2, strike ''$5,000'' and insert ''$20,000''.

On page 17, line 22, strike ''shall be in such form as the Director shall prescribe by regulation and''.

On page 18, line 10, strike ''$5,000'' and insert ''$10,000''.

On page 18, line 14, strike paragraph (B) and insert in lieu thereof the following:

''(B) in whole or in major part plans, supervises, or controls such lobbying activities.''

On page 18, line 19, strike ''$5,000'' and insert ''$10,000''.

On page 20, line 18, strike ''the Director'' and insert ''the Secretary of the Senate and the Clerk of the House of Representatives''.

On page 20, line 21, strike ''30 days'' and insert ''45 days''.

On page 21, line 1, strike ''the Office of Lobbying Registration and Public Disclosure'' and insert ''the Secretary of the Senate and the Clerk of the House of Representatives''.

On page 21, line 5, strike paragraph (2).

On page 22, line 5, strike ''shall be in such form as the Director shall prescribe by regulation and''.

On page 22, line 18, strike ''regulatory actions'' and all that follows through the end of line 20 and insert in lieu thereof ''executive branch actions''.

On page 22, line 21, strike ''and committees''.

On page 23, line 20, strike subsection (c) and insert in lieu thereof the following:

''(c) ESTIMATES OF INCOME OR EXPENSES.—For purposes of this section, estimates of income or expenses shall be made as follows:

''(1) Estimates of amounts in excess of $10,000 shall be rounded to the nearest $20,000.

''(2) In the event income or expenses do not exceed $10,000, the registrant shall include a statement that income or expenses totaled less than $10,000 for the reporting period.

''(3) A registrant that reports lobbying expenditures pursuant to section 6033(b)(8) of the Internal Revenue Code of 1986 may satisfy the requirement to report income or expenses by filing with the Secretary of the Senate and the Clerk of the House of Representatives a copy of the form filed in accordance with section 6033(b)(8).''

On page 24, line 23, strike subsection (d).

On page 25, line 24, strike subsection (e).

On page 31, strike line 1 and all that follows through line 17 on page 47, and insert in lieu thereof the following:

''SEC. 7. DISCLOSURE AND ENFORCEMENT.

''The Secretary of the Senate and the Clerk of the House of Representatives shall—

''(1) provide guidance and assistance on the registration and reporting requirements of this Act and develop common standards, rules, and procedures for compliance with this Act;

''(2) review, and, where necessary, verify and inquire to ensure the accuracy, completeness, and timeliness of registration and reports;

''(3) develop filing, coding, and cross-indexing systems to carry out the purpose of this Act, including—

''(A) a publicly available list of all registered lobbyists and their clients; and

''(B) computerized systems designed to minimize the burden of filing and minimize public access to materials filed under this Act;

''(4) make available for public inspection and copying at reasonable times the registrations and reports filed under this Act;

''(5) retain registrations for a period of at least 6 years after they are terminated and reports for a period of at least 6 years after they are filed;

''(6) compile and summarize, with respect to each semiannual period, the information contained in registrations and reports filed with respect to such period in a clear and complete manner;

''(7) notify any lobbyist or lobbying firm in writing that may be in noncompliance with this Act; and

''(8) notify the United States Attorney for the District of Columbia that a lobbyist or lobbying firm may be in noncompliance with this Act, if the registrant has been notified in writing and has failed to provide an appropriate response within 60 days after notice was given under paragraph (6).

''SEC. 7. PENALTIES.

''Whoever knowingly fails to—

''(1) remedy a defective filing within 60 days after notice of such a defect by the Secretary of the Senate or the Clerk of the House of Representatives; or

''(2) comply with any other provision of this Act; shall, upon proof of such knowing violation by a preponderance of the evidence, be subject to a civil fine of not more than $50,000, depending on the extent and gravity of the violation.''

On page 48, line, strike ''the Director or''.

On page 48, line 9, strike ''the Director'' and insert ''the Secretary of the Senate or the Clerk of the House of Representatives''.

On page 54, line 9, strike Section 18 and renumber accordingly.

On page 55, line 23, strike Section 20 and renumber accordingly.

On page 58, line 5, strike ''the Director'' and insert ''the Secretary of the Senate and the Clerk of the House of Representatives''.

On page 59, strike line 3 and all that follows through the end of the bill, and insert in lieu thereof the following:

''SEC. 22. EFFECTIVE DATES.

''(a) Except as otherwise provided in this section, this Act and the amendments made by this Act shall take effect on January 1, 1996.

''(b) The repeals and amendments made under sections 13, 14, 15, and 16 shall take effect as provided under subsection (a), except that such repeals and amendments—

''(1) shall not affect any proceeding or suit commenced before the effective date under subsection (a), and in all such proceedings or suits, proceedings shall be had, appeals taken, and judgments rendered in the same manner and with the same effect as if this Act had not been enacted; and

''(2) shall not affect the requirements of Federal agencies to compile, publish, and retain information filed or received before the effective date of such repeals and amendments.''

Mr. LEVIN. Mr. President, I note the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. McCONNELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNANIMOUS-CONSENT AGREEMENT

Mr. McCONNELL. Mr. President, I ask unanimous consent that Senator LEVIN be recognized to offer an amendment to the Levin-Cohen amendment No. 1836, and a vote occur on the amendment at 6 p.m. this evening; and that no amendments be in order to the Levin amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McCONNELL. Mr. President, I further ask unanimous consent that immediately following the vote on the Levin-McConnell amendment, the Senate proceed to the adoption of the Levin-Cohen amendment, as amended, if amended, without any intervening action or debate.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McCONNELL. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. CRAIG. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 1842, AS FURTHER MODIFIED

Mr. CRAIG. Mr. President, I call up amendment No. 1842 for further modification of the second-degree amendment.

The PRESIDING OFFICER. That will be the pending business.

Mr. CRAIG. I send the modification to the desk and ask that it be so modified.

The PRESIDING OFFICER. The Senator has a right to modify the amendment.

Mr. CRAIG. I thank the President.

Mr. LEVIN addressed the Chair.

Mr. LEVIN. Mr. President, may I suggest the clerk read the amendment now as it is modified again. It is a short amendment and it does make a difference, and if there is a change in it, everybody should hear what that change is. This is an additional modification. I ask that the clerk read this amendment. This is an amendment to the Craig substitute, as I understand.

Mr. CRAIG. If the Senator from Michigan will yield, I changed and added the word ''activities'' to ''lobbying.'' I think the Senator has made an important point, and I wish the full amendment, as modified, to be read into the RECORD.

The PRESIDING OFFICER. The clerk will read the amendment, as modified.

The assistant legislative clerk read as follows:

Strike all after the word ''Sec.'', and insert the following:

. EXEMPT ORGANIZATIONS.

An organization described in section 501(c)(4) of the Internal Revenue Code of 1986 which engages in lobbying activities shall not be eligible for the receipt of Federal funds constituting an award, grant, contract, loan, or any other form.

Mr. CRAIG. I thank the Senator from Michigan for making that clarifying point. Recognizing that, I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BROWN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BROWN. Mr. President, what is the pending business before the Senate?

The PRESIDING OFFICER. The pending business is amendment No. 1843 to amendment No. 1836.

Mr. BROWN. Mr. President, I ask unanimous consent that we temporarily set aside the pending business to go to Brown No. 3 amendment, No. 1841.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 1841

Mr. BROWN. Mr. President, this is the amendment that deals with qualified blind trust and provides for reporting of the total cash value of that if, indeed, the trust provides that the beneficiary of the trust is notified under the terms of the trust. My understanding is both sides have reviewed this and do not have objection to it.

Mr. McCONNELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. McCONNELL. Mr. President, I am unaware of any objection to the Brown amendment just outlined on this side.

Mr. LEVIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Michigan.

Mr. LEVIN. Mr. President, I know of no objections to this amendment on this side. To be clear, this is the so-called Brown amendment No. 3 earlier in the afternoon.

Mr. BROWN. It is.

The PRESIDING OFFICER. Is there further debate on amendment No. 1841? If not, the question is on agreeing to the amendment.

The amendment (No. 1841) was agreed to.

Mr. McCONNELL. Mr. President, I move to reconsider the vote by which the amendment was agreed to, and I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. McCONNELL. Mr. President, I ask for the yeas and nays on the Levin McConnell amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. LEVIN. Mr. President, I ask unanimous consent that the Levin McConnell amendment No. 1843 be considered a substitute for amendment No. 1836.

The PRESIDING OFFICER. Is there objection?

Mr. LOTT. Mr. President, this is a technical change. We see no problem with it. There is no objection on this side.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

VOTE ON AMENDMENT NO. 1843

The PRESIDING OFFICER. The question is on agreeing to the amendment, No. 1843, of the Senator from Michigan.

The yeas and nays have been ordered.

The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. LOTT. I announce that the Senator from Utah [Mr. BENNETT] and the Senator from Indiana [Mr. LUGAR] are necessarily absent.

The result was announced—yeas 98, nays 0, as follows:

[Rollcall Vote No. 324 Leg.]

YEAS—98

Abraham	Conrad	Grams
Akaka	Coverdell	Grassley
Ashcroft	Craig	Gregg
Baucus	D'Amato	Harkin
Biden	Daschle	Hatch
Bingaman	DeWine	Hatfield
Bond	Dodd	Heflin
Boxer	Dole	Helms
Bradley	Domenici	Hollings
Breaux	Dorgan	Hutchison
Brown	Exon	Inhofe
Bryan	Faircloth	Inouye
Bumpers	Feingold	Jeffords
Burns	Feinstein	Johnston
Byrd	Ford	Kassebaum
Campbell	Frist	Kempthorne
Chafee	Glenn	Kennedy
Coats	Gorton	Kerrey
Cochran	Graham	Kerry
Cohen	Gramm	Kohl

Kyl	Murray	Shelby
Lautenberg	Nickles	Simon
Leahy	Nunn	Simpson
Levin	Packwood	Smith
Lieberman	Pell	Snowe
Lott	Pressler	Specter
Mack	Pryor	Stevens
McCain	Reid	Thomas
McConnell	Robb	Thompson
Mikulski	Rockefeller	Thurmond
Moseley-Braun	Roth	Warner
Moynihan	Santorum	Wellstone
Murkowski	Sarbanes	

NOT VOTING—2

Bennett	Lugar

So the amendment (No. 1843) was agreed to.

Mr. LEVIN. Mr. President, I move to reconsider the vote by which the Levin-McConnell amendment, No. 1843, was agreed to.

Mr. MCCONNELL. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MCCAIN addressed the Chair.

The PRESIDING OFFICER (Mr. BROWN). The Senator from Arizona is recognized.

Mr. FORD. May we have order, Mr. President?

The PRESIDING OFFICER. The Senator will withhold for a moment.

Regular order requires us to vote on the underlying amendment.

VOTE ON AMENDMENT NO. 1836, AS AMENDED

The PRESIDING OFFICER. Under the previous order, the question now occurs on amendment No. 1836, as amended.

The amendment (No. 1836), as amended, was agreed to.

AMENDMENT NO. 1837

The PRESIDING OFFICER. The Senator from Arizona is recognized.

Mr. MCCAIN. Mr. President, I call for regular order with regard to the McCain amendment No. 1837.

The PRESIDING OFFICER. The Senator has a right to call for regular order and that is now the pending question.

Mr. LEAHY. Mr. President, the Senate is still not in order.

The PRESIDING OFFICER. The Senate will please come to order. Senators will cease conversation.

The Senator from Arizona.

AMENDMENT NO. 1837, AS MODIFIED

Mr. MCCAIN. Mr. President, I have a modification at the desk. I ask unanimous consent the amendment be modified.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The amendment (No. 1837), as modified, is as follows:

At the appropriate place, insert the following:

SEC. . REPEAL OF THE RAMSPECK ACT.

(a) REPEAL.—Subsection (c) of section 3304 of title 5, United States Code, is repealed.

(b) REDESIGNATION.—Subsection (d) of section 3304 of title 5, United States Code, is redesignated as subsection (c).

(c) EFFECTIVE DATE.—The repeal and amendment made by this section shall take effect 2 years after the date of the enactment of this Act.

Add the following new section:

SEC. 2. EXCEPTED SERVICE AND OTHER EXPERIENCE CONSIDERATIONS FOR COMPETITIVE SERVICE APPOINTMENTS.

(a) IN GENERAL.—Section 3304 of title 5, United States Code (as amended by section 2 of this Act) is further amended by adding at the end thereof the following new subsection:

''(d) The Office of Personnel Management shall promulgate regulations on the manner and extent that experience of an individual in a position other than the competitive service such as the excepted service (as defined under section 2103) in the legislative or judicial branch, or in any private or nonprofit enterprise, may be considered in making appointments to a position in the competitive service (as defined under section 2102).'' In promulgating such regulations OPM shall not grant any preference based on the fact of service in the legislative or judicial branch. The regulations shall be consistent with the principles of equitable competition and merit-based appointments.

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect 2 years after the date of the enactment of this Act, except the Office of Personnel Management shall—

(1) conduct a study on excepted service considerations for competitive service appointments relating to such amendment; and

(2) take all necessary actions for the regulations described under such amendment to take effect as final regulations on the effective date of this section.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. MCCAIN. Mr. President, this has been agreed to by Chairman ROTH and the Governmental Affairs Committee, and with the consent of Senator STEVENS, including language Senator STEVENS added when he reported the legislation out of the Civil Service Subcommittee in May regarding OPM and judicial regulations, to consider the experience of individuals who served in the legislative branch as well as private sector; preference will not be given in these regulations.

I thank Senator ROTH and Senator STEVENS for their assistance on this amendment.

I yield the floor.

The PRESIDING OFFICER. Is there further amendment or further discussion on amendment No. 1837, as modified?

The Senator from Vermont.

Mr. LEAHY. Mr. President, I do not like to ask this question. I realize we are in the Dracula stage of legislation. The Dracula rule appears, over the last several months, where we do not vote during daylight hours but only in the evening. Otherwise, we might be wasting our time with our families, our wives, our husbands, our children, whatever else.

As one who would like to spend some time with his family, I wonder if the leader might be able to give us some idea whether this will be one of those 2 or 3 evenings a month that we are allowed time with our families. I realize the commitment of everybody here to family values. I just ask that question.

The PRESIDING OFFICER. The Senator from Mississippi is recognized.

Mr. LOTT. Mr. President, a great deal of progress has been made today. That last vote was an indication of how much progress has been made in working out an agreement on this legislation.

There is now an agreement on the McCain amendment. There are other amendments being discussed that we could hopefully reach agreement on. There are some that still may require some recorded votes tonight. The leader has indicated he would like for us to push on and see if we can work out as many amendments as possible and get votes on others and get to final passage on lobby reform tonight.

The reason for that is we do still have to take up, under the unanimous-consent agreement, gift reform later on tonight or tomorrow, without votes on gift reform tonight. We do have the Bosnia resolution pending for consideration tomorrow afternoon, and many other bills that we need to complete before we get to our August recess period.

But the answer to the question of the Senator from Vermont is, we do want to go forward. We think we can complete this legislation at a reasonable hour tonight.

Mr. LEAHY. Mr. President, I appreciate what the Senator from Mississippi has said. I do compliment the Senator from Kentucky and the Senator from Michigan. I know from various phone calls that went back and forth they have done yeomen's service here today in reaching this area of agreement. Obviously, had they not, we could be here much, much longer than we have.

The question I have again, for some of us who have families, is there going to be either a window or shall we tell them to all go to bed and get up at 1 tomorrow morning to see us? I do not mean to question facetiously, but we are falling into this trend of almost Dracula voting—we only vote when the Sun goes down. But some of us do have families and would like to see them.

I ask the question in all seriousness, will there be a window? Will there be time? Shall we make any plans to see our families?

Mr. LOTT. To respond further, it is very difficult to say right now that could be done because we have three or four negotiations going on simultaneously. We may get those worked out shortly, and then there would not be a necessity for votes again in the next hour. But right now, we could not indicate that there will be a window. We want to try to complete this before it is late tonight. That would be the best way so that we all could go home at 8 or 8:30.

Mr. LEAHY. Is there a possibility of setting the votes in the morning?

Mr. LOTT. There is. We would have to check to see where the negotiations are. There is a possibility we could have stacked votes later on tonight, or perhaps even in the morning. Right now the leader wants us to push this forward so we can get an agreement. I believe we can accomplish that.

I yield the floor.

Mr. DOMENICI. Mr. President, will the Senator not leave for a moment? I wonder. Whoever is putting this together, have you considered a sliding scale, sort of a means testing on the gifts?

The PRESIDING OFFICER. If the Senator will withhold, the Senate will be in order.

The Senator from New Mexico.

Mr. DOMENICI. I want to repeat my question. I am sure the distinguished Senator from Mississippi took it far too seriously. Let me repeat it again with a big smile.

Some of us are wondering whether you have considered a sliding scale on the gifts, a means testing for some of us who are in different conditions of finances than others. There are some who are in such great finances that they ought to be willing to have no gifts of any type under any circumstances. Have you ever considered a means testing for gifts?

Mr. LOTT. If I might respond, Mr. President, the gift rule issue will not come up until later on tonight with votes not occurring on that today but tomorrow. Speaking for myself, I think that is a great idea.

[Laughter.]

Mr. DOMENICI. I am going to bring that to a vote.

Thank you very much.

Mr. McCONNELL addressed the Chair.

The PRESIDING OFFICER. Is there further debate on amendment 1837, as modified? If there is no further debate on the amendment No. 1837, the question is on agreeing to the amendment.

The amendment (No. 1837), as modified, was agreed to.

Mr. McCONNELL. Mr. President, may we have order? The Senate is still not in order, Mr. President.

The PRESIDING OFFICER. The Senate will be in order. Those participating in conversations will please retire to the cloakrooms. The Senate is not in order.

The Senator from Kentucky is recognized.

Mr. McCONNELL. Mr. President, as the majority whip indicated, we believe we are down to a relatively few amendments. There is an excellent chance of finishing the bill tonight.

Mr. President, I see my friend from Michigan seeking recognition. So I yield the floor.

Mr. LEVIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Michigan.

VOTE VITIATED ON AMENDMENT NO. 1841

Mr. LEVIN. Mr. President, after consulting with the Presiding Officer, whose amendment I am referring to, I would ask unanimous consent to vitiate the vote on the so-called Brown No. 3 amendment, which was voice voted in the last 20 minutes. There was a problem with it that this Senator was not aware of. I indicated that I had no objection. In fact, there was some objection.

I ask unanimous consent that we vitiate the vote approving Brown 3 with the right of the Senator from Colorado, of course, to offer that amendment at any time.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. LEVIN. I thank the Presiding Officer.

Mr. LOTT. Mr. President, can I inquire as to whether or not we reached the point where maybe we could get an agreement to dispose of the Craig-Simpson modified amendment by voice vote? I understood maybe that was now possible. That would rid us of the necessity for another recorded vote. I am told that perhaps the other side is willing to agree to that now. I do have a unanimous consent request, if that is possible.

Mr. LEVIN. I do not know of a request for a rollcall vote on the Simpson amendment on this side. However, I would like all Members to understand that this is a very significant amendment which is going to affect 501(c)(4) organizations and would state that a 501(c)(4) organization, which includes Blue Cross, AARP, Disabled American Veterans, International Olympic Committee, and a whole host of other organizations that currently are allowed, although they have a tax exemption, to lobby, that under the Simpson-Craig amendment, they no longer would be allowed to receive a grant or an award from the Federal Government at the same time that they are allowed to lobby.

I think this creates a whole host of new issues. I am not on the Finance Committee. Unless someone from the Finance Committee wishes to get into this in some detail, I do not know of any indication on this side for a rollcall vote.

Mr. DODD. If the Senator will yield, frankly, this is one Senator who may want a vote. I am uneasy, I say, Mr. President. This raises a question, I say to my colleague. I am very uneasy about this list. I am not sure it is a complete list of 501(c)(4)'s. Some of them may very well be deserving of grants. I do not have any difficulty being lobbied by some of these organizations. It sounds to me like you have a few here that are being targeted for some specific purpose.

I think we ought to think more carefully before we take a rather significant step in deciding that a whole group of very legitimate organizations, that may very well qualify for grants of one kind or another, all of a sudden are being precluded from either doing that or lobbying Members of the U.S. Senate.

I, for one, would prefer to have a rollcall vote on this and have a voice vote, and I do not know frankly what the implications are.

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. SIMPSON. Mr. President, if I can draw the attention of my colleagues back to the issue here, we had the debate which was not participated in by everyone. And I understand that. I have been here for several years.

Let me tell you what this is. This is not an attempt to get anybody. The amendment is very clear. I am going to read it.

Here is the amendment with regard to 501(c)(4) corporations. There are a lot of them. This does not have anything to do with 501(c)(3) corporations, charitable corporations, the kind we think of most often. It has nothing to do with universities. It has nothing to do with 501(c)(5) corporations or 501(c)(6) corporations.

Remember, a 501(c)(4) corporation is tax-exempt and has unlimited ability to lobby with unlimited sums of money. They can lobby with $20 or $30 million, if they wish. There is no limitation whatsoever on lobbying activities. That is a 501(c)(4).

The 501(c)(3)'s are limited to a certain amount, a million bucks. You cannot go over that—501(c)(5)'s and (c)(6)'s have limitations. Here is what the amendment says:

> An organization described in section 501(c)(4) of the Internal Revenue Code of 1986 which engages in lobbying shall not be eligible for the receipt of Federal funds constituting an award, grant, contract, loan, or any other form.

Meaning that if a 501(c)(4) decided that they wanted to continue to lobby and were receiving Federal funds, they could no longer continue to lobby. However, if they wished to continue to receive Federal funds, then they would limit their lobbying activities. They can also go into splits, if they wish to split a 501(c)(4) organization. At least that would be an improvement over present law, which simply says that these groups can lobby. And if you are doing something with lobbying reform, it would seem to me you would want to do something with the one tax-exempt organization that can lobby with unlimited funding and still receive grants from the Federal Government to do so.

Mr. DODD. I apologize for not being here earlier today. Like most Members, I was not here in town for the debate.

I am looking down the list here of some of these numbers. I am told—correct me if I am wrong—there are 140,000 501(c)(4) organizations in the United States.

Now, I am looking at a list of 20 or 30 here. Obviously, it may be a list put together to cause someone like me to raise the issue, but I look at the Fireman's Association, State of New York, Group Health Association—a lot of groups that may very well qualify for grants, and I certainly, as a Member, do not have any objection if they want to come and lobby me in the office for some particular purpose. I do not know why we are singling out that particular group in this particular environment.

Now, to me, to disqualify 140,000 organizations in the United States seems to go a little too far.

Mr. SIMPSON. Mr. President, we are not disqualifying 140,000 organizations of the United States. We are disqualifying those that receive funding from the Federal Government, and very few of these do. Some receive minuscule amounts, most receive none. Here is the Mutual of America Life Insurance Co. with assets of $5.5 billion. I doubt that they receive anything from the Federal Government for lobbying activities.

Mr. DODD. I ask my colleague, what is the point of the amendment then? If none of them is getting grants, why do we need an amendment?

Mr. SIMPSON. The point of the amendment is there are many tax-exempt 501(c)(4) corporations that receive grants, awards, contracts, or loans, or any other form from the Federal Government and use it to lobby the Federal Government for more Federal money for themselves.

Mr. LEVIN. Will the Senator yield on that point? I do not know who has the floor.

The PRESIDING OFFICER. The Senator from Wyoming has the floor.

Mr. LEVIN. Will the Senator from Wyoming yield on that point?

Mr. SIMPSON. Certainly.

Mr. LEVIN. The Senator just said that they could use the grant for lobbying purposes. I think that he misspoke when he said that because there is a law which prohibits the use of appropriated funds for lobbying activities.

What the amendment does is something different, because we already have a ban on using appropriated funds for lobbying.

What the amendment says is that if an organization gets funds from some other source, if a 501(c)(4) gets funds from some other source and uses those other funds to lobby, it may not then get a grant or an award from the Federal Government to do some social function that is within the scope of the grant.

I do not think the Senator from Wyoming is suggesting—at least I hope he is not—that currently a 501(c)(4) can get a grant or an award from the Federal Government and use that money to pay for lobbying.

Mr. SIMPSON. Mr. President, under the present law of the United States, when we are talking about a tax-exempt corporation, we are seeing happening in the country—this is something we have had one hearing on; there will be many more—where the Government is subsidizing the programs and activities of huge lobbying organizations that are engaged in things on the direct edge of UBIT, which is the unrelated business income Tax, that are involved in profitmaking activities and that receive a tax-exempt status.

What we are saying is those organizations which lobby without limit—and this is the only one in the whole panoply that lobbies without limit, without any kind of limitation on the amount of money they can spend. So if you are going to do a lobbying reform bill, it would seem to me that you would want to deal with the one subsection (c) corporation that can spend itself into oblivion and even use Federal money in the process of receiving grants, awards, notes, whatever it may be, bonuses, contracts, and we are saying you make a choice here. If you are going to lobby, then you are not going to receive Federal grants. If you want to receive Federal grants, you do not lobby. Take your pick.

Mr. DODD. If my colleague will yield further, I appreciate his point.

Mr. SIMPSON. I will yield to the Senator from Idaho.

Mr. CRAIG. All money is fungible, and if there is not a clear, tight bookkeeping system, as there is in a 501(c)(3), which the IRS says very clearly how much of its assets or what percentage of it it can spend in lobbying up to a universal cap of $1 million, then we went over and created a 501(c)(4) which said you can be tax-exempt and you can have unlimited advocacy.

What we have seen over the years is not only do they have unlimited advocacy, and, yes, there is a rather open bookkeeping system and, yes, there is a prohibition against using Federal dollars, tax dollars for the purpose of lobbying, all of the money moves inside the organization and it is extremely fungible.

We are saying, if you want to retain your 501(c)(4) for lobbying, you can and you should and you are tax-exempt. But if you want to do the grant business, go create something else for that purpose so there is a clear line so the taxpayers of this country can know and know very well that there is not the fungibility that is going on here, not in the hundreds of thousands of those organizations but in a substantial number that have taken advantage of a tax-exempt status. I do not think the Senator and I, in granting that tax-exempt status, want to allow them to take advantage.

Now, we do not want to deny them the opportunity to serve their public and their membership, and they can do that by shifting their status for certain purposes.

Mr. DODD. I thank my colleague. If my colleague will yield further, I will seek time or whatever.

Mr. DODD addressed the Chair.

The PRESIDING OFFICER. The Senator from Connecticut is recognized.

Mr. DODD. Mr. President, I might inquire of a couple things. One, I am told there are some 140,000 of these organizations. I do not know. And maybe there have been hearings on this by the Finance Committee. This is a pretty significant step we are taking. Could I inquire of my colleague from Wyoming whether or not there have been any hearings on what the implications of this are? I presume it is a Finance Committee matter since it is a 501(c)(4). And what are the tax implications of it? I do not know if that has been done.

Mr. SIMPSON. Mr. President, we did have a hearing in the Finance Committee on these issues of tax exempts, and we will have many more. We did, indeed. The ''little guys'' that people have been talking about protecting, grassroots and so on, they are going to be well protected because they are, most of them, 501(c)(3).

We are talking about a singular group of maybe 140,000—that is exactly correct—and we are talking about big time, big time lobbying. One group spends $26 million a year on unlimited lobbying and receives grants from the Federal Government. We are saying if you do that, then you are no longer going to receive the grants. You can lobby to oblivion; you can continue to do whatever you wish to do. Or if you wish not to receive grants or receive grants, you take your choice. Or you can split into two 501(c)(4)'s, one lobbying with all sorts of money and dues, it is perfectly appropriate, without limit; or, if you are going to receive Federal funds, you do not lobby. You take your pick.

Mr. DODD. I thank my colleague for his response, Mr. President.

I just say again, I do not hold myself as any expert in this area, but it seems to me we are taking, in my view, I do say with all due respect to my good friend, a rather draconian step; with 140,000 organizations in this country, admittedly, by one of the authors of the amendment, out of the 140,000 we are talking a handful that really stick in the craw of my colleague from Wyoming.

In doing so, my own view is I do not know why we ought to take 139,900 and ask them to pay an awful price here because of what 100 organizations may be doing that is offensive. My view is we are changing a pretty significant piece of tax law when it comes to these organizations. And to step forward and single out 140,000 organizations, most of which are pretty small operators here that have set up under those guidelines, I think goes too far.

Now, clearly, there may be some here that, because of their income status or whatever, maybe we ought to come back with another amendment that deals with some of those in some specific way. But to pick on groups here that literally are tiny—the Henry Ford Health Care Corp., the Higher Education Foundation, they are on the list of organizations here that do not seem to me to be any great threat to anyone.

So, Mr. President, with great respect to the authors of the amendment, I think this just goes too far. I think we are stepping way over a line here. If we are going to change entirely the nature of 501(c)(4) corporations, I think we ought to have some specific hearings, there ought to be specific legislation that comes up and not have an amendment offered on the floor that wipes out 140,000 organizations from what has been up to this very moment a legitimate tax status.

I say to my colleague from Idaho, money is fungible, but the fact of the matter is the law is the law. And you are not allowed to use taxpayer money for lobbying purposes. That is the law. If someone does, they are in violation of the law and there are penalties associated with that.

But to suggest because there is some grant money there that somehow all of that leaches into the rest of this money and ends up being used for lobbying purposes I think, frankly, is to suggest that somehow people are out there violating the law right and left, and I do not see it.

Come back if you want to on this one, but I do not know why you want to take 140,000 organizations and relegate them to a very unique status—all of them in this country—because of the complaints of a few.

Mr. CRAIG. Will the Senator yield?

Mr. DODD. I will be glad to yield.

The PRESIDING OFFICER. The Senator from Connecticut has yielded for a question.

Mr. DODD. Certainly.

Mr. CRAIG. I think it is important to cite here that we are not amending the Tax Code. We are using the Tax Code to identify the group in lobbying, and that clarification is how I read what we are doing. I think it is also fair to say that any 501(c)(4) that chooses not to get a grant and feed at the Federal trough is exempt.

Mr. DODD. May I ask my colleague, for instance, why are we not including 501(c)(6)? Those are trade associations. They are tax exempt. They get Federal contracts and grants and they lobby.

Mr. CRAIG. Because there is an entirely different qualifying mechanism under the IRS Code for them, and they are watched very closely and their audits are held very tightly.

Mr. DODD. Will my colleague not agree they meet all the standards the Senator applies to this amendment?

Mr. CRAIG. Absolutely.

Mr. DODD. They are trade associations. They get grants and they lobby. Why is there any reason to suspect they are going to be any different in terms of their tax dollars——

Mr. CRAIG. The term is unlimited versus the percentages of total revenue base. The IRS Code already established that. 501(c)(4) is an unlimited category.

Mr. LEVIN. Will the Senator from Connecticut yield for a question?

Mr. DODD. I yield to my colleague from Michigan.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Connecticut has yielded to the Senator from Michigan for a question.

Mr. LEVIN. It seems to me the Senator from Connecticut is pointing out something which is very significant, which is that the proponents of the amendment are basically using the amendment which will ban a 501(c)(4) organization from doing something it currently does, which is to both lobby with its own funds and to receive a grant for a public purpose somewhere else.

The purpose of this amendment, as I understand it, is an accounting purpose. The argument is made that money is fungible and, therefore, we have to make sure they do not use public funds for lobbying purposes and that we need an accounting mechanism in order to be sure that that is not done.

In 18 United States Code section 1913, it already says that:

> No part of the money appropriated by Congress shall, in the absence of express authorization by Congress, be used directly or indirectly to pay for any personal service, advertisement, telegram, telephone, letter, printed or written matter, or other device intended or designed to influence in any manner a Member of Congress to favor or oppose by vote or otherwise any legislation or appropriation by Congress whether before or after the introduction of any bill or resolution proposing such legislation or appropriation.

So we already have a ban on the use of public funds for lobbying. It seems to me what this comes down to then is to say we are going to change the rules currently lived by 140,000 organizations in order to make sure that the few organizations, relatively, that lobby keep good books.

Mr. DODD. I say to my colleague——

Mr. LEVIN. I am wondering whether the Senator from Connecticut will agree.

Mr. DODD. I agree. It sounds like the ''Lawyers and Accountants Relief Act.'' You hire accountants and lawyers and create two organizations and you have met the standard. I suppose you can get around the law that way. I am not sure that is what we want to be doing necessarily, except that a lot of smaller organizations that do not have the resources are going to have to go out and hire people to do it.

For the life of me, I do not understand the value, particularly when the law is clear when you use those resources.

Mr. LEVIN. My question to the Senator is this: Will the Senator agree that an amendment might be in order that might require 501(c)(4)'s to maintain clear books as to how they use Federal funds for Federal purposes and do not use those funds for lobbying purposes? Will the Senator agree that that kind of an amendment might be appropriate in order to address the fungibility issue of the Senator from Idaho?

Mr. DODD. I say to my colleague from Michigan, that would at least—I understand the heart of the argument in a sense, that the fungibility question is one that people are worried about. I suggest if we are going to do it, we might apply it to the 501(c)(6) organizations as well. That at least addresses a potential problem, although to me that may be solved by means other than through the amendment process.

Nonetheless, that would at least make some sense to me. But to wipe out 140,000 organizations—as I say, I do not hold myself out—I just happened to walk on the floor and heard this amendment was coming up, and it seemed to go too far. I do not have a particular brief; no one talked about it. I looked at the list and said, ''Why are we taking 140,000 organizations in this country that are 501(c)(4) organizations and all of a sudden applying a standard that I think goes beyond the pale?'' That is all I feel about it. I do not have a particular brief for it. It just seems to go too far for me.

Mr. SIMPSON addressed the Chair.

The PRESIDING OFFICER. The Senator from Wyoming is recognized.

Mr. SIMPSON. Mr. President, I say to my friend from Connecticut, after 16 years of legislating on the floor, I remember one incident distinctly. We went for 5 days of debate—I was managing the bill—and suddenly in the door came one of our colleagues. He happened to be on our side of the aisle and had paid no particular interest in the measure, and suddenly just went for it tooth and fang. I thought, well, that is interesting.

Mr. DODD. Did he win or lose?

Mr. SIMPSON. Oh, he lost.

Mr. DODD. I had a feeling that was the answer.

[Laughter.]

Mr. SIMPSON. Directing my remarks to the Chair, of course, rather than my colleague from Connecticut, let me just say we are not wiping out anybody. We are not in the business of wiping out 501(c)(4)'s, and if you want to go to 501 (c)(6)'s and (c)(5)'s, I am ready to go there, too. But I did not want to bite off too big a chunk because I did not want to get into it with the chamber of commerce and the AFL–CIO.

Mr. DODD. The AFL–CIO is a 501(c)(4).

Mr. SIMPSON. No, they are not.

Mr. DODD. I am told they are——

Mr. SIMPSON. They are a (c)(5); the AFL–CIO is a (c)(5).

Mr. DODD. Right; (c)(5).

Mr. SIMPSON. So is the U.S. Chamber of Commerce.

Mr. DODD. I apologize to my colleague.

Mr. SIMPSON. What we are saying is if anyone gets stung here in this process, they can go become a 501(c)(3) if they are really into big-time charity, doing things that you would like to see charities do. They can be a 501(c)(3). That is a charitable corporation; that is $1 million limiting activity of lobbying. They can give up lobbying or they can go into a separate split-off. They can split into two, a lobbying organization or a grant organization. That is what we are saying.

We are seeing abuses of the system. This is not about tax exemption. This is about lobbying. I thought that is what this is about.

Why in the world should we allow a group to have unlimited ability to spend their members' dues and then use Federal money to offset what they ordinarily would have paid? They

would have had to pay for this somewhere but, no, they get it from the Feds. I think that is wrong if you are doing lobbying reform.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico is recognized.

Mr. DOMENICI. Mr. President, I frequently come to the floor on the spur of the moment like my friend from Connecticut—and we see eye to eye—but I think he is wrong on this one. I think the Senator from Wyoming is right.

Frankly, I did not know this was legal. I could not imagine that you would have a tax-exempt corporation—meaning they do not pay any tax on all the money they take in—going out and lobbying the Federal Government, because that is permissive, and then going out and seeking grants from the Federal Government. I could not imagine a situation with more potential for conflict of interest than putting in a corporation that gets all these benefits and can lobby the Federal Government and then saying, ''On the other hand, you can go get all the money you can scratch out of these grants''—and do what with it? Spend it for the same entity, the same corporation.

If I were to have had this before me at the beginning when it was passed, I would have voted against it. I think it is an exciting idea that when you are reforming the lobbying laws of the Nation that you give the corporations a clear opportunity. If you want to lobby, you choose another tax-exempt status.

If you want to choose this one, then do not go to the Federal Government against whom you are lobbying to get money. It seems to me pretty clear that the Senator from Wyoming is on the right track. I hope we will vote soon and get rid of this opportunity that we should never have given to these kinds of nonprofit corporations.

I yield the floor.

Mr. McCONNELL. Mr. President, let me say that we are down to six amendments, most of which I think are going to be accepted. There is an excellent chance of finishing this bill very soon. I do not want to interrupt the debate going on. But we can get through here pretty quickly if we will have the cooperation of Senators.

I yield the floor.

Mr. LOTT. Mr. President, I know that some Members are waiting to see if we are going to have a vote momentarily, or whether we are going to do this on a voice vote or not. I believe that the yeas and nays have already been ordered on the underlying Simpson amendment.

So I believe we are ready to go to a vote. Does the Senator want to dispose of this on a voice vote?

Mr. DODD. I would like a recorded vote. Has there been a request for a recorded vote?

The PRESIDING OFFICER. The yeas and nays have been ordered on the underlying amendment. There is a second-degree amendment that the yeas and nays have not been ordered on.

Mr. DODD. Which is the second-degree amendment?

Mr. LOTT. Let me see if I can clarify a request here.

I ask unanimous consent that the Senate proceed to vote on or in relation to the Craig amendment, as further modified, that no amendments be in order to the Craig amendment No. 1843, and that following the disposition of the Craig amendment, the Senate proceed to the adoption of the Simpson amendment No. 1839, as amended, if amended.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. LOTT. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. DORGAN. Mr. President, let me inquire further of the Senator from Mississippi as to what he expects for a schedule tonight. Some of us would like to know, if we have a recorded vote now, when will we have the next recorded vote?

Mr. LOTT. Mr. President, we are down to half a dozen amendments. We believe we can work out agreements on some of those. Some we believe we can voice vote. We think we are down to maybe a couple more votes tonight, and we would like to go ahead and move toward getting a conclusion on those amendments.

Mr. DORGAN. Mr. President, I would observe that much of the day was spent in quorum calls and now, as we reach the dinner hour, we seem to be more interested in debate.

Mr. LOTT. Let me respond to the Senator, if I could. Let us go ahead and go to this recorded vote, and during that vote we will see if we can get a further clarification on exactly when the final votes would occur. We will work on that and tell the Members after this vote.

Mr. DORGAN. That is fine with me. I hope that the majority will consider rolling votes tomorrow morning. I hope he will consider doing this on a routine basis. If we have a couple more votes, rather than people coming back at 9 or 10 p.m. to cast votes, why not stack them for the first thing in the morning?

Mr. LOTT. We will have to check with the majority leader on that. The important thing is that we need to finish lobby reform, so that we can go to gift reform first thing in the morning. Perhaps we can work something out along the lines of what he is suggesting.

I ask unanimous consent that the yeas and nays be vitiated on the underlying Simpson amendment No. 1839.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LOTT. I believe we are ready to vote.

The PRESIDING OFFICER. The question is on agreeing to amendment No. 1842, as further modified.

The yeas and nays have been ordered.

The clerk will call the roll.

The bill clerk called the roll.

Mr. LOTT. I announce that the Senator from Utah [Mr. BENNETT] and the Senator from Indiana [Mr. LUGAR] are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 59, nays 39, as follows:

[Rollcall Vote No. 325 Leg.]

YEAS—59

Abraham	Frist	McCain
Ashcroft	Gorton	McConnell
Baucus	Gramm	Murkowski
Bond	Grams	Nickles
Breaux	Grassley	Packwood
Brown	Gregg	Pressler
Burns	Hatch	Reid
Campbell	Hatfield	Roth
Chafee	Helms	Santorum
Coats	Hollings	Shelby
Cochran	Hutchison	Simpson
Cohen	Inhofe	Smith
Coverdell	Johnston	Snowe
Craig	Kassebaum	Specter
D'Amato	Kempthorne	Stevens
DeWine	Kerrey	Thomas
Dole	Kerry	Thompson
Domenici	Kyl	Thurmond
Faircloth	Lott	Warner
Feinstein	Mack	

NAYS—39

Akaka	Feingold	Lieberman
Biden	Ford	Mikulski
Bingaman	Glenn	Moseley-Braun
Boxer	Graham	Moynihan
Bradley	Harkin	Murray
Bryan	Heflin	Nunn
Bumpers	Inouye	Pell
Byrd	Jeffords	Pryor
Conrad	Kennedy	Robb
Daschle	Kohl	Rockefeller
Dodd	Lautenberg	Sarbanes
Dorgan	Leahy	Simon
Exon	Levin	Wellstone

NOT VOTING—2

Bennett	Lugar

So the amendment (No. 1842), as further modified, was agreed to.

The PRESIDING OFFICER. The question is on the underlying amendment, as amended.

Mr. EXON. Mr. President, may we have order, please?

Mr. McCONNELL. I move to reconsider the vote.

The PRESIDING OFFICER. The Senate will be in order.

The motion to reconsider the previous vote has been made.

Mr. KERRY. I move to lay that motion on the table.

The PRESIDING OFFICER. There is a motion to lay it on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from Nebraska.

AMENDMENT NO. 1839, AS AMENDED

Mr. EXON. Mr. President, what is the matter currently before the Senate?

The PRESIDING OFFICER. Amendment No. 1839, as amended.

Mr. EXON. Further debate has been ordered, then, before we proceed to consider the matter for final approval, is that right?

The PRESIDING OFFICER. Under the previous order, it provided for an immediate vote upon the disposition of the second-degree amendment.

Mr. EXON. There was a unanimous-consent agreement to that effect?

The PRESIDING OFFICER. That is correct.

The question is on the underlying first-degree amendment, as amended.

Mr. EXON. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? This is the same amendment as just voted on. Is there a sufficient second?

Mr. EXON. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is not a sufficient second.

Mr. EXON. I know that.

The PRESIDING OFFICER. There is not sufficient second.

Mr. LOTT. Parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. The Senator from Mississippi is recognized for a parliamentary inquiry.

Mr. LOTT. There was a good deal of discussion when the Senator from Nebraska was making his motion. Is he asking for a recorded vote on the Simpson amendment?

Mr. FORD. As amended.

The PRESIDING OFFICER. That is the Chair's understanding.

Mr. LOTT. I thought we had vitiated that in an earlier unanimous-consent request?

The PRESIDING OFFICER. That is correct.

Mr. LOTT. So that has been disposed of.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. May I make further inquiry of the Chair?

If I understand what the situation is at the present time, there was a unanimous consent agreement earlier, after we had voted on the second-degree amendment, that the underlying amendment offered by the Senator from Wyoming would then be approved on a voice vote? Was that the unanimous-consent agreement?

The PRESIDING OFFICER. It would be voted on immediately following.

Mr. EXON. Immediately following.

I have asked for a rollcall vote. I did not receive a sufficient second? Is that the ruling of the Chair?

The PRESIDING OFFICER. That is correct.

Mr. EXON. I make one further request for a rollcall vote on the Simpson amendment.

The PRESIDING OFFICER. The yeas and nays are requested. Is there a sufficient second?

Mr. LOTT. Mr. President, I observe the absence of a quorum.

Mr. FORD. Regular order.

The PRESIDING OFFICER. The regular order is for the Chair to determine.

Mr. LOTT. Mr. President, again, parliamentary inquiry, I think we need to try to understand exactly where we are and what we are trying to accomplish here.

I believe, in framing my parliamentary inquiry, the amendment now before us is identical to the language we just voted on. And, therefore, this would be a second recorded vote on the same issue we just voted on now, under the Craig amendment?

The PRESIDING OFFICER. The Senator from Mississippi is correct.

The yeas and nays have been requested.

Mr. LOTT. Mr. President, just one further parliamentary inquiry. We were to the point, if we were able to complete that vote and dispose of it, hopefully, to enter a unanimous-consent agreement that would allow us to complete action tonight and perhaps have final passage on this issue, a final vote in the morning at 9 o'clock.

So I was in hopes that we could complete this final vote that we just had and move on to the unanimous consent agreement without additional recorded votes tonight. I just wanted to make that point before we proceed further.

The PRESIDING OFFICER. The yeas and nays have been requested.

Is there a sufficient second?

Mr. BUMPERS. Mr. President, parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Arkansas is recognized for a parliamentary inquiry.

Mr. BUMPERS. Mr. President, parliamentary inquiry. Did I understand just now that the order is that since this rollcall vote has been requested by the Senator from Nebraska, we vote on that and that the only pending business left before final will be voted on at 9 o'clock in the morning? Is that correct?

Mr. LOTT. Mr. President, if I might respond to the Senator from Arkansas, no. It was our hope that we could then enter into a unanimous-consent agreement that would, if we get all the details agreed to, say that any further recorded votes would occur in the morning at 9 o'clock on any amendments thereto and final passage if any amendments are requested for recorded vote.

Mr. BUMPERS. Mr. President, I just ask the distinguished assistant majority leader if he can tell us how many amendments we are working on. What is the potential for more votes?

Mr. LOTT. Mr. President, if I might respond, there are about three amendments that are still pending. We think maybe a recorded vote would be necessary on one of those amendments. But we need to work through the unanimous-consent agreement first.

Mr. LAUTENBERG. Will the Senator from Mississippi yield for a question? Can we identify those amendments?

Mr. LOTT. They have been identified. We have discussed those with the distinguished Democratic leader and with the managers of the bill.

Mr. LAUTENBERG. I would like to know who the author is and what the nature of these amendments are before agreeing to closing out the amendment tree and leaving only final passage to be considered.

Mr. LOTT. That would be the hope of the managers of the bill as soon as we move to that. In fact, I think we are ready to go to the unanimous-consent request here momentarily.

The PRESIDING OFFICER (Mr. GRAMS). The yeas and nays have been requested. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Wyoming. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

Mr. LOTT. I announce that the Senator from Utah [Mr. BENNETT] and the Senator from Indiana [Mr. LUGAR] are necessarily absent.

Mr. FORD. I announce that the Senator from North Dakota [Mr. DORGAN] and the Senator from Louisiana [Mr. JOHNSTON] are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desired to vote?

The result was announced—yeas 59, nays 37, as follows:

[Rollcall Vote No. 326 Leg.]

YEAS—59

Abraham	Frist	McCain
Ashcroft	Gorton	McConnell
Baucus	Gramm	Murkowski
Bond	Grams	Nickles
Breaux	Grassley	Packwood
Brown	Gregg	Pressler
Burns	Hatch	Reid
Campbell	Hatfield	Roth
Chafee	Helms	Santorum
Coats	Hollings	Shelby
Cochran	Hutchison	Simpson
Cohen	Inhofe	Smith
Coverdell	Jeffords	Snowe
Craig	Kassebaum	Specter
D'Amato	Kempthorne	Stevens
DeWine	Kerrey	Thomas
Dole	Kerry	Thompson
Domenici	Kyl	Thurmond
Faircloth	Lott	Warner
Feinstein	Mack	

NAYS—37

Akaka	Ford	Moseley-Braun
Biden	Glenn	Moynihan
Bingaman	Graham	Murray
Boxer	Harkin	Nunn
Bradley	Heflin	Pell
Bryan	Inouye	Pryor
Bumpers	Kennedy	Robb
Byrd	Kohl	Rockefeller
Conrad	Lautenberg	Sarbanes
Daschle	Leahy	Simon
Dodd	Levin	Wellstone
Exon	Lieberman	
Feingold	Mikulski	

NOT VOTING—4

Bennett	Johnston
Dorgan	Lugar

So, the amendment (No. 1839), as amended, was agreed to.

Mr. MCCONNELL. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. LEVIN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MCCONNELL. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. FORD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 1838, AS MODIFIED

Mr. FORD. Mr. President, the distinguished Senator from Colorado [Mr. BROWN] and I have been working on amendment No. 1838. We now have arrived at an agreement.

I ask unanimous consent to modify amendment No. 1838.

The PRESIDING OFFICER. Without objection, it is so ordered. The amendment is so modified.

The amendment, as modified, is as follows:

At the appropriate place in the bill, insert the following:

SEC. . DISCLOSURE OF THE VALUE OF ASSETS UNDER THE ETHICS IN GOVERNMENT ACT OF 1978.

(a) INCOME.—Section 102(a)(1)(B) of the Ethics in Government Act of 1978 is amended—

(1) in clause (vii) by striking ''or''; and

(2) by striking clause (viii) and inserting the following:

''(viii) greater than $1,000,000 but not more than $5,000,000, or

''(ix) greater than $5,000,000;

''(x) greater than $1,000,000.''

(b) ASSETS AND LIABILITIES.—Section 102(d)(1) of the Ethics in Government Act of 1978 is amended—

(1) in subparagraph (F) by striking ''and''; and

(2) by striking subparagraph (G) and inserting the following:

''(G) greater than $1,000,000 but not more than $5,000,000;

''(H) greater than $5,000,000 but not more than $25,000,000;

''(I) greater than $25,000,000 but not more than $50,000,000; and

''(J) greater than $50,000,000;

''(K) greater than $1,000,000.''

(C) EXCEPTION.—Section 102(e)(1) of the Ethics in Government Act of 1978 is amended by inserting after 102(e)(1)(E) the following:

''(F) For purposes of this section, categories with amounts or values greater than $1,000,000 shall apply to spouses and dependent children only if the income, asset or liability is held jointly with the reporting individual; all other income and/or liabilities of a spouse or dependent children greater than $1,000,000 shall be categorized as greater than $1,000,000.''

Mr. FORD. I thank the Chair.

Mr. MCCONNELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Kentucky.

UNANIMOUS-CONSENT AGREEMENT

Mr. MCCONNELL. Mr. President, I ask unanimous consent that section 6 be stricken from S. 1060, and when the Senate considers S. 1061, section 6 be inserted at the appropriate place.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MCCONNELL. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BROWN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 1838, AS MODIFIED

Mr. BROWN. Mr. President, with the assistance of the distinguished Senator from Kentucky, I believe amendment No. 1838 is modified in a way that meets the approval of Members. To refresh Members' memories, this amendment deals solely with reporting categories, not the more controversial areas of residence or the area of blind trust. This amendment deals solely with reporting categories. The modification makes it clear that it does not apply the new categories to the assets, income or liabilities of dependents or spouses, but only to those of the reporting individuals.

Mr. President, I believe the amendment is at a point where both sides have agreed to it.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 1838), as modified, was agreed to.

Mr. MCCONNELL. Mr. President, I move to reconsider the vote.

Mr. LEVIN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 1840 WITHDRAWN

Mr. BROWN. Mr. President, my second amendment is amendment No. 1840. It deals with reporting of residences.

Mr. President, I have had the opportunity in the last several hours to hear from, I believe, close to a majority of my colleagues. It is quite clear from those who have spoken to me that there is not support in the Chamber for this amendment.

While I continue to believe that assets of this kind that exceed $1 million should be reported, it is quite clear—or so it appears—that we do not have the votes for this.

Therefore, I withdraw amendment No. 1840.

The PRESIDING OFFICER (Mr. DEWINE). The amendment is withdrawn.

So the amendment (No. 1840) was withdrawn.

Mr. MCCONNELL. Mr. President, I ask unanimous consent that the pending amendment be temporarily set aside.

The PRESIDING OFFICER. Without objection, the pending amendment will be set aside.

AMENDMENT NO. 1844

Mr. MCCONNELL. Mr. President, I send an amendment to the desk on behalf of Mr. DOLE and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Kentucky [Mr. MCCONNELL], for Mr. DOLE, proposes an amendment numbered 1844.

Mr. MCCONNELL. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place in the bill, insert the following:

AMENDMENT TO THE FOREIGN AGENTS REGISTRATION ACT (P.L. 75–583)

Strike section 11 of the Foreign Agents Registration Act of 1938, as amended, and insert in lieu thereof the following:

SEC. 11. REPORTS TO THE CONGRESS.

The Attorney General shall every six months report to the Congress concerning administration of this Act, including registrations filed pursuant to the Act, and the nature, sources and content of political propaganda disseminated and distributed.

Mr. MCCONNELL. Mr. President, it is my understanding that this amendment has been cleared on both sides.

Mr. LEVIN. We have no objection to the amendment.

The PRESIDING OFFICER. If there is no further debate, the question is on agreeing to the amendment.

The amendment (No. 1844) was agreed to.

Mr. MCCONNELL. Mr. President, I move to reconsider the vote.

Mr. LEVIN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MCCONNELL. Mr. President, I ask unanimous consent that the pending amendment be temporarily set aside.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 1845

(Purpose: To amend section 207 of title 18, United States Code, to prohibit any person serving as the U.S. Trade Representative and the Deputy U.S. Trade Representative from representing or advising a foreign entity at any time after termination of that person's service and to disqualify such a person from serving as a U.S. Trade Representative and the Deputy U.S. Trade Representative)

Mr. MCCONNELL. Mr. President, I send an amendment to the desk on behalf of Mr. DOLE and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Kentucky [Mr. MCCONNELL], for Mr. DOLE, proposes an amendment numbered 1845.

Mr. MCCONNELL. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place, insert the following:

SEC. . BAN ON TRADE REPRESENTATIVE REPRESENTING OR ADVISING FOREIGN ENTITIES.

(a) REPRESENTING AFTER SERVICE.—Section 207(f)(2) of title 18, United States Code, is amended by—

(1) inserting ''or Deputy United States Trade Representative'' after ''is the United States Trade Representative''; and

(2) striking ''within 3 years'' and inserting ''at any time''.

''(b) LIMITATION ON APPOINTMENT AS UNITED STATES TRADE REPRESENTATIVE AND DEPUTY UNITED STATES TRADE REPRESENTATIVE.—Section 141(b) of the Trade Act of 1974 (19

U.S.C. 2171(b)) is amended by adding at the end following new paragraph:

''(3) LIMITATION ON APPOINTMENTS.—A person who has directly represented, aided, or advised a foreign entity (as defined by section 207(f)(3) of title 18, United States Code) in any trade negotiation, or trade dispute, with the United States may not be appointed as United States Trade Representative or as a Deputy United States Trade Representative.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to an individual appointed as United States Trade Representative or as a Deputy United States Trade Representative on or after the date of enactment of this Act.

Mr. McCONNELL. Mr. President, this is the Dole amendment related to the U.S. Trade Representative.

Mr. LEVIN. Mr. President, I understand that this amendment has been modified. It is no longer retroactive; it is prospective only, is that correct?

Mr. McCONNELL. That is correct.

Mr. LEVIN. With that modification, I have no objection. I think it might be wise to state, perhaps, what that amendment does provide, because it does make a change in terms of the USTR, who can be appointed to USTR. I think it would be wise, because it makes a change in the revolving door law, that this be stated, albeit briefly.

Mr. McCONNELL. Mr. President, the first provision says that no one shall be appointed to the important post of U.S. Trade Representative, or a Deputy U.S. Trade Representative, if that person had in the past directly represented a foreign government at a trade dispute or negotiation with the United States.

The second provision says that nobody who served as U.S. Trade Representative, or Deputy U.S. Trade Representative, may, after his or her employment has ended, represent, aid, or advise any foreign government, foreign political party, or foreign business entity with the intent to influence a decision of any officer or employee of any executive agency.

I do not know whether the Senator from Michigan would like me to go on. I think that basically explains the amendment.

Mr. DOLE. Mr. President, this amendment has two provisions:

The first provision says that no one shall be appointed to the important posts of U.S. Trade Representative or Deputy U.S. Trade Representative if that person had, in the past, directly represented a foreign government in a trade dispute or negotiation with the United States.

The second provision says that no one who has served as U.S. Trade Representative or Deputy U.S. Trade Representative may, after his or her employment has ended, represent, aid, or advise any foreign government, foreign political party, or foreign business entity with the intent to influence a decision of any officer or employee of any executive agency; 18 U.S.C. section 207(f)(2) currently prohibits the U.S. Trade Representative from aiding and advising a foreign entity for a period of 3 years after his service has ended. My amendment transforms this 3-year ban into a lifetime ban and applies the ban to the Deputy Trade Representative as well.

Of course, there are many fine men and women who have served America as our trade representatives. My amendment should not be misconstrued as an effort to impugn their integrity in any way whatsoever.

The real problem here is one of appearance—the appearance of a revolving door between Government service and private-sector enrichment. This appearance problem becomes all the more acute when former high Government officials work on behalf of foreign interests.

That is why my amendment insists that if you have represented the United States as one of its most senior trade officials in sensitive trade negotiations, you should not now—not 3 years from now, not ever—represent a foreign government or foreign business before the Government of the United States.

Service as a high Government officials is a privilege, not a right. This amendment may discourage some individuals from accepting the U.S.T.R. job, but in may view, this is a small price to pay when the confidence of the American people is at stake.

The PRESIDING OFFICER. Is there further debate?

If not, without objection, the amendment is agreed to.

So the amendment (No. 1845) was agreed to.

Mr. McCONNELL. Mr. President, I move to reconsider the vote.

Mr. LEVIN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 1841

Mr. BROWN. Mr. President, I believe my amendment No. 1841 is the pending business?

The PRESIDING OFFICER. The Senator is correct.

Mr. BROWN. Mr. President, it is my understanding that there is disagreement by Members on this amendment.

To refresh the memory of others, this is the amendment that would allow for the total assets of a trust to be reported on the disclosure form, in the event that the Member is advised under the trust instrument of what the total cash value of those assets are. Right now, Members do report income from their blind trust. They do not, however, report the total cash value of that blind trust, even though our form of a qualified blind trust does report that to the Member.

So this amendment removes a loophole. It would provide for reporting of the total cash value. That clearly does not include the underlying assets, but it includes the total cash value of all the assets, only in the case that the trust instrument provides for that to be reported to the individual.

Mr. President, there is disagreement on this. I, therefore, ask for the yeas and nays on this amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. LAUTENBERG. Mr. President, I have discussed this amendment with the distinguished Senator from Colorado, and I have expressed some reservation about it, because what we are doing here is really amending the structure of the blind trust—understanding that it has been in existence here—that permits Members to disassociate the management of assets from their activities here and thereby not involving any opportunity for conflict. It serves a purpose. It has been on the books for some time now as part of the responsibilities of disclosure of Senators.

Frankly, I think this is a rather back-door attempt to place this now in front of the public without full consideration. I think there ought to have been hearings about this to see what the Finance Committee or the Judiciary Committee has to say about the value of this instrument as an opportunity to serve, without having to look back over one's shoulder, about whether or not they are making a decision that may in fact present a conflict.

I heard very clearly what the Senator said. All this does is talk about the value. Well, right now, that value may or may not be known but, likely, in an accountant's report, it is to be known for the value of doing one's estate planning, financial planning, children, other beneficiaries, in terms of where one would like to see the assets perhaps testamentally go. But now what we are saying is, OK, whether you obtain your assets through inheritance, hard work under the opportunities afforded in our country, the accumulation of assets now begins to look like it is somehow or other a stigma on one's ability.

What we are going to do is continue to denigrate the interest in serving by exposing families to public review, by encouraging those who seek to gain other people's assets, by either criminal or illegal means—and that is the purpose of having some protection.

I assume that the Senator says that ''OK, what we ought to do is make sure that anybody who has acquired assets, no matter how hard they worked for it, no matter how ingenious they have been in creating it, they ought to present it willy-nilly out there for public scrutiny.''

We now, Mr. President, have categories of assets. I understand that one of those, if I am correct, and I ask the Chair to be sure that what I am saying is accurate, one of those has just been modified so that we now have new levels of reporting assets that we did not have before.

Is that true, Mr. President?

The PRESIDING OFFICER. The Chair cannot comment on the substance of the amendment.

Mr. BROWN. Mr. President, will the Senator yield?

Mr. LAUTENBERG. I yield to the Senator.

Mr. BROWN. The Senator is correct, the amendment just accepted adds categories to the existing law, which stops at greater than $1 million. The additional categories apply only to a Member's personal or joint assets.

Mr. LAUTENBERG. Mr. President, I suggest that the Senator further modify it to say, ''Let's put your checkbook on the table, put your bank account out there so the public can see,'' and see what your bill paying process has been to make sure that the assets you choose to acquire are subject to public scrutiny.

This is a subterfuge of some kind. I cannot quite figure it out. Obviously, it is designed to either embarrass or stigmatize that which has been a legitimate practice here, and that is to say there are categories of assets that indicate in general terms what it is that these assets represent.

Now we are getting down to the nitty-gritty and perhaps we will eventually ask for weekly income or such things. The Senate has accepted it, Mr. President. I am sorry to see that we are, as we discuss lobbying reform, now into this kind of amendment.

I wish it had been offered. I might very well support it. I object to it as I hear it, because I have not had a chance to see it examined fully, to see whether it is an appropriate process, one that we adopted some time ago, and have been following fairly scrupulously.

Mr. President, I hope that this amendment will be defeated so it can be deferred and discussed at length in the appropriate committees, as opposed to tacking this on to the lobbying reform bill.

I also have an amendment, Mr. President, which I believe is listed in the category of amendments to be considered. I yield the floor.

Mr. BROWN. Mr. President, the measure before the Senate does not change the underlying statute. Under the statute, a beneficiary can receive certain information. In subparagraph 5:

> Interested parties shall not receive any report on the holding and sources of income of the trust except a report at the end of each calendar quarter with respect to the total cash value of each of the interested parties in trust, or the net income or loss of the trust or any reports necessary to enable interested parties to complete individual tax returns.

It goes on. My amendment does not change what makes up a blind trust. What it does do is close a loophole. In the past, Members with a qualified blind trust received a report on their income and reported that income.

But Members who have a qualified blind trust and receive a report on the total cash value do not have to report the total cash value.

My amendment does not change the qualified blind trust, but it does change what we report. It provides for the closing of the loophole. It does not require the disclosure of the individual assets in the blind trust. Obviously, those are not supposed to be disclosed to the people involved. It does however, require the disclosure of what is reported to the beneficiaries; that is, their total cash value. This has been on the books for some time.

Let me deal with another aspect. In my view, my amendment in no way is meant to cast a stigma about the abilities of anyone associated with the blind trust. I think people who work hard and save the money have a right to be proud of that. It is an achievement. It is not something that casts any stigma on them. This amendment is not offered in that light. It is offered in a belief that disclosure should be consistent and there should not be loopholes to shelter very large assets, and full disclosure for those with lesser assets.

The fact that you can afford an independent trustee should not be used as a measure for exempting you from disclosure. Disclosure ought to be applied both to those who cannot afford an independent trustee and those who can afford an independent trustee. I yield the floor.

Mr. LEVIN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BROWN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 1841

Mr. BROWN. Mr. President, I understand the leaders have reached an agreement on the Brown amendment, 1841. I ask unanimous consent to withdraw my request for a record vote.

The PRESIDING OFFICER. Without objection, it is so ordered.

If there be no further debate, the question is on agreeing to the amendment.

The amendment (No. 1841) was agreed to.

Mr. McCONNELL. Mr. President, I move to reconsider the vote.

Mr. LEVIN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from Kentucky.

AMENDMENT NO. 1845

Mr. McCONNELL. Mr. President, I ask unanimous consent that Senator McCAIN be added as a cosponsor of the Dole U.S. Trade Representative amendment approved earlier tonight.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McCONNELL. Mr. President, we will have a unanimous-consent agreement shortly. It is being typed. So, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. McCONNELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNANIMOUS-CONSENT AGREEMENT

Mr. McCONNELL. Mr. President, I ask unanimous consent that at 11 a.m. on Tuesday the Senate resume consideration of S. 1060, and at that time Senator LAUTENBERG be recognized to offer a relevant amendment; further, that the amendment be limited to a 60-minute time limitation to be equally divided in the usual form, and that there be no second-degree amendments in order to amendment.

I further ask that the only other amendment in order to S. 1060 be a managers' amendment to be offered following the disposition of the Lautenberg amendment; that it be considered under a 5-minute time limitation equally divided in the usual form; and, that immediately following the disposition of the managers' amendment S. 1060 be advanced to third reading and final passage occur all without any intervening action or debate.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. McCONNELL. Finally, I ask unanimous consent that the Senate turn to the consideration of S. 1061 at 9 a.m. on Tuesday, July 25 for the purpose of debate only.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. LOTT. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. LOTT. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LOTT. Mr. President, we are not quite ready to do the closing comments. But I would like to announce to the Members who might be watching or waiting that, since we have been able to reach the unanimous-consent agreement, there will be no further votes tonight. We will begin the session at 9 a.m. in the morning on the gift reform issue. And the votes will occur beginning at 12 o'clock. But there will be no further votes tonight.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. LOTT. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.