Mr. CAMPBELL. Thank you, Mr. President.

AMENDMENT NO. 3045

(Purpose: To strike title III which restricts the use of private funds for political advocacy activities by nonprofit organizations.)

Mr. CAMPBELL. Mr. President, I rise today to express my opposition to what is now title III of the continuing resolution. I might say that I did vote for the original Senate language. I opposed this provision as part of the Treasury-Postal conference committee. And I will tell you why. This measure, if adopted, would effectively eliminate the ability of nonprofits throughout this Nation to express their political views to their elected representatives at every level—at the Federal level, State level, local level, and tribal level. This legislation, I think, slams the door of Congress in the face of hundreds of thousands of grassroots organizations.

In the Senate Treasury-Postal appropriations bill, this body adopted an amendment to keep large, well-financed nonprofit organizations from abusing the lobbying regulations. Certainly they should not use taxpayers' money by the millions simply to lobby to get more taxpayers' money. But the House-passed version, on the other hand, goes much further and muzzles grassroots organizations and puts roadblocks in the way of legitimate advocacy efforts.

It would affect, as I understand it, churches, Boy Scouts, tribes, art groups, chambers of commerce, water conservancy districts, and hundreds of other very diverse nonprofit groups. In effect, it would muzzle the free speech of millions of people. These groups are the same groups that as elected officials we are supposed to be here to defend and represent. I see a clear difference, as many of my colleagues do, between the high-powered, well-financed professional lobbying firms, who hire well-financed professional lobbyists, and the grassroots-based community organizations. I think my colleagues see the difference too.

For the last couple of months the Senate has focused its efforts on getting Government out of people's lives. Well, this provision would do just the opposite because it would tell the nonprofits how they could spend their private moneys. By law, these organizations cannot spend Government funds for lobbying activities, which I think makes sense.

What does not make any sense to me is that we are stepping in and legislating how nonprofits can spend their privately raised funds on advocacy efforts. It is wrong for us to do that. That is why I will offer a motion to strike title III. This provision is bad for our communities because it treats State and local organizations and their national affiliates as one. This provision is bad because the definition of advocacy is too broad. This provision is bad because it hamstrings the many organizations that, with reduced Government, we will have to rely on more heavily than ever to deliver services to our communities. It also is bad because this provision casts a net so wide it will muzzle political advocacy groups in our towns, our communities, in our States.

In short, it is bad language. The administration has already threatened to veto it, as the Chair knows. I think it is important to send a message to our constituents that we will not allow them to be silenced. We want Government out of people's lives, but we do not want to keep people out of Government.

With that, Mr. President, I would move to strike title III of the continuing resolution, and send an amendment to the desk, and ask for the yeas and nays after the motion.

I yield the floor.

The PRESIDING OFFICER. Is there a sufficient second?

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

The PRESIDING OFFICER. Is the Senator sending an amendment to the desk?

Mr. CAMPBELL. Yes.

The PRESIDING OFFICER. Then the clerk will report.

The legislative clerk read as follows:

The Senator from Colorado [Mr. CAMPBELL], for himself, Mr. KERREY, Mr. LEVIN, Mr. LIEBERMAN, Ms. MIKULSKI, and Mr. GLENN, proposes an amendment numbered 3045.

Strike Title III of the resolution.

The PRESIDING OFFICER. Did the Senator request the yeas and nays on this amendment?

Mr. CAMPBELL. I request the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. COHEN. Mr. President, the Istook amendment before the Senate today presents a difficult issue because the principles fueling both sides of the debate have some merit.

On the one hand, organizations that are subsidized by the Federal Government should not be allowed to lobby the Government or engage in unlimited grassroots political activism. When highly subsidized organizations are actively participating in political activities, the public perception is that taxpayer funds are being used for partisan purposes.

This perception if formed even if there are safeguards in place to prohibit the use of Federal funds for lobbying or political campaigning.

On the other hand, our political process would suffer if nonprofit groups were restrained from engaging in public debate. These organizations represent millions of Americans who do not have the time or ability to monitor day-to-day events in Congress or their State legislatures, but want their interests to be represented on issues ranging from environmental protection to the right to bear arms. To place severe restrictions on the ability of these organizations to analyze legislation, testify at public hearings, comment on pending regulations, and advocate their views in the political arena would not only deprive policymakers of valuable expertise, but would leave many Americans without an effective voice in the political process.

In my view, our Tax Code does a fairly good job of balancing these competing principles. Section 501(c)(3) of the Code allows taxpayers to deduct contributions to charitable organizations. Since virtually all the revenue of these 501(c)(3) organizations are federally subsidized through the Tax Code modest limitations are placed on the organizations' lobbying and grassroots activities. However, in recognition of the important role that charitable organizations play in our society, they are allowed to comment on regulations that affect them, join litigation that implicates their interests, and communicate with their members on political issues without limitation.

The Simpson-Craig amendment to the Treasury-Postal appropriations bill made an important modification to the Tax Code. The amendment applies to tax-exempt nonprofit corporations, which, under section 501(c)(4) of the Tax Code, are allowed to lobby without limitation. Under the amendment, 501(c)(4) organizations with annual revenues in excess of $10 million would no longer be permitted to both lobby without limitation and receive Federal grants. I support this change in the law because I do not believe that large organizations engaged in substantial lobbying activities should be eligible to receive taxpayer funds. If an organization wants to apply for Federal funding, it should be required to submit to the restrictions on lobbying activities contained in section 501(c)(3) of the Code.

The Istook amendment, however, would have a much more sweeping impact on nonprofit organizations. It would affect every organization that receives Federal grant money, as well as, organizations that believe they may wish to apply for grants in the future. In addition, the Istook amendment places limits on a broad category of activities that have never been regulated by the Federal Government before such as filing an amicus brief, writing a letter to the editor, or providing office space to an affiliate organization.

Most significant, the Istook amendment would impose a byzantine set of reporting requirements on nonprofit corporations. Each organization would be required to establish separate accounts to keep track of how much money it spends on lobbying and political advocacy, since the amendment imposes different monetary thresholds on each category of activity. They would also be required to determine whether any corporation or organization they do business with spends more than

percent of their funds on political advocacy, because, if so, any funds transferred to such an organization counts toward the grantee's advocacy threshold. Through this provision, the sponsors of the Istook amendment have imposed a new recordkeeping requirement on virtually every private corporation in the country.

The Istook amendment will cause many more problems than it would solve. If there are nonprofit organizations that are abusing their tax status or misusing Federal grantees, adjustments to the Tax Code such as the Simpson-Craig proposal may be necessary. But there is no reason to impose such a restrictive and burdensome new law on a sector of society that does much good work and plays an important role in our democracy.

Mrs. MURRAY. Mr. President, as an American and a Member of the Senate of the United States of America, I have certain responsibilities regarding what I say here on the floor.

But unlike thinking individuals in most other societies throughout human history, I—uniquely in my role as a U.S. Senator—can come to the Senate floor and speak my mind freely, and no one can stop me, or retaliate against me, so long as I follow the few rules of common courtesy.

If we adopt the Istook language, other American citizens, not lucky enough to be Members of this august body, are going to be told they can no longer speak freely before their Government. The Istook amendment to restrict advocacy, under consideration by the Senate will send this message loud and clear to every American citizen.

Well, almost every American citizen.

What the Istook amendment says is this: If you belong to a nonprofit group you will be restricted from lobbying Congress. If, however, you are a member of a Fortune 500 company or any other special interest constituency with money, you will have no restrictions.

If you as a senior citizen join a group to receive services designed for seniors like you, your Government has no problem with that, and might even give your group a grant to do their important work.

But if part of what your group does is relay to your Senator your wish to keep pharmaceutical prices down, your Government is no longer going to allow that to happen.

If, however, you work for a large pharmaceutical company, you can lobby Congress like there's no tomorrow for your company's needs.

I believe most Americans have a problem with this. Over half of the Members would argue with me, but I believe this Tuesday we heard at least the first rumblings among Americans about what their Government is about to do to them. I believe when America wakes up, Members of this Congress won't be able to shut out the free speech. We will hear from all of America loud and clear if this language becomes law.

Not since the days of McCarthyism has such an assault on the rights of free speech been considered. There are already protections in Federal law that restrict the use of Federal funds for lobbying activities. There are already stiff penalties for breaking the rules. There is no evidence that ladies from trailer parks in Middle America have been misusing Federal funds to buy Congress.

And if there was evidence of such a crime, then the knitting circle would be going up against the Internal Revenue Service of the United States of America. That's under current law. Surely, there are few deterrents stronger than the first-strike capabilities of our tax watchdogs.

I would like us all to remember: People mostly join nonprofits to help other people. I would like us all to remember: If the current budget cuts go through, people in this country are going to need a lot of help. And, I would like people to remember: If we do get information from a nonprofit group helping Americans at the grassroots, the information is coming from a place far closer to the needs of real people than the halls of Washington, DC.

Most of the nonprofits I hear from give me good information from people who cannot speak for themselves, and be heard 3,000 miles away. Yes, I get calls and visits from citizens in my State, but I also represent people without plane fare, telephones, and some who don't even have a roof over their head. And now we're going to tell them they can't even lobby Congress. That is not reform Mr. President, that is muzzling the citizens I represent, and I urge my colleagues to vote yes for the Campbell amendment.

Mr. KERREY addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. KERREY. Mr. President, I earlier was presented substitute language by the distinguished Senator from Wyoming and the distinguished Senator from Idaho. I would be willing to accept the original language that was on the Treasury-Postal appropriations bill. This substitute language is not the same. Though it appears that it might be relatively close, it is simply not the same.

I continue to argue, for those who are wrestling with this issue and it can be a difficult issue, I believe a sufficient reason to vote to strike this should just be this does not belong on a continuing resolution. It does not belong on a continuing resolution. If I, as I indicated earlier, wanted to try to put all kinds of things on this continuing resolution, I could do so. As I said, I have interests in impact aid; I have interest in agriculture; I have interest in a variety of things that are unlikely to be addressed this year.

This amendment belongs on lobbying reform. But guess what, Mr. President? There is no vehicle in the House for lobbying reform, because they have not passed lobbying reform. They have not taken up that issue. We took up that issue. It is a very contentious issue, a very difficult issue. We passed lobbying reform that restricts lobbyists' access to Members of Congress. It passed this body. It was a long and healthy debate, but the House has not taken it up. So all their conversation about ''we are going to clean up the lobbying activity'' begs the question. If that is the case, where is your bill? The answer is, they do not have one.

So they are putting lobbying reform on a continuing resolution because they have not taken the issue up on the other side. I think it is very important for Members of this side, regardless of how you feel on this issue—you might support this language, you might feel this language is good language and ought to be enacted into law, but not on a continuing resolution, Mr. President, particularly in an environment where the House has not even taken up lobbying reform and this body has. That is where it belongs. It is highly inappropriate for it to be taken up here.

Next, the proponents of this amendment refer to grants given to 501(c)(3)'s as welfare for lobbyists. Let us be clear on this, the law says that lobbying activities are currently prohibited with the use of taxpayer-funded grants. That is the law. That is the current law. And if somebody has an instance where they think a 501(c)(3)—a church or veterans group, YMCA, the Red Cross—if they think they are in violation of the law, then they should bring a case against them. They should come and say, ''This organization is using taxpayer money in violation of the law.''

I say it for emphasis, citizens who say, ''You know, those House guys are right, we ought to change the law to make lobbying illegal with public funds,'' as I say, the law already prohibits that activity. That is not what this amendment does, propose changes in the law. It says that private money cannot be used. That is what it does. Let us be clear on that.

All conversations and statements that were made last night on the floor saying, ''We don't want to subsidize lobbyists,'' Mr. President, A, if you House Members are excited about lobbying reform, why do you not pass a bill? And, B, why do you not tell the American people that we cannot subsidize lobbyists, you cannot use tax dollars for lobbying activity?

If you have a church in mind, I say to the proponents on the House side, if there is a veterans group out there or somebody at your community level that you think is flying back here to Washington trying to influence legislation, for gosh sakes, find somebody to file a criminal charge against them, because it is illegal now.

The next thing I will say is it is odd this legislation is being proposed by people who are constantly talking

about decreasing regulation on the private sector. This increases regulation on the private sector. Again, once that is pointed out they say, ''Oh, we have written in exemptions.'' Now we have exempted veterans organizations. We have raised the threshold so it only affects a very small number. Mr. President, every 501(c)(3) would have to prove they are in compliance. Everyone would, and they would have to keep records for 5 years to prove that they are in compliance.

For Members who are wondering on the substance of the issue, if you can get over the threshold that this continuing resolution is an appropriate vehicle for lobbying reform, which I think is a pretty substantial hurdle to jump, if you can get over that hurdle and you say, ''Fine, let's do lobbying reform on a continuing resolution,'' then, first, be advised that use of public funds for lobbying is already prohibited under law and, second, be advised that this law is serious business.

You are going to hear from people out there in the community that are going to come to you a year from now, 2 years from now and say, ''Senator, did you have any idea of the paperwork I was going to have to fill out? Did you have any idea what you were doing?''

We get this all the time, whether it is leaking underground storage tanks or other regulations that we pass here that sound real good—clinical laboratory regulations—it all sounds terrific, but when the rubber meets the road out in the community, all of a sudden the citizens comes to us saying, ''I just spent 100 hours on this thing. I hope you are getting something beneficial out of it, because I am spending a lot of time.''

For a 501(c)(3) out soliciting funds and typically today struggling to get that money, I daresay that increased cost of doing business at the community level is a rather substantial burden, and we are going to hear about it. We are going to hear about it from citizens who are not going to like this change in the law.

Next, Mr. President, how many of us talk about public-private partnerships? How many of us, when we are talking about how to maximize and stretch and lengthen the use of our tax dollars, get up and say, ''The Government cannot do it all''? I cannot take tax dollars and have the Government doing it all. I have to develop partnerships, not just with State government, local governments, but I have to get the private sector engaged. What better vehicle, what better opportunity than a 501(c)(3)?

And, indeed, that is the case today. We are asking the Red Cross to do more with their money. We are asking them to help us with disaster programs. We are asking the YMCA and the YWCA and other 501(c)(3) organizations to get involved.

Mr. President, the real problem here is that some people do not like what these 501(c)(3)'s do. That is the problem.

I ask unanimous consent that a story that appeared in yesterday's Wall Street Journal be printed in the RECORD.

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

[From the Wall Street Journal, Nov. 8, 1995]

CONSUMER GROUPS ATTACK BILL CURBING POLITICAL ADVOCACY BY NONPROFIT GROUPS

(By David Rogers)

WASHINGTON.—A Republican initiative to limit political advocacy by nonprofit organizations is meeting strong resistance from consumer groups, which accuse business interests of using the bill to silence their critics on regulatory issues.

The measure, which passed the House this summer, has drawn an amalgam of conservative and industry supporters from the Christian Coalition to the National Beer Wholesalers Association. But yesterday, Mothers Against Drunk Driving accused the beer lobby of using the bill to weaken and harass its own efforts at the state level to tighten drinking laws.

The Beer Wholesalers group responded angrily that its involvement has had nothing to do with MADD but was provoked more by smaller, less-known advocacy groups that have received federal grants. But MADD officials said it and the beer wholesalers and their affiliates are frequent foes at the state level, where MADD has sought legislation to tighten blood-alcohol standards for judging when a driver is intoxicated.

''While MADD will be buried in an avalanche of red tape and paperwork, the beer industry will be free to lobby to their heart's content,'' said Katherine Prescott, MADD's national president. ''The voice of the special interest will be unimpeded, while the voices of the public interest will be silenced.''

Yesterday's attacks, in which MADD was joined by such groups as the American Lung Association, reflect a concerted effort to reframe the debate by focusing on special interests behind the GOP initiative. House Republicans, who last night attached their proposal to a stopgap spending bill that will be voted on today in the chamber, have championed the measure as ''anti-welfare'' for lobbyists; the groups yesterday cast the fight as one of public vs. private interests.

A variety of business organizations have been active in support of the initiative. The chief sponsors include Reps. David McIntosh (R., Ind.) and the Ernest Istook (R., Okla.), who have taken the lead on antiregulatory legislation favored by many of the same groups. The Beer Wholesalers, for example, have promoted House-passed legislative riders to block the Labor Department from developing new worker safety rules affecting the industry. And in general, the group has raised its profile this year in tandem with the rise of House Majority Whip Tom DeLay (R., Texas). He is a leader of the antiregulatory forces and chief proponent of the legislation now to curb advocacy by nonprofit organizations receiving federal grants.

David Rehr, the Beer Wholesalers' vice president of governmental affairs, assisted in Mr. Delay's race for the leadership, for example. But not all those involved in the fight have so welcomed the influence of business interests.

Sen. Alan Simpson (R., Wyo.) has been Rep. Istook's Senate counterpart in recent negotiations between the two chambers aimed toward striking some compromise on the issue. During one session, Mr. Simpson was apparently surprised to find outside, private interests in the room during the talks. ''I just told all of them to get the hell out,'' said Mr. Simpson yesterday.

In a statement yesterday, the Beer Wholesalers group said it shares with MADD ''a serious commitment to reduce drunk driving and end illegal underage drinking'' and had supported bills in Congress with that aim.

But at the state level, officials painted a more severe picture. New Mexico was a major battleground two years ago for legislation to curb drunken driving and tighten standards for the blood alcohol content of drivers. ''MADD has been four-square behind these efforts to toughen up the laws,'' said Kay Roybal, press secretary for the state's attorney general. ''The beer industry, and liquor industry more generally, have consistently opposed all of these efforts.''

Mr. KERREY. Mr. President, the headline on this says, ''Consumer Groups Attack Bill Curbing Political Advocacy by Nonprofit Groups.'' It points to a rather interesting confrontation with beer wholesalers and an organization called Mothers Against Drunk Driving. I know MADD well. I know this group called Mothers Against Drunk Driving. They are tough.

They come to the local level, the State level and they want these laws changed. They will bring a victim in, somebody who is disabled, someone who was injured permanently as a consequence of a drunk driver, and they will say to you, ''Senator, I understand you just attended a fundraiser with the beer wholesalers, liquor distributors,'' so forth, ''and they are telling you, ''Let the market take care of it.' I tell you, Senator, the market is not taking care of it.''

We have changed our liquor laws in the State of Nebraska as a consequence of Mothers Against Drunk Driving. They can be plenty irritating, let me tell you. They come with evidence and they come with a proposed change, and it is darn hard to say no to them. Sometimes it can have an impact upon your retail sales. It can change the behavior of people, as a consequence of the law being changed. But our streets are safer as a result, and our people are healthier as a consequence. It has produced a constructive change.

So let there be no mistake about it. One of the things motivating this proposed change in the law—particularly the feverish urgency that is attached, threatening to hold up the continuing resolution, threatening to hold up an appropriations bill, and anything that is out there. This was not in the Contract With America. If you want to do lobby reform, I say to the House, then pass it; pass lobbying reform. I quite agree that the people are sick and tired of watching lobbyists unnecessarily and unfairly influence the process around here. But if you want to change that, Mr. President, pass lobbying reform, pass campaign finance reform.

Senator MCCAIN, Senator THOMPSON, and Senator SIMPSON, I believe, have a piece of legislation to change campaign finance laws. Let us enact it and reduce the amount of money that can be spent in a campaign. Let us provide an opportunity for more people to come to

the U.S. Congress. Let us get after the special interests so that citizens can have confidence, in fact, that they will have some influence over this Government. One of the most alarming polls I have seen recently is a poll that showed that, by a 3-to-1 margin, people in the United States believe that special interests have more power than either the President or the Congress. So there is a need to change, to empower Americans so that they feel more a part of the process.

There is a need to change our lobbying laws and to change our campaign finance laws. We have to address those issues, Mr. President. This body has dealt with lobbying reform. This body is trying to develop a bipartisan movement to change our campaign finance laws. There is an urgency attached to it for the sake of representative democracy and people's confidence that they can have some influence over this. But not on a continuing resolution, Mr. President, and certainly not in this form.

This does not give citizens more power; it gives them less power. This does not tilt the balance of power in favor of the people, who are out there scratching around trying to organize these sorts of efforts. It tilts it away from them. I do not know why—frankly, I have been on 501(c)(3) boards, and I do not know why anybody, given the hurdles they have, are out there raising money all the time and holding raffles and auctions and trying to generate enthusiasm—it is darned hard work, and you sometimes scratch your head and wonder why citizens are willing to do it, and then you thank God they are. All of us have seen these organizations perform miracles and do wonderful things out there with families and young people in their communities.

For the life of me, I do not understand the vitriol attached to this legislation, to the point to saying we are willing to shut down the Government, which is what some have said—as if we do not care if Social Security checks are issued or if anything passes this body again. We do not care if it was in the contract. We want to make this change. We believe it is the most important change that can be made.

So, as I said, I was happy to accommodate the change that the distinguished Senator from Wyoming proposed on the Treasury-Postal appropriations bill. I said earlier, Mr. President—the Senator from Wyoming was not on the floor at the time. He asked that we give this proposed substitute of his some reasonable consideration. I do not know that I gave it reasonable consideration. I gave it consideration. I would be pleased to accept the precise language that the distinguished Senator from Wyoming had attached to the Treasury-Postal bill some 30 days or so ago when that appropriations bill was taken up. But I support the motion to strike made by the Senator from Colorado.

Mr. President, I yield the floor.

Mr. SIMPSON. Mr. President, I hear very clear what my friend from Nebraska is saying. I enjoy working with him. We proved up together on many issues, and we will again because the tough ones are still out there, like Social Security and Medicare, Medicaid, Federal retirement. We seem to be the only ones who are willing to leap into that cauldron. But it is because of my admiration for him in what he did on the entitlements commission—the bipartisan entitlements commission, chaired by the Senator from Nebraska and our fine friend, Jack Danforth of Missouri, that we know what we have to do. The American public, hopefully, will know, when we finish telling them, what they have to do on those issues. So that is separate and apart from this.

Let me be as brief as possible. That is quite a difficult task in itself. But there really is not a need for a lengthy debate and, yet, we must be aware of what we are doing here. I have been in the Senate a good long time, since 1978, to be exact. My role for 10 years was to learn how to count votes. If there were a motion to strike the language that came from the House, there is a question in my mind that that would carry. But in this situation, there is more to it than this.

We did some work here on this issue in the Senate. All of you were present. The Senator from Michigan was involved in that debate. Many others on both sides of the aisle also were. Questions arose: Who does this affect? Does it affect the Red Cross? Does it affect the Boy Scouts? Does it affect the Girl Scouts?

Let me share this with you, once again, until we have our eye on the rabbit. What I did was to affect only section 501(c)(4) corporations. There are a lot of them. Some of them spend nothing much, and some spend a ton because if you are a 501(c)(4)—this is all I was ever speaking of—you have the ability of unlimited lobbying. You can spend yourself to oblivion. You are able to lobby without monetary restriction.

Now, some 501(c)(4)'s love that role and perform it beautifully. Others simply have huge resources and revenues and seem to restrain themselves somewhat. But 501(c)(4) is a corporation under the tax laws that is ''nonprofit,'' if you will, in that sense, that can do unlimited lobbying. And so what we were saying was very simple: Any 501(c)(4) that receives money from the Federal Government in the form of a grant, or anything of that nature, will not be allowed to lobby; or if a 501(c)(4) loves to lobby, then they will not get Federal money. That was not directed at the AARP. I have had some interesting discussions with them, however, through months past. It was not directed at them. It was directed at any corporation, any 501(c)(4), whether it was the NRA, AARP, any other 501(c)(4) corporation in America that chooses that particular title.

The reason they choose that title is to do what they do best, in many ways, which is to lobby. It seemed incongruous that a corporation would then receive money from the Federal Government, which would help them then go lobby the Congress for more money for their members. That is exactly what some of them do. They lobby vigorously, and they will say, ''We do not keep that, we do not get that money; that goes to the citizens, to our members, to the good of society.'' But it also reduces the amount of money they have to dig out of their own coffers to do their work. So we were saying if you want to play in the big time, you want to be a 501(c)(4), and you get grant money from the Federal Government, you are not going to be able to lobby without restriction. Then that passed here by a vote of 59–37, a good, strong, bipartisan vote.

Then we went forward into the usual procedures of legislating. It went out in that fashion. As we began to try to compose our differences in the conference committee on Treasury and Postal—remember, this measure came up on the Treasury-Postal bill here when it went through the House on the Labor Committee, that appropriation—Labor, Health, Human Services.

So it ended up a little off center in the sense of jurisdiction. We agreed to try to resolve things there to make that limit, instead of $10 million, where it would apply to any organization, the original Simpson-Craig language, Senator LARRY CRAIG and I, these are the cosponsors of this measure. That was the ban on C–4's which was above $10 million. That passed the Senate by unanimous voice vote. I did not hear any objection to that. Treasury-Postal was a unanimous vote, including the $10 million threshold.

Now, we are ready to bring that down to a $3 million threshold and say that it does not apply to those under that figure. What occurred, then, with the Istook-McIntosh-Ehrlich proposal—it was a very sweeping measure; there is not any question about that. Senator CRAIG and I worked with them and said this is going to be very difficult, if not impossible, to pass in the Senate. They felt very, very strongly that they should proceed. They did.

In that proposal that the three fine House Members prepared, there was tremendous complexity. There was tremendous controversy. That was borne out again last night when the measure was discussed and debated in the House with regard to the continuing resolution. You can bet it was contentious.

There is an amendment that I will shortly propose at some appropriate time which would strike the lion's share of the language passed by the House known as the Istook amendment.

The language has been the subject of much, much controversy and excitement here in Washington these past few weeks—editorial commentary, opinion pages. It is something that the

House Members feel very strongly about. I cannot identify how passionately they feel about it. I hear that. That is why I have tried to work with them.

I find staff—and Chuck Blahaus, my legislative director, has invested innumerable hours of his day in this effort. Senator LARRY CRAIG and his fine staff person have done the same. We have been actively, all of us, involved in negotiations with the House sponsors of it.

I know that much of what has been said about it is simply not true. Now is not the time nor the place to debate the fine points of that amendment—the Istook-McIntosh-Ehrlich amendment. This amendment is too complex at this time, too cumbersome at this time, to subject to any lengthy debate here in the context of a continuing resolution. If it were any other place, it would be highly appropriate. In fact, there is a vehicle for it that is just built for it. That is lobbying reform, and lobbying reform will be up very shortly in the House of Representatives—I believe next week.

In the context of the continuing resolution, it is simply inappropriate and, more importantly, impossible to move the language that has been worked on so hard by my colleagues and friends in the House.

It is precisely because of that complexity that this language, known as that amendment, will not pass the Senate. That is reality. The votes are not there. It would be a bipartisan vote to eliminate that.

I have spoken to many of my colleagues in the House and in the Senate about the particulars of the language. I know their concerns. I know their hopes. I know their fears. I know their confusion about this language.

This is a very, very sweeping and comprehensive piece of legislation. I can understand every single reason for every bit of it because of the frustration and anguish of the political arena that gave rise to it in the House. That deserves a full airing so that the American people can understand what some 501(c)(3)'s really do with their money and how they get thoroughly involved in political activity. You can believe they do. We will deal with that. It will be a very important part of lobbying reform.

In the context of the continuing resolution, not 100 percent of it will come through, not 90 percent of it will come through, not 80 percent of it will come through. It is my intent to offer an amendment to strike out almost the entirety of it, leaving only a few components. The amendment would strike out all of the House language and leave simply the following:

It would leave the Craig-Simpson or Simpson-Craig ban for grant money for the largest 501(c)(4) lobbying organizations. This provision passed the Senate unanimously by voice vote. I would not think it would be controversial.

There would be a provision simply requiring that Federal grantees report their expenses on lobbying activity and that this report be publicly available. Simple, short, and I think uncontroversial.

Finally, a provision mandating that the current law, 501(h), limits on lobbying activities expenses apply to the Federal grantee organizations. Right now, under current law, the formula applies only to certain 501(c)(3) organizations. It would here apply to all of the grantee organizations, except that there would be no global cap of $1 million, even though current law has such a cap. And we will detail how that will be expanded. A cap is controversial so we would remove it as far as grantees would be affected.

That is it. That is it. That is the measure as it would be dealt with. If it were then to go back to the House, it would not go back into conference. There would be no further conference activity with this measure as it would leave the Senate. It would not come up on another bill. It would not come up on Treasury-Postal. It can come up later, but it would not come up under the Treasury-Postal bill, which is the other pending material floating in these last hours and days before we reach our statutory limit.

So I simply believe we regretfully have to strike all of the provisions of this legislation which are controversial in the eyes of the Senate. I could detail them all, but I think all of us know what they are. Some have been magnificently distorted by groups that have learned to love Federal largess as they do their lobbying work.

Those things will be debated at length here in private and in public. We will not settle those issues today. The Senate will not come to agreement on what kinds of reforms to make in this area today. They will not be settled in the context of the CR. This is reality. It is not the invention of Senator Simpson. It is not the invention of Senator LARRY CRAIG.

I hope my colleagues will look at the text of our amendment closely and will give their full support. There are no tricks, nothing up the sleeve as to getting it before you. It is extended as an effort to try to resolve a very vexatious issue and try to recognize clearly the fine work of three able Congresspersons in the U.S. House of Representatives.

AMENDMENT NO. 3046

Mr. SIMPSON. I send to the desk an amendment.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Wyoming [Mr. Simpson] proposes an amendment numbered 3046 to amendment No. 3045.

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

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

(The text of the amendment is printed in today's RECORD under ''Amendments Submitted.'')

AMENDMENT NO. 3047 TO AMENDMENT NO. 3046

(Purpose: Perfecting)

Mr. CRAIG. Mr. President, I send an amendment in the second degree to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Idaho [Mr. CRAIG] proposes an amendment numbered 3047 to amendment No. 3046.

Mr. CRAIG. 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 end of the amendment add the following:

(e) Nothing in this title shall be construed to affect the application of the internal laws of the United States.

The PRESIDING OFFICER. The Senator from Wyoming.

AMENDMENT NO. 3048 TO AMENDMENT NO. 3045

(Purpose: Perfecting)

Mr. SIMPSON. Mr. President, I submit an additional amendment to the desk and ask it be read.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Wyoming [Mr. SIMPSON] proposes an amendment numbered 3048 to language proposed to be stricken by amendment No. 3045.

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

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

(The text of the amendment is printed in today's RECORD under ''Amendments Submitted.'')

Mr. CRAIG addressed the Chair.

The PRESIDING OFFICER. The Senator from Idaho.

AMENDMENT NO. 3049 TO AMENDMENT NO. 3048

(Purpose: Second-degree perfecting)

Mr. CRAIG. I send an additional amendment to the Simpson 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 3049 to amendment No. 3048.

Mr. CRAIG. 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:

In the pending amendment:

Page 2, lines 1–2, strike all between ''Code'' and '', unless'', and insert: ''of 1986, except that, if exempt purpose expenditures are over $17,000,000 then the organization shall also be subject to a limitation on lobbying of 1 percent of the excess of the exempt purpose expenditures over $17,000,000''.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Michigan.

Mr. LEVIN. Mr. President, I listened to the Senator from Wyoming very

carefully about all the reasons why the so-called Istook amendment should not be before us on the continuing resolution. The problem is, it is before us on the continuing resolution and it is a big problem. We ought to dispose of this amendment by striking it. I very much support the amendment of Senator CAMPBELL.

The Istook language is the most intrusive intervention of Government into the free speech rights of private organizations that I have ever seen in my 17 years in the U.S. Senate.

We have talked a lot recently about trying to reduce the Federal Government intervention in the lives of private people and private organizations. This amendment, this Istook language, represents a massive intervention into rights, under the first amendment, of private organizations to use private money—I emphasize private money, not Government money—for political expression.

It has been characterized as being aimed at welfare for lobbying. It has nothing to do with lobbying reform. I know about lobby reform. I was a sponsor, along with a number of others in this body, of lobbying reform legislation. The Istook language is not anything to do with lobbying reform. It has everything to do with placing restrictions on rights of citizens of this country to use their own funds to express their own political views, not just to this Congress and not just to the Federal Government, but to the State and local governments as well.

This is an unprecedented intrusion, for reasons I will get into in a moment. What the Istook language does is place a limit on what percentage of funds can be used by a private entity, if that entity is either the recipient of a Federal grant or, indeed, may be a recipient in the future of a Federal grant—because there is a throwback of 5 years. Anybody applying for a Federal grant cannot have used more than a fixed percentage of its own private funds for political advocacy in the previous 5 years.

So, even though you do not have a Federal grant, if you think maybe in the next 5 years you might want to apply for a Federal grant, you have to watch how much of your own privately raised funds are going to express your own political opinion during that 5-year period.

Then there is this percentage cap that is placed on grantees. Mind you, it is not placed on people who are seeking to sell the Government B–2 bombers. They can spend all of their own funds, otherwise raised, on lobbying, that they want. The restriction here is on nonprofits.

So, if the Cancer Society or the Alzheimer's Society or the Mothers Against Drunk Driving or any of the other nonprofits apply for a grant or are the recipients of a grant, they are restricted even though they are not using grant funds for lobbying. They cannot come to the Congress and lobby us for legislation to try to reduce the number of drunk drivers on the road or the purity of our drug supply, or of our blood supply. They cannot come and do that, even with their own funds.

But there is no restriction on contractors receiving public funds. If you want to come and sell B–2 bombers to the U.S. Government there is no restriction on you. But if you were providing a service to the U.S. Government such as getting a grant to deliver lunches to seniors or getting a grant in order to provide a reduction in the number of drunk drivers that we face out on the road, or a whole host of other things that we obtained through our grants—then the restrictions apply to you. That is a distinction which does not make any sense to begin with.

And it goes way beyond that. Because, not only are you restricted in the percentage of your expenditures that you can spend on political advocacy, not only does this go back 5 years before you ever got a grant, but what is also counted in this is if you purchase something from another entity which spends more than 15 percent of its funds on political advocacy. Let us just think through the massive intrusion in that one. You have the American Cancer Society. It obviously cares about health care reform. It cares about research dollars for cancer. But it is told it cannot use its non-Federal funds beyond a certain limit for that. And what counts against that limit is not only the funds that it spends on advocacy, what counts against that limit is the money in excess of 15 percent that any people it purchases anything from spend on political advocacy.

Now the American Cancer Society wants to buy a new computer. They are thinking maybe they will buy an IBM computer, let us say. They have to check with that vendor under this language to find out if that vendor, IBM, has spent in the preceding year more than 15 percent of its expenditures on political advocacy. Nobody can comply with this kind of monstrous paperwork requirement. And nobody in their right mind can ever apply for a Federal grant under this requirement because they have to certify to the U.S. Government that not only have they not in the last 5 years spent more than 5 percent, but they would have to check what moneys were spent by everybody it bought anything from in the last year to make sure that its suppliers—people that it bought its hardware from, its office supplies from, and its electricity from, I assume too—to make sure that they did not go over the 15-percent level.

I cannot think of anything this intrusive which has been seriously proposed to this Congress during the 17 years that I have been here. I have gone back. I have looked to see if anything comes close to do this, and it does not.

Why do I refer to the 15-percent rule? Because under the definition of political advocacy, it says that ''political advocacy includes disbursing any monetary support to any organization whose expenditures for political advocacy for the previous Federal fiscal year exceeded 15 percent of its total expenditures.'' That is what it says. If you spend money, and provide money to any organization that is for the purchase of supplies, you have to check out that organization's contributions to political advocacy.

The person or the entity that has a Federal grant—or that is applying for a Federal grant—not only has to certify that these limits have not been exceeded, but it has to do so by clear and convincing evidence. Preponderance of the evidence here is not enough, folks. This is clear and convincing evidence. That is subsection 301(b)(1)(c)—clear and convincing evidence. That is the certification. And any taxpayer can take you to court, too, not just the Government, under this legislation as proposed. Under the Istook language, any taxpayer can stand to take any grantee to court who has made such a certification.

That is the kind of extreme measure that is before us in this language.

Does it have any place in the continuing resolution? No. It does not. Does it have any place in any other legislation? No. It does not. It does not have any place in a country which relishes its first amendment and its free speech right. It does not have any place in a democracy.

We should not place this kind of restriction on people who are using their own funds to lobby their own Government. I want to emphasize this point. We have a law already which prohibits the use of Federal grant funds to lobby, and we should. We should not be using taxpayers' funds to lobby. People though should not be limited in the way they are in this language as to how they are going to use their own privately raised funds in terms of their own political expression.

We have received a lot of letters, as I am sure everybody else has, on this issue. I would like to read some excerpts from just a few of these letters.

The first one is dated November 2, and goes to Speaker GINGRICH and Majority Leader DOLE. This letter comes from the Adventists, from the American Jewish Conference, from the Church World Service, from Catholic Charities, from the National Council of Churches of Christ in the United States, National Council of Jewish Women, the Archdiocese of Philadelphia, the Council of Jewish Federations, the Lutheran World Relief Network, the Presbyterian Church, and World Vision. This is what they say about the Istook language:

> We strongly believe that advocacy on behalf of justice and the common good are an important part of our calling in the world, and an important part of this Nation's democratic tradition. Do not allow this Congress to establish a dangerous precedent by restricting both our imperative to service and our Nation's traditional respect for a variety of viewpoints. Do not allow Congress to tie our hands or stifle our voices.

The American Baptist Churches wrote the following:

By expanding the Federal funds restriction to include private funds and broadening the definition of advocacy, the Istook amendment would severely limit the extent to which nonprofits can speak on public policy issues. The amendment would require the Federal Government to monitor political activity and would threaten the freedom of expression protected by the first amendment.

So, Mr. President, I hope that we are going to strike the Istook language. Again, it has no place on this continuing resolution. It is inappropriate on this continuing resolution. I believe it should not be passed on any vehicle, and should not be passed standing on its own because it represents such a massive intrusion on the rights of citizens of this country using their own privately raised funds to express themselves.

Last year, a question was raised on the lobby reform bill which was a lobby reform bill. It had to do with paid professional lobbyists, and making certain that those who are professional lobbyists register and disclose how much money they are being paid by whom to lobby Congress and the executive branch. There was language in that bill which some argued might have a chilling effect on grassroots lobbying. That language was stricken, although many of us felt it did not have that effect at all. Nonetheless, it was stricken from the bill which we have recently passed. That language pales by comparison to this language. On a scale of 1 to 100, in terms of the chilling effect on first amendment rights and political advocacy, that language was a 1. This language is 100.

I doubt very much that this language could possibly pass constitutional muster, if it were tested in a court, because of its restrictions on the rights of private entities relative to the use of their own funds. But whether it ever got that far is what we are going to decide today. In the first instance, what we are going to do is decide whether or not we want this restriction, this kind of a massive intrusion on the rights, this kind of a monstrous bureaucratic paperwork requirement, or whether we want this to go any further. That is our job. This should never get to a court because this should never get past the Senate of the United States which has shown on a bipartisan basis over the years tremendous respect for the first amendment to the Constitution.

This is not a partisan issue. The amendment that has been offered by the Senator from Colorado is a bipartisan amendment to strike this language. There is going to be strong support to strike the Istook language on both sides of this aisle. And what that reflects is the historic reality of this Senate, that this Senate is, has been, and I hope always will be a strong bastion in the defense of the rights of free speech and political expression.

Mr. President, I hope we adopt the Campbell amendment, and I yield the floor.

Mr. SIMPSON addressed the Chair.

The PRESIDING OFFICER (Mr. THOMPSON). The Senator from Wyoming.

Mr. SIMPSON. I hope that everyone hears that. That was magnificent work by my friend from Michigan, and he is addressing the language that I am striking. Everything the Senator from Michigan has said is what I have taken out. He has debated the Istook amendment, and we have stripped that. This is startling to me, because there is not anyone more adroit in this body than my old friend from Michigan, who came here when I did. Every single bit of the debate in these last minutes by the Senator from Michigan has addressed the Istook-McIntosh-Ehrlich amendment, and I and Senator CRAIG have struck it.

Mr. LEVIN. I wonder if my friend from Wyoming will yield for a question.

Mr. SIMPSON. Indeed.

Mr. LEVIN. Has the language yet been stricken?

Mr. SIMPSON. There is a motion to strike. The motion to strike is amended by the series of amendments to fill the tree, as the Senator knows, of the Senator from Idaho and myself, to strike completely the Istook amendment and leave only behind something that passed here unanimously by voice vote, passed the Senate unanimously. It was called a restriction on 501(c)(4), and it had to do with a 501(c)(4) receiving Federal grants. And if they received Federal grants, they could not do unlimited lobbying. That passed here unanimously.

Mr. LEVIN. Will my dear friend from Wyoming answer another question?

I gather the answer to the first question is that the language is still in the bill before us and has not yet been stricken, but that under both the Campbell amendment and under the Simpson amendment the Istook language would be stricken?

Mr. SIMPSON. Under the Simpson amendment, which would come to the attention of the Senate first, the Istook language would be stricken, if it passes the Senate.

Mr. LEVIN. I wonder if my friend will yield for another question.

Does the language being offered by the Senator from Wyoming go beyond the language previously adopted by the Senate or is it precisely the same as the previous language?

Mr. SIMPSON. It has this additional matter. It retains fully the Simpson-Craig, or Craig-Simpson ban on grants to large 501(c)(4)'s. The definitions section has no expansion whatsoever, but it defines lobbying activities as passed by the Senate, in the lobbying reform bill of which the Senator from Michigan was very instrumental, and, of course, adds the definition of ''grant'' in that section. And then there is a reporting requirement.

These are the only things added, so I want the Senator from Michigan to know—a bare-bones reporting requirement, which is that grantees must simply say whether they spent less than $25,000 on lobbying activities or estimate the amount if they spent more, and finally it also applies the 501(h) formula for lobbying to Federal grantees, not just 501(c)(3)'s, and that is it.

It also says that if you will—I know the Senator from Michigan well. We want to remember that these groups, some of them, are huge. One of them is a $5.5 billion operation. They filed their returns, and they are not public. And we are saying that those returns will be public—501(c)(4)'s only. That is what this amendment does. That is all that it does.

Mr. LEVIN. If my friend again will yield, and I thank him for the answer, these are significant differences between what the Senator is offering today and what the Senate has previously considered and for no other reason than the language being offered today by my good friend from Wyoming covers all Federal grantees whereas the previous language did not.

Without getting into the complexities or the details of it —and this is a 17-page amendment that the Senator has filed—I do not think that the continuing resolution is a place for the Senate to be moving into significant new ground relative to a very important area, which is the free speech, first amendment rights of organizations. This comes as additional new matter, different from what has previously been adopted by the Senate in the ways that my friend from Wyoming has just described, but those are significant differences because this would apply to all Federal grantees, this language, whereas the language previously adopted by the Senate did not.

So I do not think this is the place to be debating and considering and deliberating on an amendment which has this kind of major differences from previously adopted language.

I thank my friend.

Mr. SIMPSON. Mr. President, it is very important to hear this. Most of the 17 pages of definitions the Senator speaks of are the Senator's creation. These are definitions taken from Senator LEVIN's lobbying reform bill and maybe two or three paragraphs of the substance—nothing dramatic.

We are not talking about the first amendment, I submit to my friend. We are not talking about the chilling effect. We are talking about responsibility, and what is the responsibility of the Federal Government in handing out grants to groups that then use the money to lobby the Federal Government for more money—using Federal money for that purpose, and that we ought not to have public moneys administered by political organizations in some cases, and that is exactly what this is about. It is not about the first amendment.

Mr. LEVIN. Will the Senator yield on that?

Is the Senator suggesting that these organizations have used Federal grant

money to lobby the Federal Government despite the fact that the law prohibits the use of Federal grant money for that purpose?

Mr. SIMPSON. If I might direct my comments through the Chair, I say to the Senator, it must be evident to many that these groups get Federal money, and then they lobby us for more Federal money, for Medicare, Medicaid—you name it—Social Security. That is what they do. And as 501(c)(4)'s, they have unlimited ability to lobby and unlimited amounts of money to spend in that process.

Mr. LEVIN. If the Senator will yield, is he suggesting that those organizations are using Federal grant money for that purpose in violation of existing law which prohibits the use of Federal grant money?

Mr. SIMPSON. Under current law, the groups can count Federal money toward allowed expenses for lobbying.

Mr. LEVIN. My question to my good friend is, is the Senator from Wyoming suggesting that Federal grant money, which is given to an organization, for instance, to provide a cleaner blood supply or to provide lunches in a neighborhood or whatever the grant is for, is my friend from Wyoming suggesting that that Federal grant money is being used for lobbying purposes despite the current law that prohibits Federal grant money from being used in that way?

Mr. SIMPSON. I would say to my friend from Michigan, a 501(c)(3)—and that is what most of these are, that do good works out in the land—can spend more on lobbying if they get grant money. So we are not talking about those that serve the commonweal. We are talking about groups that come in before us in our offices and say we want to see more money for this program or that program or that program or that program. If they get Federal money, it frees up, it frees up—it is fungible, and they can go out and use more to do their lobbying after they offset that. Some have said, ''Well, if you take away the Federal money, we'll be able to do less for people.''

Mr. LEVIN. My final question, if my friend would yield for an additional question, is, one of the key changes that is being proposed here that has not been adopted by the Senate, as I understand it, is that for the first time restrictions would be applied to any organization—or these additional restrictions would be applied to Federal grantees who are receiving, in the aggregate, grants of more than $125,000. That is an additional group that would be covered here that was not previously covered. Is that correct? That is the section 301(a) on page 1. That is new language?

Mr. SIMPSON. That is the language that has to be identified from your previous legislation and the language of the two or three paragraphs of substantive legislation. Under that section we are applying to Federal grantees what is currently applied to 501(c)(3).

Mr. LEVIN. That is new language, not previously in the Senator's——

Mr. SIMPSON. That is described in that way, yes. As I say, we are going to apply to all Federal grantees what is currently applied to 501(c)(3).

I would now yield to my friend from Idaho, who has been absolutely superb in assistance with this matter, and I commend him greatly.

Mr. CRAIG addressed the Chair.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. CRAIG. Mr. President, I hope that our colleagues here in the Senate are listening to the debate and the colloquies that are going on at this moment on this very, very important issue. For if one is to assume that after we deal with the amendments offered by my colleague from Wyoming and my second-degree amendment and a third or a fourth, or filling up the tree, we are debating the whole McIntosh issue, that would be an inaccurate assumption.

We are returning to the language that the Senate has already voted on unanimously. And, as the Senator from Michigan has appropriately pointed out, there are some slight adjustments in it. But those slight adjustments are something that are not first amendment issues, not in any sense of the word. When it comes to spending Federal dollars, that is not a first amendment issue, never has been, most assuredly never will be.

Thomas Jefferson made that very clear to us in many of his writings when he said that, ''No man should be lobbied with his own tax dollar.'' What we are saying here is very clear. We are simply taking the Internal Revenue Code rules, the lobbying of nonprofit charitables, the 501(c)(3) groups, and make that formula a little more generous and apply it to all organizations that do both lobbying and receive grants.

The Senator from Michigan is absolutely right, the threshold is $125,000. But then what we say is there is a formula of a sliding scale that is simple and very easy to understand until you arrive at a certain level, and beyond that you can take that first million that you can lobby with, and if you are above the $17 million, then you apply 1 percent, and if you stay within those categories, you report.

I believe the taxpayers of this country have a right to know how their money is being spent. And it is not, nor was it ever, the intent of the Senator from Wyoming or the Senator from Idaho, who joined with him in the original Simpson-Craig amendments on the floor that all of us unanimously supported, that we would stifle anybody's right to speak or to express their concern.

But we also said something very clearly. What are you going to be? Are you going to be a lobbying organization or are you going to be an organization that takes grants and applies them for the meaningful purpose for which they are given? You cannot be dominantly both, nor should you be under the law, because you are given a very special tax-exempt status to do certain things.

If you are taking grants, for whatever purpose they are allowed, you are given that opportunity. But if you have decided to lobby with it to generate more money, to do exactly what the Senator from Michigan knows can be done—and the term is called fungibility—then you can get increasingly larger and larger and larger to lobby a specific point of view.

I will not suggest that our colleagues in the House went too far in one form or another. But I will agree that some of those organizations that the Senator from Michigan mentions—or I might agree—ought not to play by these rules—they clearly are the charitables of our country that have served this country and its interested parties well—ought not have these kinds of restrictions. That is what this Senate recognized. That is why we have come back to change the language in this continuing resolution to deal with it as we had originally attempted to deal with it here in the Senate, because I think all of us recognize that it is time that we do a course correction, and that is, frankly, all that these amendments are, is a course correction from those very large multihundred million dollar organizations that have become very powerful in their skillful use of Federal grant dollars for their specific and very directed interests.

All we are saying to them is that there is going to be a criteria from now on, and we are going to apply the 501(c)(3) formula with a greater generosity to the 501(c)(4)'s. They have been misled, I think, stampeded by Washington special interests into suggesting that we are doing something tragic, different.

You have to remember, those who are lobbying against this have a special interest. Their special interest is access through the grant process to the Federal Treasury. And we are saying to them, ''You can still have access because many of you do very worthwhile things. But what you cannot have is a free and open rein to lobby unless you meet certain criteria.'' We think that is important.

Why should we use tax dollars to lobby to get more tax dollars to lobby to get more tax dollars to get larger and larger and more powerful and powerful for political purposes, in some instances, instead of to meet the needs of the grants as we originally saw them? And as the activities of Government suggested, these agencies in a quasi-private manner could better administer them. That is what we wanted. And that is what has been our intent all along.

But what the Congress has failed to do over the last decade is take a serious look at how some organizations have recognized the unique ability to

misuse the IRS Code for their particular advantage. And, frankly, we think that is just wrong. We want to adhere to the simple approach to deal with the larger organizations that we felt it was necessary to deal with.

Those who do not lobby do not have a problem. Their first amendment rights in the use of their own dollars are not questioned. Those who do lobby and take $125,000 or more of grant dollars have to adhere to a reporting process and a percentage of limitation. And they can choose to do that. Many organizations already have because they did not want to violate the rules or they did not want to misuse the congressional intent of that particular area of the IRS Code.

That is why the legislation was before us. That is why Senator SIMPSON and I have come back to amend the language in this CR because we understand what the Senator said. We can count votes. And we thought it was important that we deal at least with this segment of the code and the particular organizations that identify with that segment of the code.

I think most groups——

Mr. CHAFEE. I wonder if the Senator would yield for a question?

Mr. CRAIG. I will be happy to.

Mr. CHAFEE. Mr. President, my question is this: Apparently there seems to be agreement—I certainly concur in that—that the language that came over from the House is not acceptable. Now, it seems to me we ought to leave well enough alone, take it out, strike it. It has to go back to the House, and then we go on with our business when it comes back from the House. Hopefully, it would be without that language. And then we could proceed with the passage of the continuing resolution.

What the distinguished Senator from Idaho and the distinguished Senator from Wyoming are proposing is that in lieu of the language that was objectionable in the House, that we insert other language. Now, it is my understanding, having listened to the debate, that this language is not exactly the same as the so-called Simpson language that was adopted unanimously by voice vote.

There are variations to it. What they are, I am not sure. But my question to the Senator from Idaho is as follows: Why are we doing this? Why get involved at this point, when we are trying to pass a continuing resolution, with an extraneous bill that the Senators indicate is extremely popular and, if so, it ought to be able to pass on its own.

Why bog down this legislation with that and tie us up in something as we are, as I understand it, near unanimity that we do not want the language that came out from the House?

So let us strike it and go on with a clean CR. Frankly, I am in favor of a clean continuing resolution. All of us can think of nice things that ought to be added on it. Why, we can do something about Social Security for the senior citizens being able to earn more money——

Mr. CRAIG. May I respond to the Senator's question? I reclaim my time for the purpose of responding to the question. The Senator makes a good point, and I am not going to try to dispute him on his logic. He and I may disagree on clean CR's and the use of vehicles like CR's to move legislation, but the fact is, the House did act, and they acted by putting in the McIntosh-Istook language.

If we strike it, will they agree to that? I do not know. What I do believe they might agree to is the fact that we have changed their language to conform to the language that the Senate voted on by a unanimous vote with some very slight changes that we have already expressed to the Senators that are not changes in the intent. They clearly are clarifying provisions, the kind Senator CHAFEE and others spoke of with some concern in the earlier legislation.

I think we stand a greater chance of moving the CR and the House accepting it as we send it back to them with the amendments provided by the Senator from Wyoming and myself to clarify this issue, for we at least address it. The House has addressed it. They spoke to it last night, and I am not at all convinced that if we send back a clean CR with this stricken from it that we can deal with it in that manner. That is why we came with this approach. We think it is important, and it does conform with the Senate's wishes earlier expressed.

Mr. CHAFEE. Mr. President, my own view——

Mr. CRAIG. Mr. President, I hold the time, thank you very much. I will simply yield the floor at this point. I made my points. I know the Senator wishes to speak. At the moment, I yield the floor.

Mr. CHAFEE addressed the Chair.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. CHAFEE. Mr. President, my own view on this is, if after long, continuous debate—and I do not know when it will be we finally get to vote, whether the Simpson language is included or not, I do not know—but my own belief is, if it is included and goes back over there, it will be a slice of salami. Then they will come back with some variations to it, and back and forth we go with the House in deciding just how far we want to go.

They have staked out a big measure. Instead of us saying ''No, we don't want any part of it, we will take that up at another time,'' it is very popular here, we can do our version any time we want, we will do that within the next several weeks, we send this back with the variations, as the distinguished Senator from Idaho and the distinguished Senator from Wyoming have proposed, then back it comes with a small alteration, and on and on it goes. I think it is a mistake, Mr. President.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. SIMPSON. Mr. President, let us be very clear here, that will not happen. The House leadership told us, and I hold it not in any sense a directive or anything else, but the House leadership has told us whatever comes out of here in the form of the Craig-Simpson amendment will be acceptable to the House. There will be no slicing of salami. There will be no slicing of anything.

In addition, that measure will not come up on Treasury-Postal. That is a critical thing. We cannot continue to delay the program because certain people have certain things they want. But there are certain things that are critical, not in the eyes of three Members of the House, but by the entire House, or at least a majority of the House. So that is why we have altered—altered?—we have slashed the measure to shreds and leave now the basic element of what we did in the Senate unanimously and the issue of the 501(h), which is a minimal, tremendously minimal requirement.

This is not going to go back into the grinder. It is not going to come forward. But if you are looking for clarity and simplicity and speed, I can tell you, it will not come with a motion to strike, because the motion to strike will create a most horrendous reaction in the House which, again, is destructive of the process.

So we are trying to get a crumb when we cannot get a loaf, and all of us who legislate know that. This is not any dramatic thing. The principal substance of it passed here on a voice vote, so it cannot be that bad.

Mr. LEVIN. Will the Senator yield on that point, on that issue for a question?

Mr. SIMPSON. Yes.

Mr. LEVIN. Both the Senator from Wyoming and the Senator from Idaho said there is a slight difference. There are significant differences. To put the question in the form of a question: Can the Senator from Wyoming tell us what percentage of current Federal grantees, approximately, would be covered by the new language where there is at least three significant changes from the old Simpson language? What percentage of Federal grantees would be covered by the new language in certification requirements and reporting requirements that were not covered by the original Simpson language?

For instance, would this double the number of grantees that are covered by certification and paperwork requirements? Would it triple it? Quadruple it? What are called slight differences here I think, indeed, are major differences. Can the Senator give us approximately what multiple of Federal grantees would be brought into this net for the first time?

Mr. SIMPSON. Mr. President, I am presented with figures, and remember,

too, that not a single 501(c)(3) is, by our figures, spending more than $1 million on lobbying. Not one. Not one single 501(c)(3) is spending, according to our records, more than $1 million on lobbying, and that is most of the grantees. So I think——

Mr. KERREY. Will the Senator yield for a follow-on to that?

Mr. LEVIN. I wonder if we can get the answer to that question, because I included reporting requirements, paperwork requirements. If the Senator can tell us what percentage, what multiple of Federal grantees would be covered by the paperwork and certification and reporting requirements that were covered under the original Simpson language, is it twice as many, three times as many? About what percentage more?

Mr. SIMPSON. Mr. President, I have no ability to discern that. The paperwork requirement, however, if we can get this in perspective, is about less than an I–9 form that you would furnish with Immigration. It requires ID, name and amount spent on lobbying.

So it is not something they are going to have to hire a battalion of accountants to do or management officials. It is name, amount spent.

I can only tell you, I hope some of you will begin to look at some of the forms that the nonprofits file. Some of them are huge. Often the bigger the nonprofit in the (c)(4) area, the more they are done in handwriting. They are not typed, because if you do it in handwriting, it makes you look like one of the little guys. So you do it in handwriting, and you can almost miss the commas.

I cite on that one, on the 501(c)(4), the AARP. Their huge report, where they report $314 million in the bank in T-bills, where they get $106 million a year from Prudential life insurance, getting 3 percent of every premium, where they have $26 million in yield on their investments, where they get money from New York Life, Scudder-Stevens, RV Insurance, and all the rest, and get $86 million from the Federal Government. I think any group that can do that and can lease their downtown headquarters for $17 million a year on a 20-year lease, while they are raising bucks from the little people for $8 a pop, do not need Federal funding to do unlimited lobbying.

These are the (c)(4)'s. That is who I was after when I started. And their report is done by, I think, ''Edna the Enforcer,'' down in some basement in California. It is written in commas—you cannot tell. You are not to disclose that to anyone. I had to search out that form. And this is a nonprofit organization. I had to search that out. When I received it—and I kept my promise—they said, ''We do not want anyone to have access to this, or the public, to see this report.'' Got that? This does say that, from then on, this will be presented to the public. That is a change in this procedure, in the reporting requirement. They do not have to talk about where they spent it or who gave it to them—just a total amount spent; the total amount expended, which they are already entrusted, I think, to keep track of. We are not giving them a new item to keep track of. We are using current law definitions for lobbying expenses. I hope that might answer the question. At least that is the intent.

Mr. LEVIN. If the Senator will yield, under what law are all Federal grantees required to keep track of all their expenditures so they can determine how much spending on lobbying there is. This covers all grantees. You are not limiting this the way it was before. I wonder whether the law requires all grantees to keep track, as the Senator just said, of how much money they are spending and what percentage of dollars is spent on lobbying, of their own funds. We are talking about their own funds.

Mr. SIMPSON. Currently, I simply say, Mr. President, all grantees do not, and we think they should.

Mr. LEVIN. There is a new requirement?

Mr. SIMPSON. I explained that fully when we started, that there would be a reporting requirement. I said that when I began the debate.

Mr. CRAIG. Will the Senator from Wyoming yield?

Mr. SIMPSON. I yield to my friend from Idaho.

Mr. CRAIG. Mr. President, I appreciate the Senator for yielding. I would like to address the question the Senator from Michigan just spoke to.

All organizations keep books. All organizations have to report to the IRS. We are not asking that they do anything differently. We say that if you meet certain criteria, you have to make a certain amount of decisions.

Mr. President, $39 billion worth of tax money goes out in grants every year. You mean you are saying that you do not want the taxpayers of this country to have a right to have accountability for that money? Absolutely, we do. And we do. The 501(c)(3)'s are accountable, and they report. That is a very large chunk of the money. So, right now, the Senator from Michigan and the Senator from Idaho are saying that it is OK under the law, under the IRS Code, for 98 percent of everybody to play by the rules and file the forms. That is what we are saying, is that not?

Now we are talking about a window which several billion dollars slides through, in which there is no accountability. Why should those who do not account today not be under the same rules as the 98 percent who do? You and I both understand that giving the privilege of tax exempt in this society is a very large Federal subsidy. That is a unique privilege. All we are saying is, to retain that privilege, to do the special things that you should be wanting to do under your organization, we are saying that these are the requirements, which are very limited, and 98 percent play by those rules; why not the other 2 percent?

Mr. KERREY. Parliamentary inquiry. Did the Senator from Wyoming yield for a question?

Mr. SIMPSON. I yielded to the Senator for a question.

Mr. CRAIG. I yield back to the Senator from Wyoming.

Mr. SIMPSON. I yielded the floor to my friend from Idaho. I am glad to yield for a question and have a spirited debate.

Let me, if I can, read the language as to what is required. It is very short. Here is what we are requiring of people who get money from the Federal Government. We call them ''taxpayer-subsidized grantees.'' It may not be a term of art, but that is what we call them. They get money from the Federal Government. They use the money to go out and do things with it—lots of times, trying to get more money from the Federal Government for things they strongly believe in. Here is what we would require of them. It is on page 16 of this amendment. We require—

> . . . a statement that the taxpayer-subsidized grantee spent less than $25,000 on lobbying activity in the grantee's most recent taxable year, or the amount or value of the taxpayer-subsidized grant, including all administrative and overhead costs awarded, a good faith estimate of the grantee's actual expenses on lobbying activities in the most recent taxable year, and a good-faith estimate of the grantee's allowed expenses on lobbying activities under section 301 of this act.

That is all the reporting there is.

Mr. LEVIN. I wonder if my friend will yield for a question?

Mr. SIMPSON. Yes, indeed.

Mr. LEVIN. The Office of Management and Budget wrote the following:

> We have looked for any evidence regarding violations of prohibitions on use of Federal grant dollars for lobbying. We know of none. We have also contacted inspectors general at DOD, HHS, HUD, and the Department of Labor. They are not aware of any cases of violations.

I am wondering whether the Senator from Wyoming has evidence of violations of the prohibitions on the use of Federal grant dollars for lobbying. That is in existing law—prohibiting the use of Federal grants. Both the Senator from Wyoming and the Senator from Idaho have suggested that Federal grant dollars are being used to lobby. They may not be so used under current law. For instance, the Senator from Idaho suggested that there is a current use of Federal grant money to lobby for more grant money, despite the existing prohibition in Federal law against doing that.

So my question is: The Office of Management and Budget does not know of any violations of the prohibitions on the use of Federal grant dollars for lobbying. Does the Senator from Wyoming have a list of violations of those prohibitions?

Mr. SIMPSON. Mr. President, we are going to be here a long time, and I have eaten well and refreshed myself, and I will be glad to stay here for as long as it takes.

My language does not seek to apply any penalties to anyone. It is not to strike at the first amendment. It is not to weave the web of a chilling effect. My question was the one I started on many weeks ago right here in this Chamber, which must have been somewhat acceptable to my colleagues, since the first vote on it was 57–20 or 30, whatever. The next time it passed unanimously. The rub is, should this Government give money—and I was, at that time, speaking of the AARP, which is a 501(c)(4) corporation, which has the power of unlimited lobbying expenditure—unlimited. I said, ''Why should the taxpayers of the United States cough up $86 million a year to the AARP or—listen carefully—to the NRA?

I hope that people are listening to this. I am talking about every single 501(c)(4) corporation or the Heritage Foundation or the Christian Coalition—you name it; any one organization that gets Federal money, when they have the ability of unlimited lobbying activity—that is who I am after.

You can decide what you wish to do with that. You can bring up every nuance of question, every shading of meaning.

I hope—strange, wonderful thing that drives us around here—that you realize that 96 percent of all 501(c)(3)'s spend less than $25,000 on lobbying; 96 percent of all 501(c)(3)'s spends less than 25,000 bucks on lobbying. I can furnish those statistics.

That may not answer your question. It may be a great diversion. I can tell you who we are after. I think I have explained that for the last several weeks.

The Senator from Michigan was on the other side then. He will be on the other side tomorrow. He will be on the other side the day after tomorrow. So we should at least realize what it is we are addressing. We are talking about the big guys.

That is why we put in the $125,000 provision. That is why we have done this, done that. We are after the big guys. We are not after the little guy. We are not after the soup kitchen people. We are after people who really ought to be addressed—and we will have hearings on it—on business activities, untaxed business activity.

I hope the Senator from Michigan will help me on that, and I think he will because there is serious abuse with huge organizations that bring in unrelated business income. We will have some hearings on that. That is big time, big ticket. That is where we start. Where we will end, only the Senate knows.

Mr. KERREY. Mr. President, the most important question for the Senators to answer as they prepare to vote for the amendment offered, the substitute offered by the Senator from Wyoming and the Senator from Idaho: Is this body going to get held up every time we do a CR?

We have three people in the House of Representatives saying, ''We are willing to shut the Government of the United States of America down—whatever the consequences are, we do not care—because we want this provision attached to the continuing resolution.''

To be clear, they did not even have a majority in the appropriations subcommittee, Treasury-Postal, and I am a ranking member. They did not have a majority on that committee to pass the Istook language.

Even the Senator from Wyoming, the Senator from Idaho, acknowledge that the Istook language would be rejected by the Senate. So what we are trying to do is compromise with a minority in the House of Representatives which is basically saying, ''We will hold our breath until we get our way. We do not care if our face turns blue. We do not care if the Government shuts down. We are mad at a few organizations that campaigned against us, and we will pay them back.''

Mr. President, the net is big. The Senator from Wyoming talked about his amendment earlier on Treasury-Postal. I would have supported that. It would have affected approximately 409 501(c)(4)'s. Even by raising—we voted at that time on a $10 million threshold. This drops it down to $3 million. You will jack it up to some 700 additional 501(c)(4)'s.

Far more troubling, Mr. President, is the language. This is not a change to the earlier proposal of the Senator from Wyoming. This is an attempt to compromise with a group of people in the House who are saying, ''We will shut the Government down—not for a balanced budget, not to do something to strengthen the U.S. economy, not for the future. None of that. We think a couple 501(c) (3)'s or (4)'s were negative in our campaigns, and we want to get them.''

That is what is driving this whole thing. This is revenge, the motive of a handful of people who are now saying, ''We will shut the Government of the United States of America down if we do not get revenge.''

I believe this body needs to say to those folks ''No, that is not how we are going to operate a CR.''

Last week, the distinguished Senator from Wyoming—and I supported him strongly—made a motion to put back into committee an amendment that the distinguished Senator from Arizona offered that would have raised the earnings test on people who get Social Security. We sent that to committee, this body did. We sent that issue to committee.

We said to one of our colleagues, a Member of this body, ''No, this needs to go to committee. We need to evaluate this a little bit.''

Now, I have folks—and one was on the floor earlier; I thought he would grab a microphone and try to get recognized—they are saying to us, ''Unless we get our way on welfare, we will shut the Government down.'' We need to say to them, ''No.'' We need to say to that little small group of people, ''No.''

It is not in the Contract With America. It has not been heard. We have not had an opportunity to evaluate this.

Colleagues say I will go along with Senator SIMPSON—normally I go along with Senator SIMPSON, the distinguished Senator from Wyoming. This is 17 pages of changes, Mr. President, that Members ought to understand could have a heck of an impact.

It might be fine for Mr. Istook or Mr. McIntosh, but all of us understand we will be held accountable for this vote. I think the most important, perhaps the only question, rather than getting into the details of what this will do: Will it make life better? Will it make life worse?

This does not belong on a continuing resolution. This body ought to stand unified against a relatively small group of people who say this year it is going after 501(c)(4)'s and trying to get some reform for the purpose of getting revenge.

What will it be next year, Mr. President? What will it be next time we try to get a continuing resolution so we can do the work of the Appropriations Committee? Who knows what it will be?

This is an act essentially of political terrorism where they are saying, ''We will hold you hostage unless you give us what we want.'' They will hold us hostage. Give us what we want. Give us an airplane, give us this, give us that, and we will go along.

We ought to say, ''No, don't negotiate with terrorists, Mr. President. Do not negotiate with a relatively small handful of people that are involved in this process.''

It is difficult enough to get a continuing resolution with all the problems in the budget and all the disagreements and the various problems that we have in the budget, to be held up here on this continuing resolution, get held up and require us to come down on the floor and argue a piece of legislation.

I understand the Senator from Wyoming has made a good-faith effort to try to reach agreement. We ought to say no to a person, to these folks, and say, ''You do not have a majority even in the Treasury-Postal Subcommittee in Appropriations. You lost the battle. We are not going to allow you to hold us, we will not allow you to hold the people of the United States of America hostage to your desire for revenge.''

Mr. SIMPSON. Mr. President, I thank my friend from Nebraska. I hear him clearly. I was kind of reviewing the continuing resolution and who did what to who—a good thing to do in political combat from time to time. I remember how those on the other side of the aisle would hang their laundry on the continuing resolutions in days of yore.

I ask unanimous consent to have it printed in the RECORD.

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

WHIP MEMORANDUM

To: TL.
From: Alison Carroll.
Subject: History of Riders on Continuing Resolutions.
Date: November 3, 1995.

This memo lists the most notable riders (substantial legislative items outside the jurisdictions of the Appropriations Committees) on Continuing Resolutions since 1984. Continuing Resolutions are attractive vehicles for such provisions because they are considered must-pass legislation over which the President and Congress eventually must reach agreement.

Vetoes of Continuing Resolutions have been extremely rare—only five Continuing Resolutions have been vetoed since World War II. All vetoes occurred between 1974 and 1990, and none were overridden. The vetoes of FY82 and FY91 measures led to brief shutdowns of some federal agencies.

FY84 CONTINUING RESOLUTION

International Security and Development Assistance Authorization Act
Establishment of National Board for Food Distribution and Emergency Shelter
Penalty for Forging Endorsements on Treasury Checks or Bonds
Taxes on Reimbursements for Travel Transportation, and Relocation Expenses of Employee

FY85 CONTINUING RESOLUTION

Comprehensive Crime Control Act of 1984 (over 200 pages long)
President's Emergency Food Assistance Act
Child Abuse Prevention

FY86 CONTINUING RESOLUTION

Export-Import Bank
Denial of MFN Status to the Products of Afghanistan
Federal Salary Act Amendments
Child Care Services for Federal Employees
Ethics in Government Act Amendments

FY87 CONTINUING RESOLUTION

Contained all 13 appropriations bills
Defense Acquisition Improvement Act
Paperwork Reduction Reauthorization Act
Human Rights in Romania
School Lunch and Child Nutrition Amendments
Aviation Safety Commission Act
Metropolitan Washington Airports

FY88 CONTINUING RESOLUTION

Contained all 13 appropriations bills (3 of 10 had not been considered previously by the Senate)
Cancellation of FY88 Sequester Order
Special House and Senate procedures for considering funding requests for the Nicaraguan Resistance (Contra Aid)
Agriculture Aid and Trade Missions Act

FY91 CONTINUING RESOLUTION

Extension of Certain Medicare Hospital Payment Provisions
Acceptance of Contributions for Department of Defense
Extension of Temporary Increase in the Public Debt

FY92 CONTINUING RESOLUTION

Extension of Sections 8012 and 8013 of the Omnibus Budget Reconciliation Act of 1990

Mr. SIMPSON. In fiscal year 1985, we had hung on the CR the Comprehensive Crime Control Act of 1984, emergency food assistance, child abuse prevention. In 1986, we had hung on the CR Export-Import Bank, denial of MFN status to products in Afghanistan—that was a ripper; that kept us up for a couple of days—Federal Salary Act amendments, child care services for Federal employees, Ethics in Government Act—that was a riotous occasion.

In 1987, the CR—and we were not in power here—we had all 13 appropriations bills tacked in there: Defense Acquisition Improvement Act, Paperwork Reduction Reauthorization Act, human rights in Romania, school lunch and child nutrition amendments, Aviation Safety Commission Act, Metropolitan Washington airports—all of it hung on the CR by those of the other faith.

So I just wanted to touch upon that lightly, and as far as I know what is being hung on this CR is one amendment, and we are debating it. And we should.

Mr. LEVIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Michigan.

Mr. LEVIN. Mr. President, for all the reasons given by the Senator from Nebraska and a lot of other Senators, both on the floor and from remarks in other places, this CR is not the place to make major changes in terms of the restrictions that are placed on the use of non-Federal funds by private organizations. It is a complicated area, and the changes that have been made by the Senator from Wyoming from his previous language are significant changes. We believe they will include a multiple—not just a small percentage more of the organizations and entities out there—but a large percentage not covered by the previous language which would be covered by the new proposed Simpson language.

But, I must say, when I am trying to understand the Senator's language, I wonder if I could ask for the Senator from Wyoming to help me understand his language here. I would like to work through it with him because it seems to me it is not only the wrong place to do this legislating, but this is a complicated issue and it is very unclear as to what he is trying to do. So, if the Senator from Wyoming might help me through this, on page 1 of his amendment on line 11, at the last line it says that any grantee receiving more than $125,000——

Mr. SIMPSON. What page, Mr. President?

Mr. LEVIN. One. Any grantee receiving more than $125,000 should be subject to the limitations on lobbying activity expenditures under section 4911(c)(2)(B) of the Internal Revenue Code.

When I look at 4911(c)(2)(B) of the Code, what I see are restrictions in the amount of lobbying activity for an organization to retain eligibility under their 501(c)(3) status. And it looks as though you spend—for instance, if your exempt purposes expenditures are between $500 and $1,000 but not over $1 million, that you are allowed lobbying nontaxable expenditures of $100,000.

Just to give one example, so, under 4911, a 501(c)(3) that has exempt purposes expenditures between half a million and a million dollars can retain that 501(c)(3) status and still spend $100,000 on lobbying—plus a certain percentage of the excess, but at least $100,000.

But, then, when I look at the Senator's language on page 16 of his amendment, line 6, here—although previously we were told that a 501(c)(3) can spend as much on lobbying as is allowed under 4911, suddenly we are told on line 6 that the chief executive officer of this entity must certify that the grantee spent less than $25,000 on lobbying activities in the grantee's most recent taxable year.

So, on page 1 we are told follow the 4911 rules, which permit up to $225,000, in some cases, plus 5 percent of the excess. It is complicated but it is obviously more than $25,000. We are told on page 1 of this complicated amendment that the 501(c)(3) which is being covered here now, the other grantees which are being covered here now, are permitted to spend the amounts permitted under 4911. And then, lo and behold, a few pages later we are told the chief executive officer has to certify that the grantee spent less than $25,000 on lobbying activity.

My question of my friend from Wyoming is, which is it? Is it the 4911 limit or is it the $25,000 limit?

Mr. SIMPSON. Mr. President, the Senator from Michigan and I know each other too well. I enjoy the spirited energy that he conveys.

I want to say that what the Senator is speaking of here and bringing up is what I am intending to do. There is no mystery. You cannot misread two sections. If they spend less than $25,000 they do not have to report. That is what this says. The word ''or'' is there on that line, ''or,'' line 8. They have options.

Page 16 just gives the exemption. Page 16 just gives the exemption. It says ''or,'' and then it goes on to say if you spend more, you will estimate it. That is what it says.

So, to go back—I can go back into the code. We can do that, as I say, into the night. I am perfectly prepared. I might have to run off and get some light snack or something, but I am ready to do that.

The section of the Internal Revenue Code on that section, at the bottom of section 4911(c) page 630(C) of the 1986 Code, subtitle (d), chapter 40 is quite clear. It talks about the exemptions and lobbying expenditures and what they are. Expenditures for the purpose of influencing legislation: The nontaxable amount, the net purpose, the exempt purpose. All of those things are there.

It says, simply, in this bill, in sum, if you spent less than $25,000 you just have to say so. If you spent more than that, you have to estimate it. That is sole purpose of the amendment.

Mr. LEVIN. I thank the Senator for that clarification. I take it that the records, of course, would have to be kept so that certification could be made. But I think at least that clarification helps on that one point.

I am wondering, both the Senator from Wyoming and Idaho said, at least

I believe that both have said, there is no question being raised about the limit on private funds which will be spent for lobbying. Is that correct? Or is this in fact not restricting the limit of non-Federal funds that can be spent for lobbying?

Mr. SIMPSON. Mr. President, the Senator mentioned an individual? Was that not your words?

Mr. LEVIN. Entity. No, the entity.

Mr. SIMPSON. Because individuals are not covered in any way.

Mr. LEVIN. No, I am talking about the entity.

Mr. SIMPSON. There are no restrictions—no new restrictions of any nature. We are simply describing grantees. We are including the phrase ''grantees.'' That is a word of, I think, some substance. A grantee, that is somebody receiving taxpayers' money. And there are no new restrictions, only—the only difference is that Federal grantees, those receiving taxpayers' money, would be subject to the formula governing 501(c)(3).

Mr. LEVIN. To clarify this further, we are adding a new class of people covered by a restriction on the use of private funds for lobbying, and the unanswered question, so far that is, is how many additional people—or entities to be more precise—how many additional entities would be covered by the restrictions than were previously covered?

On that I gather we do not have an estimate, in terms of a percentage such as 50 percent more or 100 percent more or 2 times as many or whatever; is that a fair conclusion? That we do not have an estimate as to the multiple or percentage increase in the number of entities covered by the restrictions that previously were in the Simpson language?

Mr. SIMPSON. Mr. President, I would have no estimation of that. When we started our work months ago, I recall that it took us quite a while to find out how many 501(c)(4)'s there were, and how many of them really got into this lobbying game, and how many did not. But, we have not said, here, in this amendment, that only non-Federal funds are counted. We leave the formula to apply to Federal and non-Federal funds received, as is the current law.

(Ms. SNOWE assumed the chair.)

Mr. THOMPSON. Madam President, will the Senator yield for a question?

Mr. SIMPSON. Yes, indeed.

Mr. THOMPSON. As I listen to the debate, it appears that there are large organizations with millions of dollars of assets that make millions of dollars a year and they are receiving substantial amounts of money from the Federal Government, and you are seeking to place some requirements on them with regard to their lobbying activities. As I listen to this, there is a question that perhaps has been answered or addressed before, which I would think anybody listening to this would raise, and that is, Why is the Federal Government subsidizing these large organizations to start with?

Mr. SIMPSON. Madam President, I am very pleased that question has been asked. That is the nub. Why? Why should an organization that receives tremendous amounts of money in dues, tremendous amounts of money in unrelated business activities, a tremendous benefit by mailing through the Federal postal authority—and I asked for only one when I started. But this amendment and my work pertains to every single one of these, whether from the Christian right to the evil left. I hope people are hearing this exactly because that is exactly what we are talking about. And the Senator from Tennessee is absolutely correct.

What is the purpose of allowing that to occur when they receive money from the Federal Government, when in a sense they are awash in money and have an awesome power, which is called the unlimited lobbying expense? They can raise as much as they want and they can spend as much as they want without any limitation whatsoever, and then take the Federal grant money and make it fungible, which gives them more ability to try to get more money out of the Federal Government.

I have a question that I might ask of the Senator from Michigan, since it is question time. Does the Senator from Michigan, Madam President, believe that the existing limits on lobbying by 501(c)(3) corporations are improperly restrictions of use of private funds?

Mr. LEVIN. Madam President, in those cases, the people who contribute to those organizations get a tax deduction. So there is a true tax subsidy. But what the Senator from Wyoming is doing is then saying that every organization that gets a grant should be treated the same way, that every organization that is doing our work—where we give them a grant to deliver a meal, or to reduce the amount of drunk driving, or to clear up our blood supply, or to do the hundreds of other things that we want people to do for us—should be treated in the same way.

These are people that are performing services that we want private entities to perform. I thought we were trying to get away from having Federal employees perform all these services. So we make grants to entities to perform these services for us. Those are grantees. They are not spending that grant money to lobby. That is a violation of existing law. And the OMB has said they cannot find one violation; not one.

The problem with this proposal is that now we are treating those entities in the same manner as we previously treated entities for whom a tax contribution was tax deductible where there really is at least arguably a tax subsidy. So there is a very big difference.

But, if I may say to my friend from Wyoming, whether or not the Senator agrees with me, there surely is a major change in this legislation from the legislation previously adopted by the Senate. To now include all grantees is a significant substantive change. This is not a slight change, and it has no place on the CR.

Mr. SIMPSON. Madam President, I still would ask the question. It has not yet been answered. Does the Senator from Michigan believe that the presently existing limits on lobbying by 501(3)(c)'s are improper restrictions of use of private funds? That is the question I am asking—not about children or vaccinations or things that I believe in, too. That is what I am asking.

Mr. LEVIN. For the funds which those organizations have spent with tax deductible funds, people who contributed those funds received a tax deduction. That is a very significant difference and, it seems to me, represents a very different situation in terms of the restriction on lobbying because there was a true tax subsidy.

But, by definition, the Federal grantees that we are talking about are using private funds for lobbying purposes, and that is a very different kind of an animal. I think the arguments that apply to it are very different. But, again, whether or not this Senator is right in his conclusion, whether or not the Senator from Wyoming is right, or the Senator from Michigan is right, surely this represents a significant change in policy. And that is to be argued, it seems to me, properly in a legislative arena on a legislative bill and not on a continuing resolution.

Mr. SIMPSON. Madam President, I will not go further. The Senator and I will visit together and break bread and resolve this one. But there are existing limits on lobbying, on 501(c)(3) corporations, and everyone should hear that. And there have not then been improper restrictions of the use of private funds. No one is alleging violations. What is objectionable to me about the spending limits under 501(h) is why should they not cover those who are administering public money? I am interested in people who are administering public money. That is what I am interested in. And these people that give to the 501(3)(c)'s are called taxpayers. And in the case of Federal grantees, the taxpayer is contributing to them. They have no choice. Should they then be forced to support the various activities of those organizations that they do not concur with?

Mr. CRAIG addressed the Chair.

The PRESIDING OFFICER. The Senator from Idaho.

AMENDMENT NO. 3049, AS MODIFIED

Mr. CRAIG. Madam President, I send a modification of my amendment No. 3049 to the desk.

The PRESIDING OFFICER. The Senator has the right to modify the amendment. The amendment is so modified.

So, the amendment (No. 3049), as modified, is as follows:

In lieu of the language in amendment 3048, insert the following:

III

PROHIBITION ON SUBSIDIZING POLITICAL ORGANIZATIONS WITH TAXPAYER FUNDS

SEC. 301. (a) LIMITATIONS.—(1) Notwithstanding any other provision of law, any organization receiving Federal grants in an amount that, in the aggregate, is greater than $125,000 in the most recent Federal fiscal year, shall be subject to the limitations on lobbying activity expenditures under section 4911(c)(2)(B) of the Internal Revenue Codes of 1986, except that, if exempt purpose expenditures are over $17,000,000 then the organization shall also be subject to a limitation on lobbying of 1 percent of the excess of the exempt purpose expenditures over $17,000,000 unless otherwise subject to section 4911(c)(2)(A) based on an election made under section 501(h) of the Internal Revenue Code of 1986.

(2) An organization described in section 501(c)(4) of the Internal Revenue Code of 1986 that engaged in lobbying activities during the organization's previous taxable year shall not be eligible to receive Federal funds constituting a taxpayer subsidized grant. This paragraph shall not apply to organizations described in section 501(c)(4) with gross annual revenues of less than $3,000,000 in such previous taxable year, including Federal funds received as a taxpayer subsidized grant.

(b) DEFINITIONS.—For the purposes of this title:

(1) AGENCY.—The term ''agency'' has the meaning given that term in section 551(1) of title 5, United States Code.

(2) CLIENT.—The term ''client'' means any person or entity that employs or retains another person for financial or other compensation to conduct lobbying activities on behalf of that person or entity. A person or entity whose employees act as lobbyists on its own behalf is both a client and an employer of such employees. In the case of a coalition or association that employs or retains other persons to conduct lobbying activities, the client is the coalition or association and not its individual members.

(3) COVERED EXECUTIVE BRANCH OFFICIAL.—The term ''covered executive branch official'' means—

(A) the President;

(B) the Vice President;

(C) any officer or employee, or any other individual functioning in the capacity of such an officer or employee, in the Executive Office of the President;

(D) any officer or employee serving in a position in level I, II, III, IV, or V of the Executive Schedule, as designated by statute or Executive order;

(E) any member of the uniformed services whose pay grade is at or above O–7 under section 201 of title 37, United States Code; and

(F) any officer or employee serving in a position of a confidential, policy-determining, policy-making, or policy-advocating character described in section 7511(b)(2) of title 5, United States Code.

(4) COVERED LEGISLATIVE BRANCH OFFICIAL.—The term ''covered legislative branch official'' means—

(A) a Member of Congress;

(B) an elected officer of either House of Congress;

(C) any employee of, or any other individual functioning in the capacity of an employee of—

(i) a Member of Congress;

(ii) a committee of either House of Congress;

(iii) the leadership staff of the House of Representatives or the leadership staff of the Senate;

(iv) a joint committee of Congress; and

(v) a working group or caucus organized to provide legislative services or other assistance to Members of Congress; and

(D) any other legislative branch employee serving in a position described under section 109(13) of the Ethics in Government Act of 1978 (5 U.S.C. App.).

(5) EMPLOYEE.—The term ''employee'' means any individual who is an officer, employee, partner, director, or proprietor of a person or entity, but does not include—

(A) independent contractors; or

(B) volunteers who receive no financial or other compensation from the person or entity for their services.

(6) FOREIGN ENTITY.—The term ''foreign entity'' means a foreign principal (as defined in section 1(b) of the Foreign Agents Registration Act of 1938 (22 U.S.C. 611(b)).

(7) GRANT.—The term ''grant'' means the provision of any Federal funds, appropriated under this or any other Act, to carry out a public purpose of the United States, except—

(A) the provision of funds for acquisition (by purchase, lease, or barter) of property or services for the direct benefit or use of the United States;

(B) the payments of loans, debts, or entitlements;

(C) the provision of funds to, or distribution of funds by, a Federal court established under Article I or III of the Constitution of the United States;

(D) nonmonetary assistance provided by the Department of Veterans Affairs to organizations approved or recognized under section 5902 of title 38, United States Code; and

(E) the provision of grant and scholarship funds to students for educational purposes.

(8) LOBBYING ACTIVITIES.—The term ''lobbying activities'' means lobbying contacts and efforts in support of such contacts, including preparation and planning activities, research and other background work that is intended, at the time it is performed, for use in contacts, and coordination with the lobbying activities of others.

(9) LOBBYING CONTACT.—

(A) DEFINITION.—The term ''lobbying contact'' means any oral or written communication (including an electronic communication) to a covered executive branch official or a covered legislative branch official that is made on behalf of a client with regard to—

(i) the formulation, modification, or adoption of Federal legislation (including legislative proposals);

(ii) the formulation, modification, or adoption of a Federal rule, regulation, Executive order, or any other program, policy, or position of the United States Government;

(iii) the administration or execution of a Federal program or policy (including the negotiation, award, or administration of a Federal contract, grant, loan, permit, or license); or

(iv) the nomination or confirmation of a person for a position subject to confirmation by the Senate.

(B) EXCEPTIONS.—The term ''lobbying contact'' does not include a communication that is—

(i) made by a public official acting in the public official's official capacity;

(ii) made by a representative of a media organization if the purpose of the communication is gathering and disseminating news and information to the public;

(iii) made in a speech, article, publication or other material that is distributed and made available to the public, or through radio, television, cable television, or other medium of mass communication;

(iv) made on behalf of a government of a foreign country or a foreign political party and disclosed under the Foreign Agents Registration Act of 1938 (22 U.S.C. 611 et seq.);

(v) a request for a meeting, a request for the status of an action, or any other similar administrative request, if the request does not include an attempt to influence a covered executive branch official or a covered legislative branch official;

(vi) made in the course of participation in an advisory committee subject to the Federal Advisory Committee Act;

(vii) testimony given before a committee, subcommittee, or task force of the Congress, or submitted for inclusion in the public record of a hearing conducted by such committee, subcommittee, or task force;

(viii) information provided in writing in response to an oral or written request by a covered executive branch official or a covered legislative branch official for specific information;

(ix) required by subpoena, civil investigative demand, or otherwise compelled by statute, regulation, or other action of the Congress or an agency;

(x) made in response to a notice in the Federal Register, Commerce Business Daily, or other similar publication soliciting communications from the public and directed to the agency official specifically designated in the notice to receive such communications;

(xi) not possible to report without disclosing information, the unauthorized disclosure of which is prohibited by law;

(xii) made to an official in an agency with regard to—

(I) a judicial proceeding or a criminal or civil law enforcement inquiry, investigation, or proceeding; or

(II) a filing or proceeding that the Government is specifically required by statute or regulation to maintain or conduct on a confidential basis,

if that agency is charged with responsibility for such proceeding, inquiry, investigation, or filing;

(xiii) made in compliance with written agency procedures regarding an adjudication conducted by the agency under section 554 of title 5, United States Code, or substantially similar provisions;

(xiv) a written comment filed in the course of a public proceeding or any other communication that is made on the record in a public proceeding;

(xv) a petition for agency action made in writing and required to be a matter of public record pursuant to established agency procedures;

(xvi) made on behalf of an individual with regard to that individual's benefits, employment, or other personal matters involving only that individual, except that this clause does not apply to any communication with—

(I) a covered executive branch official, or

(II) a covered legislative branch official (other than the individual's elected Members of Congress or employees who work under such Members' direct supervision),

with respect to the formulation, modification, or adoption of private legislation for the relief of that individual;

(xvii) a disclosure by an individual that is protected under the amendments made by the Whistleblower Protection Act of 1989, under the Inspector General Act of 1978, or under another provision of law;

(xviii) made by—

(I) a church, its integrated auxiliary, or a convention or association of churches that is exempt from filing a Federal income tax return under paragraph 2(A)(i) of section 6033(a) of the Internal Revenue Code of 1986, or

(II) a religious order that is exempt from filing a Federal income tax return under paragraph (2)(A)(iii) of such section 6033(a); and

(xix) between—

(I) officials of a self-regulatory organization (as defined in section 3(a)(26) of the Securities Exchange Act) that is registered with or established by the Securities and Exchange Commission as required by that Act or a similar organization that is designated by or registered with the Commodities Future Trading Commission as provided under the Commodity Exchange Act; and

(II) the Securities and Exchange Commission or the Commodities Future Trading Commission, respectively;

relating to the regulatory responsibilities of such organization under that Act.

(10) LOBBYING FIRM.—The term ''lobbying firm'' means a person or entity that has 1 or more employees who are lobbyists on behalf of a client other than that person or entity. The term also includes a self-employed individual who is a lobbyist.

(11) LOBBYIST.—The term ''lobbyist'' means any individual who is employed or retained by a client for financial or other compensation for services that include more than one lobbying contact, other than an individual whose lobbying activities constitute less than 20 percent of the time engaged in the services provided by such individual to that client over a six month period.

(12) MEDIA ORGANIZATION.—The term ''media organization'' means a person or entity engaged in disseminating information to the general public through a newspaper, magazine, other publication, radio, television, cable television, or other medium of mass communication.

(13) MEMBER OF CONGRESS.—The term ''Member of Congress'' means a Senator or a Representative in, or Delegate or Resident Commissioner to, the Congress.

(14) ORGANIZATION.—The term ''organization'' means a person or entity other than an individual.

(15) PERSON OR ENTITY.—The term ''person or entity'' means any individual, corporation, company, foundation, association, labor organization, firm, partnership, society, joint stock company, group of organizations, or State or local government.

(16) PUBLIC OFFICIAL.—The term ''public official'' means any elected official, appointed official, or employee of—

(A) a Federal, State, or local unit of government in the United States other than—

(i) a college or university;

(ii) a government-sponsored enterprise (as defined in section 3(8) of the Congressional Budget and Impoundment Control Act of 1974);

(iii) a public utility that provides gas, electricity, water, or communications;

(iv) a guaranty agency (as defined in section 435(j) of the Higher Education Act of 1965 (20 U.S.C. 1085(j))), including any affiliate of such an agency; or

(v) an agency of any State functioning as a student loan secondary market pursuant to section 435(d)(1)(F) of the Higher Education Act of 1965 (20 U.S.C. 1085(d)(1)(F));

(B) a Government corporation (as defined in section 9101 of title 31, United States Code);

(C) an organization of State or local elected or appointed officials other than officials of an entity described in clause (i), (ii), (iii), (iv), or (v) of subparagraph (A);

(D) an Indian tribe (as defined in section 4(e) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b(e));

(E) a national or State political party or any organizational unit thereof; or

(F) a national, regional, or local unit of any foreign government.

(17) STATE.—The term ''State'' means each of the several States, the District of Columbia, and any commonwealth, territory, or possession of the United States.

DISCLOSURE REQUIREMENTS

SEC. 302. (a) IN GENERAL.—Not later than December 31 of each year, each taxpayer subsidized grantee, except an individual person, shall provide (via either electronic or paper medium) to each Federal entity that awarded or administered its taxpayer subsidized grant an annual report for the previous Federal fiscal year, certified by the taxpayer subsidized grantee's chief executive officer or equivalent person of authority, setting forth—

(1) the taxpayer subsidized grantee's name and grantee identification number;

(2) a statement that the taxpayer subsidized grantee agrees that it is, and shall continue to be, contractually bound by the terms of this title as a condition of the continued receipt and use of Federal funds; and

(3)(A) a statement that the taxpayer subsidized grantee spent less than $25,000 on lobbying activities in the grantee's most recent taxable year; or

(B)(i) the amount or value of the taxpayer subsidized grant (including all administrative and overhead costs awarded);

(ii) a good faith estimate of the grantee's actual expenses on lobbying activities in the most recent taxable year; and

(iii) a good faith estimate of the grantee's allowed expenses on lobbying activities under section 301 of this Act.

PUBLIC ACCOUNTABILITY

SEC. 303. (a) PUBLIC AVAILABILITY OF LOBBYING DISCLOSURE FORMS.—Any Federal entity awarding a taxpayer subsidized grant shall make publicly available any taxpayer subsidized grant application, and the annual report of a taxpayer subsidized grantee provided under section 302 of this Act.

(b) ACCESSIBILITY TO PUBLIC.—The public's access to the documents identified in subsection (a) shall be facilitated by placement of such documents in the Federal entity's public document reading room and also by expediting any requests under section 552 of title 5, United States Code, the Freedom of Information Act as amended, ahead of any requests for other information pending at such Federal entity.

(c) WITHHOLDING PROHIBITED.—Records described in subsection (a) shall not be subject to withholding, except under the exemption set forth in subsection (b)(7)(A) of section 552 of title 5, United States Code.

(d) FEES PROHIBITED.—No fees for searching for or copying such documents shall be charged to the public.

(e) The amendments made by this title shall become effective January 4, 1996.

Mr. CRAIG. Madam President, I think the colloquy that has gone on this afternoon between our colleagues from Wyoming and Michigan has been extremely valuable. It has established very clearly that 501(c)(3) organizations in this country that receive a very large share, the lion's share, of the Federal grant dollars comply with the Federal law, and the IRS, too. In fact, the Senator from Michigan said that OMB has reported no violations.

Madam President, the reason there are not any violations is because there is a reporting requirement, and if they spend more than $25,000 worth of lobbying, they are in trouble. So they do not. They are limited by law, and there is a reporting process. There is a mechanism to hold them accountable. In that accountability, they perform those kinds of activities that they choose to under the privilege that the Congress of the United States and the taxpayers have granted them—tax-exemption. That is very simple. That is very clear. That has been established here today. That is the law.

They are required to keep books, but any organization that handles money is required to keep books by either their board or by the IRS, and in all instances the IRS. And so that is nothing new.

There are no new accounting requirements. They have to keep their books. But now there is a requirement, and that is the requirement of accountability, on another group—the same requirement we put on 90-plus percent of those who accept the Federal grants. It is not prohibitive to the clean blood supply, to the vaccinations, to the feeding. What is prohibitive is that if that group chooses to lobby, they have limits. They must decide whether they are going to be tax exempt and carry out the mandate of their grants and the goal of their organization or whether they are going to aggressively get involved in lobbying. It is a matter of either/or, of choice. It is not prohibitive in that sense. It is a matter of choice, decisionmaking. If they want to lobby and they have an interest to lobby, they ought to go create another organization with separate books so that the money does not cross spend, it is not fungible, so that the taxpayers do not find themselves subsidizing.

That is what the debate is about. We are taking the law that currently governs 90-plus percent of these organizations and putting it to the others with the same requirements and then a formula. In fact, we are even more liberal. We say that if you get above a certain amount, you can spend a certain amount. And until that time there is a very simple sliding formula that says here is the limitation—nothing more and nothing less. It is a mirror in which to look at themselves and to decide if they need to decide that they may be doing something wrong and would want to change. Or if they want to be all grant and no lobby or no advocacy, then that is what they ought to be.

I suggest that those who are providing feeding, who are interested in a clean blood supply and do that work in the private sector that the Senator from Michigan talks about that we have decided can be done better there, they are going to choose to do their job and not to lobby. But if there is a need for them to express an advocacy role, they can form a 501(c)(3) to get it done. That is a separate bookkeeping system, and that is called accountability because we have extended them a very special form of treatment under the law—tax-exempt status. That means they are by definition subsidized by the taxpayers of this country. Therefore, the taxpayers of this country have the right to ask for accountability under the law, and that is what we ask for.

I yield back the remainder of my time.

The PRESIDING OFFICER. Is there further debate on the amendment?

Mr. FORD. Madam 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. WELLSTONE. 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. WELLSTONE. I thank the Chair.

We are on the Simpson amendment; is that correct?

The PRESIDING OFFICER. That is correct.

Mr. WELLSTONE. Madam President, let me speak briefly on this amendment.

Let me make three central points, not as an expert on all of the technical detail but I think I speak for the State of Minnesota, or a vast majority of people in my State when I say, first of all, this amendment really is an obvious effort to gag nonprofit organizations. I do not think it makes any sense. Day after day, we have been hearing from a majority in the House and some of my other colleagues about the importance of voluntarism and the value of the private sector in our society.

We talk about James Madison, and we talk about Thomas Jefferson, and I can think of the Alex de Tocqueville classic about America, the importance of mediating institutions. That is what these nonprofits are all about. They are the key to an effective civil society. They are ones who get people to participate in a democracy. They are ones who represent the interests of the middle class, of workers and poor people.

By the way, all too often they are the only voices for the voiceless.

So it does seem to me that this provision—and I have not seen exactly all that is in this modification—would make it very difficult for these groups to fully participate in the democratic purposes of this society. And to the extent that is true, I think it is a loss.

Moreover, I think it is a bit deplorable that those who are talking about these kinds of restrictions and are talking about the nonprofit sector, when it comes to others who feed the most from the public trough, the defense contractors and the big businesses, if we want to talk about people who are receiving hundreds of billions of dollars a year, do not gag them at all.

I would not be in favor of that anyway, because I think it is a violation of the first amendment to the Constitution, but it does seem to me that there is a sleight of the hand here that we ought to understand.

On the one hand, we go after these nonprofits that are all too often, as I said, the only voice for the voiceless, organizations that do wonderful work, that contribute greatly to the civil society, that do a lot of effective social service work and charity work and all of the rest. On the other hand, when it comes to big military contractors, big companies that receive all sorts of benefits, contracts, money from the Federal Government, when it comes to all sorts of large corporations which receive all of these various tax breaks, we do not have any such restrictions on them.

It seems to me that this is a double code. It is the same double code—those big contractors, they have the big bucks; they are the heavy hitters; they have the lobbyists. This is not lobbying reform. I have been involved in lobbying reform and the gift ban. This is nothing more than an effort to gag nonprofit organizations.

I must say to my colleagues that I find this even more troubling. I was at a press conference today. The Office of Management and Budget released a study—Dr. Rivlin deserves a lot of credit for her intellectual honesty—that what we passed that we called welfare reform will, in fact, on the House side, lead to over 2 million more children being impoverished in America; on the Senate side, a little over 1 million children will be impoverished as a result of legislation that we passed that we called ''welfare reform.''

At the time that we do that we now want to gag these nonprofit organizations which are quite often the only voice for those citizens, including the children. It is a bit outrageous.

Finally, Madam President—and I will be relatively brief because I imagine we have a vote coming up soon—I think the definition of political advocacy is such a broad definition, and we are not talking about lobbying, which is restricted. We are not talking about narrow partisan activity. We are saying that if an organization, a nonprofit organization wants to testify before the legislature, somebody wants to write an op-ed piece, somebody wants to do an educational forum, you name it, they may not be able to do that.

I think it is transparent what this is all about. I think it has already had a chilling effect in this country. And this is an amendment that ought to be voted down.

In any case, even if I was for it—and I am not—it is a gag order. It is an absolutely outrageous double code, with no such effort focused toward military contractors, big corporations. Such an effort should not be focused on them anyway; I would not be in favor of that because of basic first amendment guarantees, but, in addition, it should not be on this continuing resolution.

We are talking about whether or not the Government is going to continue to function, for God's sake. We are talking about whether or not we can govern here in Washington. I think people are sick and tired of these games and these amendments that get put on this kind of legislation.

Let me conclude by talking about another issue, since I think I have a little bit more time, about which I am deeply troubled.

And that has to do with my concern about the low-income energy assistance program which, Madam President, I know is very important to a State like Maine.

This program, the low-income energy assistance program—and I was tempted to do an amendment on this continuing resolution; I will not at this time because I think this is very, very serious business—but this is a 6-month heating season program, it is not really a 1-year program. And it is extremely important that the cold weather States get this funding and get this funding out to people.

It is true that some LIHEAP funds are used for cooling in places like nursing homes, but in the vast majority of the cases it is cold-weather States. And this money is used to help low-income people pay for furnace repairs and replacements, for fuel and propane tanks being filled, and for emergency assistance to avoid utility shutoff.

Madam President, I will tell you what we are doing right now. By not getting the money out to these communities, by having it essentially 30 percent of what it should be, we are basically forcing people to freeze on an installment plan.

Madam President, as I said before, this is a stopgap budget bill. If we continue to allocate these dollars, small in amount, for emergency heating assistance for elderly people, people with disabilities, people with children in this fashion, we are going to have some citizens who are going to freeze to death in this country. And then we will be ashamed. Then we will take the action.

But, my God, Madam President, I do not want to wait until that point in time. I want to make it clear to my colleagues that we cannot continue to fund programs like the low-income energy assistance program on an ad hoc, partial basis without doing serious harm to millions of families, some of the most vulnerable citizens in this country, who depend upon this program for their very survival during the winter.

Madam President, I was considering an amendment to this bill to provide additional LIHEAP funding for the States. But I am not going to do it because we are on the brink of a Government shutdown. I think that would be irresponsible. But I am not going to continue to let this go on month after month, allowing people to freeze on the installment plan. Is that what we want? Do we want to have vulnerable elderly people freeze, some perhaps even freeze to death, before we act to provide adequate low-income energy assistance funding? I do not think so. And I do not think that is what people voted for last year.

I do not think we can let this happen. I think we are going to have to do something soon. And if we do not do something soon, that is exactly what is going to happen. It could happen in

North Dakota, it could happen in Alaska, it could happen in Maine, it could happen in Michigan, it could happen in Minnesota, it could happen in any number of the cold weather States in this country.

Madam President, this Low-Income Energy Assistance Program has been cut already by 25 percent this past year, and the House of Representatives urged its elimination altogether. The total cost of low-income energy assistance for citizens across this country does not equal one B–2 bomber, and in the House of Representatives they want to eliminate the program.

This program right now is down $1.2 billion from 10 years ago, and the need is growing. I have just said to my colleagues that I am extremely worried about what is going to happen. What I am hearing in my State is the funds are going to be depleted in the coming weeks.

What is going to happen during the rest of the winter in Maine or in Minnesota or in West Virginia, you name it? What happens in February? What happens in March or later if a cold snap occurs and people are held up without fuel oil or propane or electricity to run their thermostats? What then are we going to do?

Madam President, the Low-Income Energy Assistance Program in my State of Minnesota serves about 110,000 households, over 300,000 people. These are poor people. These are elderly people, people with disabilities, families with children. This year we are expecting to provide a supplement of an average of only $200 for the whole winter. The average fuel bill in Minnesota for the vulnerable elderly is between $1,800 and $2,000 a year. So people are carrying most of these costs.

The continuing resolution which the House passed last night and upon which we are going to act today provides that only a small percentage of the funds requested by the States in the first quarter, the funds that they need to run the program, are going to be there.

Madam President, I just simply have to say one more time that I am concerned. We have this only at about 30 percent of the normal rate. Minnesota is planning cuts of about 50 percent in benefit levels and will be unable to provide assistance to all eligible applicants under the current circumstances. In addition, many programs had to turn away recipients from the crisis program because of this erratic Federal funding. As a result, there are 900,000 households who have empty fuel tanks or who need electric utility connections who have not been served under LIHEAP, and the number is growing.

Madam President, one final point. There have been criticisms of this program, many of them coming from warm weather States. But let me just say to my colleagues, this is an effective, highly targeted program that serves 6 million low-income families and helps them pay their energy bills. More than two-thirds of these LIHEAP households have annual incomes of less than $8,000 a year, and one-half of these households have annual incomes below $6,000 a year.

I just simply ask my colleagues this question, because I have seen this happen before: Are we going to continue to not provide the funding? Are we going to continue to do this on this ad hoc, sporadic basis? What is going to happen?

I already know what is going to happen. Congress diddles, a few sad stories of vulnerable elderly people without heat appear, and then a few more, constituents contact their Members of Congress as the cold worsens, and then a couple of people are found dead in their apartments in the upper Midwest, or in New England, because they were knocked off LIHEAP or were otherwise unable to get their electricity or fuel bills paid and got shut off, or because they were too ashamed, too weak, or unable to bring themselves to ask their families to pay for the bills.

And then Congress acts. That is the scenario. That is what is going to happen. We are not providing what is not an income supplement, but a survival supplement. People are not going to be able to afford to pay their heating bills, and people are going to go without. And they are going to be too ashamed to ask or they are going to be too ashamed to turn to their families if their families can provide them with the support, and then they are going to freeze to death. That is not how this process should work. Americans deserve better.

That is not what we are about, letting the vulnerable elderly freeze to death on an isolated farmstead or in an urban high rise. We can do much better. And we should start now. We should not continue to provide pitifully inadequate LIHEAP funding to bleed the program for months while Congress struggles to get its work done, to allow people to freeze to death on the installment plan. We can do better. Americans insist on it.

I do not think I should do this amendment today, but if this goes on to December—and I know what this is going to mean to people in my State and a whole lot of other States—I am going to bring this amendment to the floor, and I am going to insist that we provide this funding for this program because I will be darned if on my watch as a U.S. Senator from Minnesota, people are going to freeze to death in the United States of America.

What are we about? Where is our compassion? Where are our priorities? Where are our values? When are we going to get real again? Madam President, that is where we are heading right now in this Nation, and we have got to do better, and the sooner the better. I yield the floor.

Mr. CRAIG addressed the Chair.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. CRAIG. Madam President, have the yeas and nays been called for on the pending issue?

The PRESIDING OFFICER. The yeas and nays have not been ordered.

Mr. CRAIG. I call for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The yeas and nays were ordered.

Mr. CRAIG. I believe it is important to explain the important principles underlying this effort.

I am pleased to have been working with my colleague—and my good friend—the Senator from Wyoming [Mr. SIMPSON], to try and craft a consensus proposal in this area. This is one of the most important efforts going on in the 104th Congress. This is a truly critical issue. This effort already is known by various names: ''Ending Welfare to Lobbyist,'' ''Advocacy and Lobbyist Reform,'' ''Defunding Political Advocacy,'' ''Prohibiting Grants for Political Activity,'' and a ''Taxpayers Declaration of Independence from the Special Interests,'' among others.

It's been joked that the hype used in describing any given issue is inversely proportional to its true importance. That is not the case with today's topic. In terms of forcing the Government to focus on its true and proper constitutional purposes, this effort may be second only in importance to passage of the balanced budget amendment to the Constitution. Both of those efforts remain work-in-progress at this point.

JEFFERSONIAN PRINCIPLES

Earlier this year, the Senate, by a single vote, put on hold the most important legislation to come before it in decades, the balanced budget amendment. Speaking to that very idea 200 years ago, Thomas Jefferson said, if ''it were possible to obtain a single amendment to our constitution * * *'' he wanted that to be an article ''taking from the federal government the power of borrowing.''

As timely as today's newspaper, Jefferson anticipated the Simpson-Craig and Istook-Ehrlich-McIntosh amendments when he said:

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

I want to make a distinction here: Sometimes, the Government uses tax dollars for actions that someone may disagree with. That's the nature of majority rule and the nature of decision-making in a republic. But it's a totally different thing to confiscate tax dollars from one person and use them to subsidize the lobbying and political advocacy on behalf of someone else's private-interest views.

I am not alone in believing that this practice flies in the face of the first amendment. The Supreme Court in its Beck decision said as much when it prohibited unions from using agency fees from nonmembers to pay for political activities.

GENERAL PRINCIPLES

Both the Simpson-Craig and the Istook-McIntosh-Ehrlich initiatives are efforts to enact a badly-needed taxpayers declaration of independence from the special interests. They both serve the same set of general principles:

Public money should be spent on the public interest, and not on the political agendas of special interests.

The Government should not give special interests money to pay for lobbying for more money.

Taxpayers should not be compelled to fund special interest lobbying that is against their own interests. To force them to do so really does amount to a violation of their first amendment rights.

Our efforts are about ensuring Government integrity and responsible stewardship of taxpayer dollars.

This is not an issue of left-versus-right: It's about rules that should apply across the board.

Left, right, and center, service or social organizations, they'd simply have to decide: Take the taxpayers money or lobby the taxpayers representatives—but you can't do both. To do both is a conflict of interest.

Our goal simply is to erect a solid wall between lobbying and advocacy activities, on the one hand, and other activities funded in whole or in part by the taxpayers, on the other hand.

LEGISLATIVE STATUS

Very briefly, here's what the action on this issue has been in recent weeks, and where it's headed:

Senate Action: On July 24, the Senate adopted, 59–37, the Simpson-Craig amendment to the lobbying reform bill, S. 1060. That amendment would prohibit Federal funds going to nonprofit groups covered by Internal Revenue Code section 501(c)(4) that engage in lobbying activities.

On August 5, the Senate adopted, by voice vote, the Simpson-Craig amendment to Treasury-Postal appropriations H.R. 2020, which was modified: Instead of all Federal funds, the prohibition extended only to awards, grants, loans; the effective date was set at January 1, 1997; and groups with gross annual revenues less than $10 million were exempted.

While watered down, the August 5 amendment put the Senate on record on a second vehicle in favor of the principle that fungible Government funds should not be used directly or indirectly to subsidize interest group lobbying, and prompted consideration of this issue in the Treasury-Postal appropriations conference committee, an appropriate venue because of its coverage of general Government activities.

Frankly, I would not have supported these modifications to our amendment if I thought this were the final product. I saw it, and I believe ALAN SIMPSON saw it, as our way to raise the issue on one of the legislative vehicles most likely to become law this year.

House Action: On August 3, the House rejected, 187–232, an amendment to strike the Istook-McIntosh-Ehrlich language in the Labor-HHS-Education appropriations bill, H.R. 2127. The reform language prohibits Federal grants to any groups including both nonprofit and for-profits, that engage in lobbying or political advocacy; pass-through funding to related groups is also covered; groups are exempt if they spend less than 5 percent of their first $20 million of non-Federal revenues and 1 percent of additional revenues on lobbying or advocacy.

CURRENT STATUS

House conferees sought to incorporate the Istook-McIntosh-Ehrlich amendment into the Treasury-Postal conference report. ALAN SIMPSON and I have been working with the House principals to try and forge the strongest possible combination of the best of both of the Senate and House provisions.

Sixty Republicans House Members sent a letter to the Speaker saying they will oppose the Treasury-Postal conference report unless the Istook-McIntosh-Ehrlich amendment is included.

In the Senate we sent a letter, with 25 cosignors, to urge the Treasury-Postal conferees to consider the full range of issues addressed by both versions and to blend the Simpson-Craig and Istook-McIntosh-Ehrlich amendments into the strongest possible combination.

Twenty-five Senators last month wrote the Senate conferees on the Treasury-Postal appropriation bill urging they support the strongest possible language that reflects the best of both the Simpson-Craig and the Istook-McIntosh-Ehrlich amendments.

Unfortunately, that conference deadlocked. That's one reason we are here today, debating this amendment. Another reason is that both the Senate and House have voted for these principles twice, by significant majorities. We are just trying to work out the details of the precise language.

Madam President, I ask unanimous consent that the letter be printed in the RECORD.

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

U.S. SENATE,
Washington, DC, October 24, 1995.

Hon. RICHARD SHELBY,
Chairman, Subcommittee on Treasury, Postal Service, and General Government, U.S. Senate, Washington, DC.

Three times in recent months, the Senate has voted for the principle that federal grants should not be used, directly or indirectly, to subsidize lobbying and political activity by special interest groups. Versions of the Simpson-Craig Amendment were added to the Lobbying Reform bill and the Treasury-Postal Service-General Government Appropriations bill. The House took a different approach to the same problem, passing the Istook-McIntosh-Ehrlich Amendment. The two bodies passed their respective amendments by solid, bipartisan majorities.

We are writing to urge the conferees on the Treasury-Postal Appropriations bill to consider the full range of concerns addressed by both the House and Senate proposals. We urge you to adopt in conference the strongest possible language that reflects the best of both the Simpson-Craig and the Istook-McIntosh-Ehrlich amendments. The Treasury-Postal bill, which covers ''general government'' functions, is a most appropriate vehicle to carry this reform.

The Senate approach applied a stronger funding ban to a narrower range of recipients. It also reflected Senate recognition that some groups exist for the purpose of charitable pursuits and some groups are really veiled lobbying and advocacy organizations. The House approach applied to all organizations, non-profits and for-profits, with a flexible approach that still allows federal grantees to engage in significant lobbying and advocacy activities with their non-federal funds. It also recognized that regulating some types of organizations to the exclusion of others may result in ''shell game'' reorganizations. Both approaches recognized the problem of the fungibility of federal dollars.

Like you, we have promised our constituents that we would work to balance the budget and change the way Washington does business. Continuing to subsidize lobbying and advocacy by large, special interest organizations runs counter to this purpose. It also runs counter to First Amendment principles by forcing taxpayers to subsidize political activities with which they disagree.

Therefore, we urge the conferees to combine the best of both proposals into a strong, effective, workable reform that would rein in public financing of lobbying and political advocacy. Thank you in advance for your consideration.

Sincerely,

Larry E. Craig, Alan K. Simpson, Jesse Helms, Mitch McConnell, Strom Thurmond, Slade Gorton, Trent Lott, Kay Bailey Hutchison, Orrin G. Hatch, Spencer Abraham, Bob Smith, Conrad Burns, Craig Thomas, Larry Pressler, Don Nickles, Lauch Faircloth, Bill Frist, Paul D. Coverdell, Dirk Kempthorne, James M. Inhofe, Frank H. Murkowski, Rick Santorum, Phil Gramm, John McCain, Rod Grams.

Mr. CRAIG. Madam President, many groups who claim to speak for grassroots members or large groups of Americans actually use Federal dollars inappropriately to amplify the voices of a few.

Organizations which receive funding, in spite of major lobbying activities, include:

The American Association of Retired Persons, who received more than $73 million in a 1-year period;

The Environmental Defense Fund, which has benefited from more than $500,000 in taxpayer funding;

The World Wildlife Fund, which received $2.6 million in Federal funding between July 1993 and June 1994;

The National Council of Senior Citizens, which receives 96 percent of its funding from the Federal Government, to the tune of $71 million in 1 year;

Families USA, which received $250,000 from the taxpayers between July 1993 and June 1994, and tried to mobilize last-ditch support for President Clinton's health care plan last year through a nationwide bus tour;

The Child Welfare League of America, which received more than $250,000 in Federal funds and launched an ad campaign opposing the Contract With

America's welfare reform bill, saying, ''More children will be killed. More children will be raped.''

Our reforms would prevent Federal subsidies of lobbying by conservative groups, too. It would apply to groups like the National Rifle Association and the Christian Coalition, too, if Congress and the bureaucrats ever were tempted to fund them.

DOLLARS ARE FUNGIBLE

It is already supposed to be illegal to spend Federal funds directly on lobbying the Federal Government.

However, organizations still can draw on a combined pool of vast amounts of private and public money.

Having many pipelines into one pool still allows a group to use the entire pool in such a way that it maximizes its lobbying muscle.

Federal money can supplant other funding to other activities that still support lobbying, such as overhead and travel.

This means the Federal Government is indirectly subsidizing millions of dollars of lobbying by special interest groups each year. All the groups need to accomplish this is creative accounting.

Our amendments simply would not allow both activities to continue within the same organization.

We need to prevent Federal funding from indirectly subsidizing lobbying activities by being used to free up other funds, and, as recognized in the Istook-McIntosh-Ehrlich amendment, prevent one organization, like a 501(c)(3), from being able to pass through, essentially to launder, the money through to another organization, like a 501(c)(4).

Our amendments would not prohibit an organization from conducting educational or charitable operations under 501(c)(3) status and conducting lobbying through a related, but completely separate, independently financed, 501(c)(4) organization.

The key here is to ensure the total separation of funds, with an impenetrable wall between taxpayers' dollars and dollars for private-interest lobbying and political advocacy.

REAL LOBBYING REFORM

In July, the Senate recognized that this kind of amendment is about—real lobbying reform, integrity in the grant, loan, and award process, and clean government, and good government.

Congress and the public have been correctly focused on lobbyist and gifts to legislators.

We also need to do something about Government's gifts to lobbyists.

There has been a growing phenomenon of more and more Federal tax dollars going to advocacy groups, which then allows them to use these taxpayer dollars to argue their maybe very narrow point of view.

Federal grants to private grantees now totals an estimated $39 billion, with no effective accountability. This contrasts with the way that Congress has enacted a complex set of controls to make sure contractors can not use contract proceeds for improper purposes.

This practice of sending billions of fungible dollars into the coffers of lobbying groups undermines the people's confidence in their government.

BALANCING THE BUDGET

This reform is a good place to look for help in balancing the budget.

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 taxpayer dollars get spent, it is high time we do the same in this area.

FREE SPEECH

I opened with a discussion of Thomas Jefferson and the Constitution. Opponents of our reforms have tried to use the first amendment against us. Their arguments simply don't hold up.

We should never restrict the right of the citizen, or the group, or the organization to be an advocate before their Government.

At the same time, the Government is under no obligation to promote, and should not be subsidizing, directly or indirectly, their activity as an advocacy group.

There is a difference between free speech and sponsorship. The American people have a clear, intuitive understanding of that difference. Unfortunately, too many Members of Congress, bureaucrats, lobbyists, and special interest groups have lost that understanding. These proposals seek to restore that distinction. As a matter of fundamental rights and constitutional law, we want to protect free speech. Lobbying and political advocacy are speech. But we are under no obligation at all to subsidize anyone's lobbying or political agenda.

No one reveres the personal liberties of the Bill of Rights more than the two Senators standing before you today. One of the most impressive accomplishments of the Istook-McIntosh-Ehrlich team is that they had their proposal thoroughly reviewed by constitutional scholars. We are comfortable that our reforms not only are consistent with the first amendment—they would promote first amendment principles.

CONCLUSION

I am optimistic that we will make progress, and ultimately enact legislation, in this area. The time is right, the supporters are dedicated, and, most importantly of all, critical principles of good government are at stake.

Madam President, I ask unanimous consent to have printed in the RECORD some research information that shows that over 70 percent of the American people agree with us on the Simpson-Craig amendment.

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

WHAT THE AMERICAN PEOPLE HAVE TO SAY ABOUT WELFARE FOR LOBBYISTS

On September 26–30, 1995, the Luntz Research Companies conducted a national study of 1,000 adults on a number of important national issues, including public funding of special interest groups that lobby the government. The results were:

Tax dollars should not be provided to nonprofit organizations which, directly or indirectly, use these funds to lobby federal state or local officials for their special interest agenda.

Agree: 70 percent.
Disagree: 26 percent.
Don't Know: 4 percent.

Would you be more likely or less likely to vote for your Member of Congress if he or she did not support a law to stop federal funding of nonprofit organizations which, directly or indirectly, use these funds to lobby government officials for their special interests.

More Likely: 31 percent.
Less Likely: 56 percent.

Mr. CRAIG. Madam President, I ask unanimous consent to have printed in the RECORD a copy of a legal opinion obtained by our assistant majority leader and the majority leader of the other body, from a constitutional expert.

This explains why the House-passed Istook-Ehrlich-McIntosh amendment is constitutional.

Since the Simpson-Craig amendment is more lenient in its treatment of grantees who lobby, it is even more obviously constitutional.

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

TIMOTHY E. FLANIGAN, Esq.,
Washington, DC, November 1, 1995.

Re Recent Changes to Proposed Limits on Political Advocacy by Recipients of Federal Grants.

Hon. TRENT LOTT,
Majority Whip, U.S. Senate, Washington, DC.
Hon. RICHARD K. ARMEY,
Majority Leader, House of Representatives, Washington, DC.

DEAR SENATOR LOTT AND REPRESENTATIVE ARMEY: You have asked that I supplement a letter dated July 19, 1995, in which I addressed the constitutionality of proposed legislation, sponsored by Representatives Istook, McIntosh, and Ehrlich, that would impose limitations on political advocacy by recipients of federal grants. (A similar proposal has been advanced in the Senate by Senators Simpson and Craig.) In particular, you have asked whether any of the various changes made to the proposed legislation since my initial letter would affect my conclusion that the legislation is constitutional. These changes, which are currently reflected in a proposed revision to H.R. 2020 (the ''bill''), include clarifying the ability of affiliates of federal grantees to engage in political activity, loosening the restrictions on political activity by federal grant recipients within certain dollar limits, and clarifying that the bill places no restrictions on an individual's use of non-federal funds. The changes merely reinforce the view expressed in my previous letter that the proposal is constitutional.

Opponents of the proposal have leveled only three constitutional arguments against the proposal: (1) that it establishes unconstitutional conditions on the receipt of federal grants; (2) that it violates the equal protection component of the Fifth Amendment's Due Process Clause by discriminating against federal grantees vis-a-vis federal contractors; and (3) that its disclosure provisions violate a purported constitutional

right to engage in anonymous speech. Each of the arguments rests on a selective and inaccurate reading of Supreme Court decisions which, when fairly read, provide clear support for the proposal.

First, as discussed in more detail in my letter of July 19, the bill does not establish an unconstitutional condition because it expressly permits political activity by affiliated organizations that receive no federal funds. Indeed, the current bill goes even further than the previous version to make clear that affiliate organizations that do not receive federal grants are not affected by the limitations on political advocacy.

The Supreme Court has expressly upheld such a mechanism as a method to avoid constitutional difficulties. In *FCC v. League of Women Voters*, 68 U.S. 364 (1984) (Brennan J., writing for the Court), the Court observed—and indeed appeared to recommend to Congress—that Congress could prohibit public broadcasting stations that received as little as 1% of their funds from the federal government from engaging in any editorializing so long as the statute allowed those entities to create affiliates who were not barred. *See id.* at 400.[1] By expressly affording federal grantees that option, therefore, the bill is valid under the Court's unconstitutional conditions analysis.

Opponents of the bill have sought to avoid the effect of *League of Women Voters* by taking out of context a single sentence from the Court's opinion in *Rust v. Sullivan*, 111 S.Ct. 1759 (1991). That sentence draws a general distinction between restrictions directed against ''entities'' rather than simply ''programs.'' Their references, however, derived not from the Constitution but from the regulations challenged in that case, which applied only to Title X programs. Thus the *Rust* Court had no occasion to revisit its analysis of prohibitions on ''entities'' in *League of Women Voters*. Moreover, this narrow reading of *Rust* collapses completely when the sentence is read together with the remainder of the paragraph in which it appears. Barely four sentences later, the Court specifically reaffirmed its conclusion in *League of Women Voters* that a flat prohibition on certain speech activities by recipients of federal funds ''would plainly be valid'' if Congress permitted the recipients to establish affiliates to engage in that activity with non-federal funds. *See Rust* 111 S.Ct. at 1774 (quoting *League of Women Voters*, 468 U.S. at 400).

Rust also made clear that the Constitution by no means bars restrictions on the use of non-federal funds. The Court specifically rejected the argument that the application of the Title X regulations to non-federal funds used in Title X programs was unconstitutional because they penalized privately funded speech. *See Rust*, 111 S.Ct. at 1775, n. 5. The Court moved that a party wishing to engage in the prohibited speech could ''simply decline the subsidy.''

The ''equal protection'' argument against the bill also fails. The gravamen of this argument is that Congress may not treat grantees differently from federal contractors without a compelling reason for doing so. This argument, however, is not supported by the relevant case law. Congress is simply not constitutionally prohibited from controlling grants and contracts through different regulatory schemes.[2]

The Constitution does not forbid Congress from making a rationally based, content-neutral distinction between contractors and grantees. Strict scrutiny would not, as some opponents have claimed, apply to the distinction between contractors and grantees. It is ''not at all like distinctions based on race or national origin'' that are subject to strict scrutiny under an equal protection analysis. *Regan v. Taxation With Representation*, 461 U.S. 540, 548 (1983) (rejecting equal protection challenge to limitations on political activities by organizations exempt under Section 501(c)(3) of the Internal Revenue Code). Moreover, strict scrutiny does not apply merely because the restrictions on recipients of federal grants might affect the exercise of their First Amendment rights: ''[A] legislature's decision not to subsidize the exercise of a fundamental right does not infringe the right, and thus is not subject to strict scrutiny.'' *Id.* at 549. Rather, the distinction between contractors and grantees must only rest on a rational basis. There is no reason that Congress could not rationally determine that the nature of a contract, involving a bargained-for exchange and judicially enforceable rights, presents a less serious risk of misuse of federal funds than a federal grant.

The third argument—that the bill's disclosure requirements violate a generalized right to engage in anonymous political activity—fails because no such right exists. The Court has never articulated such a right and the case law relied on by the bill's opponents merely serves to underscore the constitutionality of the bill's modest disclosure requirements.

The bill's disclosure provisions are significantly less burdensome than others on lobbying and campaign activities that have been upheld by the Supreme Court. For example, Congress has for many years imposed extensive disclosure requirements on those who lobby it. The Federal Regulation of Lobbying Act, for example, requires of any person or organization who solicits or accepts money to lobby Congress to submit a detailed quarterly disclosure of the name and address of any contributor of more than $500 and the name and address of the recipient of every expenditure greater than $10. *See* 2 U.S.C. §264. The Supreme Court held that that statute did not violate the First Amendment, stating, in an opinion by Chief Justice Warren, that Congress ''is not constitutionally forbidden to require the disclosure of lobbying activities,'' *United States v. Harriss*, 347 U.S. 612, 623 (1954).

The present bill is far less restrictive. It requires a ''brief description of the taxpayer subsidized grantee's political advocacy,'' together with good faith estimates of the grantee's expenditures on political advocacy and political advocacy threshold. *See* §702(a)(3)(B)(vi) and (vii). Indeed, the Federal Regulation of Lobbying Act, which the Court has upheld against First Amendment challenge, goes well beyond the bill by applying to anyone who lobbies Congress, regardless of whether they receive any public funds at all.

The Supreme Court only last term reaffirmed that such disclosure requirements do not violate the First Amendment. In *McIntyre v. Ohio Elections Comm.*, 115 S.Ct. 1511 (1995), the Court struck down a state law which prohibited anonymous political pamphleteering. In reaching that conclusion, however, the Court specifically distinguished and reaffirmed its earlier holding (in *Buckley v. Valeo*, 424 U.S. 1 (1976)) that upheld disclosure requirements for ''independent expenditures,'' i.e., the use of private funds. *McIntyre*, 115 S.Ct. at 1523. The Court emphasized that ''[d]isclosure of an expenditure and its use, without more, reveals far less information'' than the requirement before the Court in *McIntyre* that political leaflets identify their author. *See McIntyre*, 115 S.Ct. at 1523. While noting that the information required to be disclosed in *Buckley* ''may be information that the person prefers to keep secret, and undoubtedly often gives away something about the spender's political views,'' the Court reaffirmed that such disclosure requirements are not barred by the First Amendment. *Id.*

For these reasons, I believe that the bill's limitation on federal grantees' political advocacy and its accompanying disclosure requirements would likely withstand constitutional scrutiny.

Very truly yours,

TIMOTHY E. FLANIGAN.

FOOTNOTES

[1] The Court stated:

''Of course, if Congress were to adopt a revised version of [the statute] that permitted noncommercial educational broadcasting stations to establish 'affiliate' organizations which could then use the station's facilities to editorialize with nonfederal funds, *such a statutory mechanism would plainly be valid* under the reasoning of *[Regan v. Taxation With Representation*, 461 U.S. 540 (1983)]. Under such a statute, public broadcasting stations would be free, in the same way that the charitable organization in *Taxation With Representation* was free, to make known its views on matters of public importance through its nonfederally funded, editorializing affiliate without losing federal grants for its non-editorializing broadcast activities.''

League of Women Voters, 468 U.S. at 400 (emphasis supplied). The bill expressly adopts the same structure approved by the Court in *League of Women Voters*. Organizations receiving federal funds could create lobbying affiliates to engage freely in political advocacy, but without federal funds.

[2] It is important to note that the bill applies to *all* grantees, corporate or non-profit. To the extent that corporations receive grants, they would be subject to the same restrictions as any ''public interest'' organization receiving grants. Moreover, although the bill applies only to federal grantees, federal contractors are already subject to regulatory regimes restricting their lobbying activities. *See, e.g.*, Federal Acquisition Regulation, 48 C.F.R. §3.803 (requiring disclosure of lobbying activities), §31.205–22 (restricting lobbying costs allocable to federal contracts).

Mr. CRAIG. Madam President, a few moments ago a Senator speaking said we are trying to gag the nonprofits.

How clearly can I make myself to say no, no, no, it ain't true. This is the for-profits, too. These are the organizations that both lobby and receive grants and are for profit. They are included now. This is a matter of reporting. This is a matter of choice. This is a matter of establishing your priorities of what you are. This is not about gagging.

Are we gagging the 501(c)(3)'s? They do not believe so, because they are doing what they are supposed to do under the law. That is all we are establishing here is a priority and a criteria that we have already established in a variety of areas in the IRS Code of our country. There is absolutely nothing wrong with that approach.

If there is an organization that feels they are being gagged, I might suggest that that organization is misusing the current law and find themselves embarrassed because they got caught misusing the Federal dollar.

I yield the floor.

Mr. LEAHY. Mr. President, imagine the 4–H Club being banned from receiving any Federal grants because it spent too much money letting people in the hard-to-reach areas of rural America know about changes to agricultural laws. Imagine Planned Parenthood being forced to spend millions of dollars defending itself against suits filed by anyone ideologically opposed to their mission.

[1] Footnotes follow at end of article.

Well, if House Republicans have their way, you have to imagine much longer—you will be able to see it for yourself.

The authors of the so-called Contract With America would have you believe that they want to get government out of people's lives. Apparently that commitment does not extend to people who disagree with them. The Istook language is a thinly veiled attempt to gag non-profit organizations, to bind them up in bureaucratic red tape and prevent them from letting Congress or the public know about the impacts of Federal legislation.

It is no wonder that the American people hold such a low opinion of Congress. Today, more than 5 weeks into the fiscal year, only 2 of the 13 appropriation bills needed to run the Government have been signed into law. But instead of making a serious attempt to pass a continuing resolution that will keep Federal workers at their desks, House Republicans have chosen to send to the Senate a resolution sprinkled with items from their ideological wish list.

There are 800,000 Federal employees who have bills to pay and families to support, who will not be paid starting Tuesday if a continuing resolution is not passed. The Istook amendment has no place in the continuing resolution, it has no place in law. I urge my colleagues to strike the Istook language and send the President a continuing resolution that he can sign.

Mr. LIEBERMAN. Mr. President, I join in support of the motion to strike the so-called Istook amendment from the continuing resolution. I will not speak long because, as a Congress, we have spent far too much time on this already and there is so much more we need to accomplish.

The Istook amendment is in my view nothing more than a solution in search of a problem.

Who could argue with this solution's ostensible justification—prohibiting Federal grantees from using tax dollars to lobby the Government. No one, I suspect. My evidence: this practice is already illegal, and has been for a long time.

If charities or other nonprofits are violating that law and all the regulations that govern how they account for and spend Federal grants they may receive—and I have not heard persuasive evidence that they are—no new law and its accompanying regulatory burdens and bureaucracy should be adopted before examining whether better enforcement of the existing laws and regulations wouldn't address the problem. I though that we had evolved as a Congress where our first response to a problem or a perceived problem was not slapping yet another layer of laws and bureaucracy on top of an already complicated regulatory structure. Using Government funds to lobby is already illegal and charities are already limited in what they can spend overall on lobbying and still retain their charitable tax status.

In my view, this proposal has a curious old government feel to it—despite the revolutionary credentials of this amendment's proponents.

Similarly, the Istook provision has a Federal bias that I thought was no longer fashionable. It extends the Federal Government's regulatory reach into the affairs of local, private organizations, even affecting the way they may spend their own, privately raised dollars. For example, it defines political advocacy so broadly that local charities will have to measure and document the time and resources they spend trying to influence the decisions of local administrative bodies because they may be affiliated with national charities. Under the Istook provision, national charities and nonprofits must include the political advocacy expenses of any of its local affiliates in calculating whether it has exceeded its threshold limit.

At year's end, will the Hartford, CT, chapter of the Boys & Girls Clubs have to calculate whether the time and resources it would like to spend seeking permission from the local zoning board to expand its building tip the national Boys & Girls Club operations over the Istook threshold edge and put all Boys & Girls Clubs grants at risk?

I have to assume that the supporters of this amendment did not intend that effect. But they have cobbled together such a complicated, layered regulatory scheme regulating so-called political advocacy at all levels of government, that absurd consequences are inevitable.

For example, the amendment limits the ability of Federal grantees to purchase or secure any goods or services from any other organization whose expenditures for political advocacy for the previous Federal fiscal year exceeded the greater of $25,000 or 15 percent of the other organization's total expenditures. So not only will the charities and nonprofits that are subject to this provision have to keep detailed records concerning how much they spend on their own broadly defined political advocacy, but they will have to make sure that the local stationery or computer stores from which they are buying their supplies are documenting their expenditures for political advocacy.

In most cases, of course, those businesses won't likely be spending anywhere near 15-percent of their revenues on traditional lobbying, but it is not inconceivable that in a particular year, a small business might spend that much in a combination of litigation challenging a State or Federal law or seeking a zoning variance or pursuing other local or State administrative challenges. Under Istook, all those activities are considered political advocacy and would have to be included in the calculus of whether that small business has reached the 15-percent threshold.

And, regardless of whether that 15-percent threshold is reached, the small businesses and others will still have to keep records if they want to sell computers, furniture, or other products and services to Federal grantees like the A.S.P.C.A., the American Foundation for the Blind, CARE, World Vision or the American Lung Association, and MADD.

In summary, this solution will only succeed in wasting the time, resources, and energy of everyone that must comply with it and every government agency that must implement it. It will enrich the lawyers and accountants who inevitably will be hired to decipher its byzantine regulatory structure. And, it will do all this, while not incidentally, impinging upon the constitutional rights of millions of citizens across the country to make their views known to their Federal, State, and local officials.

To quote from the executive director of the Litchfield, CT chapter of Mothers Against Drunk Driving, which has received small NHTSA grants to conduct lifesaving highway safety programs, MADD has spent the last 15 years trying to make drinking and driving socially unacceptable by the American public and this outcry from the public has resulted in more effective laws, stronger enforcement and lives saved. I cannot believe that the Senate would want to silence the voices of these drunk driving crash victims and concerned citizens whose sole purpose is to save lives just because the organization they support with their donations receives a small grant from the Federal Government to do good work.

Don't we have enough real problems to deal with without manufacturing artificial ones? Do we really want to adopt a convoluted new law on a continuing resolution that will do little other than get in the way of the people who, on a day-to-day basis, are doing some of the most important work in our society—the Red Cross, the American Cancer Society, the Boy Scouts of America, Catholic Charities. I urge my colleagues to support the motion to strike.

Mr. BIDEN. Madam President, I am pleased to see that Senator SIMPSON has proposed to remove the so-called Istook amendment from this bill.

This is a bad idea. It is unconstitutional, and raises a host of important questions for which we have heard no adequate answers. It is clear to me right now that it must be stripped from this continuing resolution.

I fully agree with my friend and colleague from the Judiciary Committee, the distinguished Senator from Wyoming, that there is no way this proposal will pass the Senate, and there is no reason for this proposal to be under debate here today.

We have not had a single hearing in the Senate on the impact of this radical rewriting of the laws covering the speech and freedom of association of

thousands of charitable, non-profit organizations—not to mention the millions of other organizations that would be caught in its net.

It adds new, unexamined restrictions on the activities of this country's most valuable and honored local and national charitable organizations.

From my own State of Delaware, I have heard from the YMCA, from the Boys' and Girls' Clubs, from the Delaware Nature Society, from Delaware Easter Seals, the Delaware Chapter of the Multiple Sclerosis Society, from Mothers Against Drunk Driving, from virtually all of the non-profit organizations that serve my State.

Madam President, all of them have told me that this proposal would strike at the heart of their most critical functions—to administer, at the local level, grants to keep our kids off drugs, or to educate the public about life-threatening diseases.

The Istook provision threatens these groups with legal action if they run afoul of an Orwellian web of restrictions, spending rules, reporting requirements—limits on whom they can associate with, and what they can say.

Madam President, this proposal would create a thought police of private citizens—who, for a 25 percent share of the treble damages levied against, say, the Mothers Against Drunk Driving, would have the incentive to drag them into court to prove that they did not purchase—with their own funds—office supplies from a business that spent 16, instead of 15, percent of its own funds for political advocacy the previous year.

This proposal extends the long arm of Federal Government restrictions to the very local charitable organizations we are told should really be doing the jobs now done by Federal bureaucrats.

What hypocrisy, Madam President! On the one hand, we are told that decentralized, local, community-based groups should take up the burden of supporting those hit hardest by cuts in Federal assistance programs.

But on the other hand, it is those very groups that this proposal would threaten if they trip over any number of arcane reporting requirements or ambiguous limits on ''political advocacy.''

And let us not kid our selves, Madam President—this is intended to trip them up. That is why they removed Veterans from the coverage of the bill—because enough of us complained about it.

That is a clear admission that the bill will hurt non-profits. The problem is that they have only protected one group—not all of the others equally deserving of protection, instead of the vindictive harassment of this proposal.

The groups still affected by this proposal are those who have been chosen to fulfill public policy goals through grants to engage in outreach, education, and other activities.

Those grants purchase a service—from the Boys' and Girls' Clubs, from the YMCA, from the Easter Seal Society—to promote public policy goals. Those goals include healthier, drug free kids, cleaner air—goals that are indeed well-served by local, decentralized groups.

Take one example of how this could work. Imagine a local non-profit group in Dover, DE, like the Big Brothers and Big Sisters—a group that receives Federal grant funds and engages in the activities restricted under this proposal—advocating and encouraging others to advocate for policies that help children.

Anyone looking for a 25 percent share of the treble damages—three times the amount of the grant—would have the incentive to find some shortcoming in the reporting, some illegal association, some proscribed expression on an issue of public policy, that would expose the group to litigation.

The burden of proof would be on them to prove that they were in compliance.

Imagine what well-funded corporate interests could do with a few well-placed lawsuits that kept those pesky non-profits tied up in court and in legal costs instead of engaging in government-restricted ''political advocacy.''

Today's Wall Street Journal chronicles the fight between Beer Wholesalers and Mothers Against Drunk Driving, focusing on the impact of the Istook proposal on non-profit groups. I am sure we can imagine many other ways this provision could be used to chill the advocacy work of groups that some people might find inconvenient.

Madam President, the American people certainly want reform in the way we do business around here. But this is not what they want—a tool in the hands of powerful special interests to silence non-profit charities.

This is a nightmare, a page out of the play book of every petty, small-minded despot who tried to stamp out inconvenient opinions.

It puts every organization of any kind—every business that receives anything of value from the Federal Government—on notice that they not only are under restrictions on their own political activities, but must monitor the activities of those they do business with.

It recruits a thought police with a financial incentive to seek out every misstep by every local chapter of every national charity.

Madam President, this proposal has no business on this bill. It has no business on the floor of the Senate today or any other day.

Mr. KERREY addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. KERREY. Madam President, again, colleagues are trying to figure out how to vote on this thing. This is significant change in law. It is significantly more than what was passed, and I supported the Senator from Wyoming when he had an amendment earlier. This is 17 pages long. This is not a little modification. This is 17 pages long. It is not clear to me at all what the impact of this is going to be. I know it expands considerably from what this body voted on before.

But what I object to most of all is that we are being told that a continuing resolution to allow the appropriations process to go forward is not going to pass in the House of Representatives unless the Senate agrees to this provision. That is what we are being told.

Last week, the distinguished Senator from Wyoming—and I supported him—raised a point of order against an attempt to lift the earnings cap on Social Security income and reference it to a committee. That should be referenced to a committee. In this particular case, we are saying no, this is so important, we have to attach it to the continuing resolution.

We are being held up, Madam President, by a small group of people, and I urge colleagues, I know there will be a lot of them coming down here and saying, ''Well, I guess I have to vote for the Simpson amendment, it probably is all right.'' It probably is not all right. There are 17 pages in there.

I know there are more 501(c)(4)'s because we lowered the floor from $10 to $3 million, and the language in here looks to me to be pretty ambiguous in a couple of areas. What we are basically doing is changing the Internal Revenue Service Code. This is a change in the law as relates to the Internal Revenue Service Code, and all these organizations are going to have to ask themselves the question: How am I going to make sure I am in compliance?

In order to demonstrate they are in compliance, they are going to have to do things they currently do not do. The Senator from Wyoming came down and targeted a few 501(c)(4)'s that are a problem. Using public money to lobby is illegal now, so if there is a problem, if I have a 501(c)(3) or 501(c)(4) that is lobbying in an illegal fashion, let us file a charge against them, for gosh sakes. That is typically the conservative approach.

For gosh sakes, let us not just change the law to apply to everybody if I have a few bad apples out there. Let us target it and make sure we make those organizations that are receiving public money, if they are using the public money to lobby, let us file a criminal or civil charge against them.

No, that is not what we do. We have a couple of people over in the House of Representatives who were opposed by some 501(c)(3) or 501(c)(4) and they are on a vendetta, and they say, ''I don't care if I shut the Government down.'' That is their position. They said it publicly. Mr. Istook said: I do not care if the Government shuts down. I do not care what happens to the country. I want to get my revenge. I want to get my little pound of flesh here.

The next thing I want to say is this is a substantive thing. All of us are out there at the community level and trying to figure out what do I do about

child support problems; what do I do out there with programs dealing with domestic violence; what do I do with child care, and so forth?

Guess what? We hold a meeting out there and who do we meet with? We meet with 501(c)(3)'s and 501(c)(4)'s. We are asking them to take on more responsibility as we cut back and try to balance our budget. That is what we are doing.

The very moment that occurs, we are passing legislation that—as I said, I do not know what the impact is going to be, but I know from the IRS evaluation that they are going to request a lot more information than they are currently requesting from hundreds—I am not going to say it is every 501(c)(3) and 501(c)(4), but it is dramatically more than what this body voted on in the Treasury-Postal appropriations.

Make no mistake, the reason we are taking it up here is the group that supported it over in the House could not even get a majority in the Treasury-Postal appropriations bill. They are willing to shut it down. They are willing to say, ''I know I don't have a majority. I know I don't have the votes to get this thing done. I don't care. But I'm going to threaten and I am going to use the threat, if possible, to try to get this thing done,'' even though, as I said, most of us have not even had the chance to evaluate what this is going to do.

I supported the effort of the Senator from Wyoming to put restrictions on 501(c)(4)'s, a $10 million limitation. This drops that down to $3 million. It has some language in there.

I am not saying every 501(c)(3) is going to be affected, but it certainly appears to me that a number of them, if not a large number of them, are. The IRS is going to at least have to ask the question, if that is the case.

I believe that we should vote no on this amendment. The Senator from Wyoming and the Senator from Idaho have made a good-faith effort to try to produce something that would be a compromise with this minority in the House, 70 of whom have written a letter saying, ''We're not going to vote for a continuing resolution unless we get this done.''

One more thing. The American people want us to reform our lobbying laws and campaign finance reform laws. Madam President, this is very significant. I know some disagree. Some on my side said this really is not lobbying reform. I see it as at least tangentially lobbying reform. The House has not passed lobbying reform. These very Members that are offering this language, why do they not force their leadership to pass lobbying reform? This body passed lobbying reform. This body passed legislation.

I ask them, you are out there talking about lobbyists interfering with the process, you are out there talking about the special interests doing this or that and the other thing, why do you not enact the Senate legislation, let us conference that and change the law having to do with lobbying?

Let us do the same thing with campaign finance reform. I endorsed the proposal of Senator MCCAIN, Senator THOMPSON, and Senator SIMPSON last week. We have to change the law so people feel more power and greater opportunity to participate in democracy. Far too many people believe that the special interests control the process around here, but very few of us honestly would say, we understand special interests around here, but who are the dominant special interests?

Come to mind the dominant special interests, the YMCA? Come to mind, when you are trying to think of the dominant special interest hanging out in the rotunda out here that have the greatest money influence, the Red Cross? Did they spend a lot of money on the telecom bill? I do not think so. I do not see any full-page ads from the Red Cross saying, ''Support disaster relief appropriations.'' They have a relatively small amount of impact.

If you really want to clean this process up, pass lobbying reform along the lines of what the Senate did. Pass campaign finance reform in a bipartisan way. It is long overdue that this body does it. For far too long, we have acted as if we are more concerned about covering our rear ends and keeping our jobs than we are in seeing that democracy functions in a fashion and the taxpaying citizens feels they have an opportunity to influence what we do.

This amendment should be rejected and we should, furthermore, as we reject it say to the House of Representatives, ''When it is time to do a continuing resolution, we are going to do a continuing resolution. We are going to keep the Government going, and we are not going to kowtow to a relatively small number of people who want to change our laws.''

Moreover, for those who look at the detail of the legislation, once you get beyond that, we have to say this just goes too far. It goes too far. It goes too far. Where have I heard that before? I hear it almost every time I go home.

This is not in the Contract With America. This was not asked for when the so-called mandate was given last November. I hope that my colleagues, for a whole range of reasons, will reject this amendment.

Mr. DORGAN addressed the Chair.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. DORGAN. Madam President, I intend to vote against this amendment. The Senator from Nebraska, I think, makes a persuasive and compelling case. I want to stand up and discuss a little bit the process that has brought us to this point.

How many deadlines have been missed? How many dates have been ignored? How many circumstances that are required of us in law have been essentially disregarded with respect to the budget process, the reconciliation process?

We now have a continuing resolution on the floor of the Senate. Why do we have that? It is because the Congress has not done its business. The fact is, we did not meet budget deadlines; we did not meet the reconciliation deadline; we did not meet appropriations bills deadlines.

Now, the Republicans control the Congress. They won the last election. They have an agenda called the Contract With America. Some of it has made some sense. I voted for some of it. Some of it is totally goofy, totally off the wall, and is never going to get passed and never should be passed. But because they have a lot of new people who brag about the little experience they have in legislating, and because we now find ourselves with a contract that includes proposals that make no sense—you know, to go sell our lakes so that we can get some short-term money in to reduce the deficit.

I do not understand some of this thinking. Sell the dams and lakes so we can jack up electric power rates and sell them to the private utility companies. Sell the fishing lakes. This makes no sense at all. There are a whole series of proposals that make no sense. But because that is the agenda, and we have those folks bragging about how little experience they have legislating, we now find ourselves with this record.

One party controls all of Congress and presumably has the votes to do what it wants to do. Well, on April 1, the Senate Budget Committee is required, by law, to report a budget resolution to the Senate. That was 45 days late. It did not get here on April 1. Nobody was stopping them from doing their work. It just did not get here. So 45 days later it got to the Senate.

On April 15, the law says that the Congress should complete action on its budget resolution. Well, 75 days later that happened. It did not happen on April 15; it happened on June 29.

The House Appropriations Committee is to report its bills out by June 10. Well, that did not happen on June 10; it happened on October 26—138 days later.

The law says that on June 15, the Congress should complete action on the budget reconciliation. Well, that is 5 months and still counting. We have not completed action on that. That is why we are here today on the floor of the Senate on a Thursday talking about a continuing resolution, which has now been amended by some people who want to talk about lobbying reform on a CR that is necessary because the majority party has not been able to do its work for 5 months to get a reconciliation bill, as required by law, on the floor by June 15.

I do not understand this notion of efficiency or effectiveness from a party that is supposed to do something by June 15, and now, as a result of not doing it, requires us to debate a CR, and then they bring to us some last-minute 15- or 20-page amendment on lobbying reform—a position they say is required because the new people in the

House will not accept anything less, despite the fact that the House has not passed lobbying reform.

Forgive me, my school was a small one—a high school class of nine—and I thought I graduated near the top, but I just do not understand what we are talking about here. Congress is to pass all appropriations bills by September 30.

The fact is, in times past, when the Democrats controlled the Congress, we did not always get all these bills passed by September 30. But you cannot find a much worse record than you will find this year. You cannot find a record that is much worse than what happened this year on appropriations bills. Virtually none of them have gotten through this process.

First of all, we are talking about 5 months—we missed, by 5 months, the requirements in law for the reconciliation process. And because of that, we have to do a continuing resolution and also a debt extension.

Now we find ourselves here, on the eve of all of this, doing a tap dance with a bunch of folks who brag that they can shut the Government down, they can cause a default. They might want to brag about that, but I do not know who they would want to brag to. It is not much of an accomplishment in my book.

The American people ought to expect us to decide to do what we should do by law—pass these bills, meet and do the compromises that are necessary. You can think of, over a couple of hundred years, some pretty difficult circumstances that created wide divisions between people in this Chamber and in the House of Representatives, wide divisions between the parties, and the requirements of a democracy, even though it is not very efficient, is that somehow, in some way, at some appropriate point you come together and compromise and reach a conclusion. Presumably, you do it with the best interest of the country in mind.

We have a circumstance now where we are told that, well, we cannot reach a conclusion. We have a Contract With America, they say, and this contract with America says the center pole of our tent is a big tax cut. It is true, we are in debt up to our neck. It is also true that every dollar of the tax cut will be borrowed during the next 7 years. It is also true that we will add hundreds and hundreds of billions of dollars to the Federal debt. But we need a tax cut. If we do not get this tax cut, half of which will go to families earning over $100,000 a year or more, then we are prepared to shut the Government down. We are prepared to decide that we will not meet our debt obligations. The American Government will default on its debts. That is what they say.

I hope that Members of the House and the Senate, on both sides of the political aisle, will decide that this is not the time to offer amendments. Let us pass the continuing resolution. Let us do what we are required to do—provide a bridge by which we then seriously negotiate away the differences in the reconciliation package, pass the reconciliation bill, tell the American people that we understand what concerns them. We are spending more than we are taking in, and we are charging the bill to the kids in the future, and we have to stop that. So they have not thoughtfully tried to compromise our way through this process. And we are reducing the budget deficit, we are going to balance the budget, and we are going to do it the right way.

But it ought not be a source of pride for anyone to decide that they can, by themselves—or a group of like-minded people—decide to shut this Government down in the coming day or two.

I guess my hope is that we can decide in the next few hours here, in the next couple of days as well, that this kind of amendment does not belong on this. The Senator from Idaho knows this does not belong on this CR. He knows that. Everybody on that side of the aisle knows that. This is not a place to stick these amendments.

The Senator from Minnesota stood here and spoke about people freezing in the winter. I can think of 100 people who would like to offer an amendment to a CR because they have something that just gnaws at them, which they know is wrong and they want to fix. You know that a President would have to sign a CR at some point to keep the Government open. So everybody in this Chamber could stand up and insist that, ''On my watch, I intend to do this, and I can care less whether it is inefficient or dilatory.'' Everybody has that right.

The fact is, that is not the right way to do it. This amendment does not belong here. This is a continuing resolution, a short-term continuing resolution, a bridge to get from here to there, a bridge that creates a time during which, hopefully, both parties can come together and resolve these differences.

I do not think there ought to be a tax cut. Further, I do not happen to think we ought to add $7 billion to military spending or to build star wars, and I do not think we ought to buy 20 new B–2 bombers at $32 billion each. I do not think we ought to kick 55,000 kids off of Head Start, or that we ought to take disabled veterans and say, ''We do not think you should have health care.''

I think what we ought to do is decide where we disagree and see if we can think through this clearly and patiently, over a period of days, and reach a solution. I know there is a lot of politics involved—probably on all of our parts here—when we talk about these things. But in the final analysis, a default is not about politics; it is about the failure of all of us to do what we ought to do. A shutdown of Government services is not about politics. That is about failure.

Shame on everyone in this Chamber and in the House Chamber if this Government defaults. Shame on everybody in politics if there is a default on the debt obligations, or if there is a shutdown of Government. It ought not happen, it should not happen, and every single person serving in Congress ought to work to prevent it from happening.

We can, through some basic level of cooperation, decide to start at this moment, especially on a continuing resolution—yes, even on a short-term bridge with respect to the debt—get from here to there so we can negotiate away these differences and reach an acceptable compromise that is good for this country. That is what the American people require of us. That is what the American people expect of us.

Now, I am sure the Senator from Idaho and the Senator from Wyoming, both of whom I have great respect for, they are both good legislators, I am sure they feel they are offering this amendment because there is leverage on another side, and this is the right public policy anyway so we should respond to it.

The fact is, I can think of, as I said, 100 different people who want to offer something that they think will advance their interests or the interests of the country on this very legislation, but it ought not be advanced on this legislation.

We ought to pass this short-term CR and we ought to pass a short-term debt extension. We ought to get the leaders of both political parties in the House and the Senate together, pronto, to sit down and address these questions in a thoughtful way and come to a conclusion that the American people expect.

Madam President, I will have more to say on the CR later. I wanted to make the point that I made when I started. We have been subject to a lot of criticism—we Democrats. I understand that. Part of it, incidentally, is well deserved.

I understand we were in charge for some long while. There were times when we did not do the right things. We overspent, we were too programmatic; every national ache we put a quarter in the vending machine, and go on to address another problem before we determine if that program worked.

I understand it is our fault and I accept that. But we have made life a lot better for a lot of Americans.

I say to those who are now running the Congress and who are now responsible for meeting these deadlines, this is not much of a record. We find ourselves toward the end of the year and we have a circumstance where a reconciliation bill that was supposed to have been passed over 5 months ago is nowhere near being passed—not even out of conference; a CR that is necessary to get us over the hump is now on the floor of the Senate and being tortured with amendments.

That is no way to run a railroad and no way to run a Senate. I hope we can meet deadlines and meet our responsibilities, solve problems and advance

the interests of this country, and I hope we can start doing that in the next couple of days. I yield the floor.

Mr. CRAIG. Madam President, I will be brief. I think the Senator from Ohio wants to speak.

I have been listening to my colleague, and what I am hearing, does that meet the straight-face test? Well, it did not. I tried it on and it did not work because continuing resolutions under some other party's control—let me talk about 1986, after the Senate had been regained.

Continuing resolution: Export-Import Bank, denial of MFN status for products to Afghanistan, Federal Salary Act amendments, child care services, Federal employees, Ethics in Government Act, all on a continuing resolution.

I know the Senator from North Dakota and I prefer a clean continuing resolution but it has not happened very often in the Congress of the United States. So it really does not mean a great deal to come to the floor and argue that when in 1987 we brought a continuing resolution over it contained all 13 appropriations bills. That is reality. That is real.

It contained a Defense Acquisition Improvement Act, it contained Paperwork Reduction Reauthorization Act, human rights for Romania, school lunch and child nutrition amendments, Aviation Safety Commission Act, metropolitan Washington airport—all things, very important, that got stuck on a continuing resolution.

In 1988—as I think back, I think his party was in control of the Senate; he might well have been here at that time—contained all 13 appropriations bills once again. Cancellation of fiscal year 1987 sequestration order. Special House and Senate procedures for considering funding requests, and so on and so forth. In 1991, extension of certain Medicare hospital payments provisions.

The point is made, Madam President, the point is made that continuing resolutions have been and remain vehicles to move legislation on in this Congress.

What is important for our colleagues tonight as I think we are very close to voting on these amendments, Madam President, is to remember if you want to strike the Istook amendment you vote for the Simpson-Craig amendment. Several of our colleagues have said that is what they want to do. But they want to retain the essence of the language that they voted for some weeks ago. That is exactly what the amendments of the Senator from Wyoming and my amendments do.

If you want to pass Istook and fail to pass our amendments, what will the House do to the CR? I am not sure. I do not understand what might happen. I do understand what could happen.

That is, if we take the simple amendments that bring us back to where we were, the majority of the Senators, a unanimous vote of the Senators with some modifications now, placed us some weeks ago with a substantial assurance if we do that we will pass the CR as we have it before us, that is how we ought to vote. That vote means that you vote for the Simpson-Craig amendments.

Madam President, we are well behind on the work of the Congress. Again, I think of the straight-face test on those arguments. The Senator from North Dakota knows about 60 votes. He knows it well. He knows what has happened here, on the floor and in committee, and the very clear obstructionist tactics that have occurred on occasion on this floor that put us where we are today—needing to use a continuing resolution.

The majority leader and the Speaker of the House for 25 hours were with the President of the United States just the last week and the President never once wanted to discuss the very critical nature of the budget, the debt limit, and the continuing resolution in that unique opportunity.

Now, I wish the President would come to the table, but he stays in the White House and all he talks about is veto, veto, veto.

Well, the Senator from North Dakota talks about the urgency of this CR. How urgent is it if the President is now saying, ''I will veto it''? It does not seem to be very urgent. It appears this President wishes to play the political game. He, too, has a responsibility for running the Government of this country.

I say, Mr. President, come out of the White House, get away from your veto game, come to the table. We are trying to move substantive legislation to deal with the priorities of this Congress and the responsibilities of managing this Government.

I hope we could pass the CR. I hope we could pass it with the Simpson-Craig amendments. Mr. President, I hope you sign it.

I yield the floor.

Mr. GLENN. Madam President, I will yield in a moment to the Senator from North Dakota, but I ask my distinguished colleagues who made the remarks about the trip and the President not being willing to discuss things, it is my understanding when that chart was made from people that were there, sitting with Senator DOLE and Speaker GINGRICH, that the President was back half a dozen times or so, had lengthy discussions with him about things and was told that they still did not have their side together on some of these issues and did not want to discuss them.

I was told that by a person who was present, right there, at the time. I think as far as the President not coming out of the White House, that is not true.

Mr. CRAIG. Will the Senator allow me to respond very briefly?

Mr. GLENN. Yes.

Mr. CRAIG. I can only state what the majority leader told me as it relates to him having been there. That is not secondhand. That is firsthand.

Mr. GLENN. The firsthand was a person sitting beside him at the same time.

I yield to the Senator without losing my time.

Mr. DORGAN. I heard this and read it in the newspaper and I have talked to someone who was there with the President.

I do not know that we need to discuss it at great length, but the fact is the story the Senator from Idaho recounts is not true. The Senator from Idaho was not there, but we have heard from people who were and I do not know that we need to discuss that much further.

I can only charitably describe the Senator from Idaho's argument that because something was done in 1986 to the CR, ''I am justified in offering amendments now,'' I can only characterize that argument as pursuing business as usual. It is the same response I got on the issue of Social Security, the trust fund and so on. Business as usual is not what the American people expect.

I already admitted that we did not always move this agenda the way we should have. You look a long while before you find us 5 months late on a reconciliation bill, and it is a little specious to suggest that the reason the reconciliation bill is not on the floor of the Senate is because Democrats offered 30 amendments. Everybody knows that is not the case. Everybody knows that is not the case. The reason the reconciliation bill did not get here is because the majority party could not get its work done.

It is one thing to want to drive the train. It is another thing to drive it on time. The circumstance we find ourselves in now is a reconciliation bill that was supposed to be here and done by June 15, was not done, was not here, and it was not our fault. It was the people who were running this place who could not get agreement among their own troops.

I guess the point I want to make is, I think the defense I heard is, ''We are for business as usual.'' That is what the Senator from Idaho is saying. Business as usual is not good enough, not good enough for the American people and not good enough for us. And I hope business as usual, one of these days, is dead and buried, and reform and change is the notion of the day. That would include, in my judgment, all of us deciding to pass a clean CR, create a bridge during which, in the next several days, we can resolve these issues on behalf of the American people and move forward.

I appreciate the indulgence of the Senator from Ohio.

Mr. GLENN. I believe Senator JEFFORDS wished to give his statement. I yield to him without losing my right to the floor.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. JEFFORDS. Mr. President, I rise today in support of Senator CAMPBELL'S motion to strike from the continuing resolution the language restricting political advocacy with private funds. I am opposed to the inclusion of this language in the continuing resolution, and in any bill. This provision is nothing more than a political slogan in search of a problem.

There is probably not a Member of Congress that has not been on the receiving end of criticism from a group or groups that receive Federal funds. It is irritating at times, but it is hardly cause for closing down the Government.

Nor is it sufficient justification for forcing organizations to choose between seeking grants to do work on behalf of the Federal Government and saying how they think that Government, or any government for that matter, can be improved.

It seems to me that we should invite such criticism rather than discourage it. Instead, this provision is designed to dampen debate from some of the parties that are in the best position to add to it.

Apart from being questionable public policy, I think this provision is of questionable legality. Everybody has a lawyer's opinion to buttress his or her position, but it seems strange to me how this provision can withstand judicial scrutiny. It must have seemed strange to its proponents as well, because they felt constrained to include section 306, which states that ''Nothing in this title shall be deemed to abridge any rights guaranteed under the First Amendment.''

I doubt this is a novel approach, but I cannot off the top of my head think of a similar situation where we have attempted to anticipate and decide a near certain legal challenge. I have my doubts how much deference the courts will give this provision.

The Supreme Court has long held that it is an important first amendment right for individuals to be able to freely talk to their elected representatives. While the Federal Government is allowed to place restrictions on the use of the Federal money it grants, the Supreme Court has expressed concerns in the past with the Federal Government placing restrictions on the use of purely private money to talk to their elected representatives.

The provision before us would change dramatically how private funds could be used by Federal grantees. Under current law, tax exempt groups do face limits on the amount of lobbying they may conduct. But those limits would undergo a wholesale transformation. Not just lobbying of Congress would be restricted, but so, too, would be lobbying of city councils, State agencies, and State legislatures. As a result, if your State chamber of commerce has an employee or two that lobbies in the State house, the executive branch or enters into judicial or agency proceedings, it might well be barred from seeking Federal funds to promote economic development or tourism.

Further, the imposition of these restrictions will create a whole new practice for lawyers. This language provides incentives for lawyers to sue organizations by rewarding them with a substantial share of recovered dollars. Organizations could be sued for up to 10 years, further clogging up the American courts. In a time when the Congress is trying to reduce the number of frivolous lawsuits, creating this new boon for lawyers is counter productive.

There are many small organizations in my State of Vermont that receive Federal funds that would be unable to effectively communicate with their local officials because of the limits that these restrictions will place on them. These restrictions will keep my constituents from discussing such local issues as the school board, property taxes, and paving roads with their local or State representatives. I would like to include for the RECORD a brief description of some programs in my State of Vermont that will be affected by these restrictions if they are enacted.

Mr. President, let me again reiterate my strong opposition to the inclusion of this language in the continuing resolution, and strongly urge my colleagues to support Senator CAMPBELL's motion to strike.

I ask unanimous consent a brief description of the programs be printed in the RECORD.

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

VERMONT

Addison County Parent Child Center uses a part of their federal grant money to maintain a program for young fathers who have been disenfranchised from the education system and from business. Many of these young men have had problems in the judicial system as well. This program teaches them not only parenting skills, but includes a job training component. The Center serves over 150 families in Addison County.

The Center also helps these families learn to have a voice in their local and state governments. As a part of their family empowerment program, they take these low income young families with them to the state legislature to teach them about their government and how their voices can be heard.

Vermont Development Disabilities Council is funded by a federal grant authorized under the Developmental Disabilities Act (P.L. 103–230). A significant portion of the grant dollars are used to teach parents how to protect their rights and improve the availability of services. Federal money is also used to fund the publication of a newspaper. The Independent, which reports on issues of concern to the disabled and the elderly.

The Council has also worked to change Vermont building access standards to comply with those of the Americans with Disabilities Act. Currently, the state of Vermont uses antiquated building access codes that provide less than adequate access for the disabled and the elderly.

The Vermont Public Transportation Association receives federal money in part through Medicaid and the Federal Highway State Fund, a large portion of which they use to provide public transportation for people to and from doctors' offices and hospitals. Many of these people are elderly and disabled. The Association has 1,300 volunteer drivers who make over 420,000 one way trips a year transporting people to hospitals which, in some cases, are as far as 50 miles away.

The Association advocates on behalf of the elderly and disabled in these rural communities on a variety of transportation issues.

The American Heart Association in Willston, Vermont receives federal money through the State Department of Health, some of which they use to form community based anti-smoking coalitions for youth. Their federal dollars are used to teach children not to smoke. They also advocate on behalf of these children in order to pass legislation that would keep cigarettes out of the hands of minors.

Mr. GLENN. Mr. President, I want to add my voice to those in opposition to the Istook amendment which the House has added to this continuing resolution.

Advocates, if I can use that term, of this provision have clothed it in rather attractive language. It has been presented as ending ''Welfare for Lobbyists,'' as they call it. If this were truly the case, in fact, if this were a commercial product, I reckon that the FTC would be investigating it for false claims. It is a real misnomer.

For one truly expert in this area, turn to the distinguished senior Senator from Michigan [Mr. LEVIN]. He and I spent many years on legislation to achieve real lobbying reform, which we finally passed this summer. That measure truly brings sunshine and accountability into the netherworld of lobbying by special interest groups. The public finally will be able to know who is paying what to whom to lobby Congress and the administration on which issue. Whether it is a dubious project or a special tax loophole.

That is real and substantive lobbying reform. I find it curious that many of the proponents of the Istook amendment—and their outside allies—have been so strangely silent—almost invisible—about pushing this bill on the House side. If they had spent half as much time on true lobbying reform legislation as this assault on nonprofit and charitable organizations, dare I say this reform would have already been signed into law by the President. So while I do not doubt their sincerity, I do question their motives.

One Member whose motives and sincerity I do not question is the senior Senator from Wyoming. I know that he has attempted to explore some of these issues through the committee hearing process, as it should be done. I also know that he has worked hard in trying to negotiate an acceptable compromise.

The amendment offered by Mr. ISTOOK will have a profound and chilling effect on the ability of nonprofit and charitable organizations to continue advocating on the behalf of people and issues. It will have a devastating effect on the whole nonprofit sector, particularly small community-based organizations.

It will impose severe burdens and mounds of paperwork on nonprofit groups. This, at a time when we are asking them to provide more public services while we provide less money. ''Try to privatize things,'' so we are told here, yet we are making it more difficult to do exactly that. Again, I find it very ironic that many of the ardent proponents in this ill-conceived endeavor have been leaders in the effort to cut out regulatory red tape and reduce the costs of paperwork on businesses and industry. But for these nonprofits we will be creating more rules, more bureaucracy, and more court litigation. We will just drown them in a sea of paperwork and audits.

This legislation is also unnecessary. It restricts the amount of privately raised funds a Federal grantee can use to do advocacy and lobbying. But current law already metes out harsh penalties if such Federal funds are used by nonprofits and charitable groups to pay for such lobbying activities. And my understanding is that there is no orchestrated pattern of such organizations misusing Federal funds to lobby.

So if we peel away this veneer, it is not quite what you do with the money, it is what you say. And just maybe, who you say it to, which, in turn, raises a constitutional issue. For the Supreme Court has ruled it violates the first amendment to condition the receipt of Federal funds on relinquishing protected rights of speech. This amendment will have a chilling effect on the right of citizens—individuals and associations alike—to petition their Government.

I also have concerns with the definition used for ''political advocacy.''

It is so broad that almost any public role assumed by a nonprofit or charitable group on an issue or matter before Federal, State, or local governments would be covered. Moreover, individuals receiving some form of public assistance—such as WIC, disaster relief funds, NIH research grants, LIHEAP grants, you name it—could also be regulated.

Now if a Federal grantee spends more than the specified threshold on advocacy, it will be barred from receiving Federal grants. Grantees will also be limited in who they associate or do business with. They will need certification from all of their vendors that they—the suppliers—are within the specified limits on how they use their own money for political advocacy.

Mr. President, it is my understanding that one of the original requirements which has since been changed in the amendment as now proposed would have sent some of the complaints over to GAO for further investigation. That in its original form points out some of the weaknesses in some of our budget cutting here today because you talk about the potential of sheer frivolous lawsuits, and one of the things they were going to do with the original version of this as the main enforcement mechanism was going to be through what could be called a bounty hunter provision where any citizen could have taken their complaints regarding the use of such funds by these organizations directly to an agency inspector general, or the General Accounting Office.

While I want to point out in the original version of this we have already cut GAO by 25 percent in 2 years, at the same time we are going to assign them an additional tax. I know this has now been cut out. I wanted to point that out—that this is what we are doing in one piece of legislation after another; requiring some of these agencies to do more at the same time we cut their budgets.

We have been dealing in complex, substantive, constitutional, philosophical, and policy terms. But where is the impact going to be felt the most? The impact will be on real people; people with real problems, people who need help, who need society's help the most. These are the people most vulnerable in today's world, and who will depend so much on the nonprofit groups for essential services as Federal funding gets slashed.

I have received many letters from Ohioans on the Istook amendment. These are people helping the homeless, caring for the sick, providing shelter to abused women and children, and treating the mentally impaired. Listen to their voices. Hear their pleas, at least while they're allowed to make them known to us. They are on the frontlines—we need their input, we need their help.

Mr. President, their pleas are just heartrending, some of them. They are trying their level best to give people help, and this would cut back on their ability to do exactly that. Here is what they are saying:

OHIOANS SPEAK OUT ON ISTOOK AMENDMENT

The Columbus YWCA Interfaith Hospitality Network has a volunteer base of over 7,000 individuals and 100 religious congregations attempting through grassroots efforts to provide comfort and short-term hospitality to homeless families. During 1994 we served over 2000 individuals of which over 1200 were children. We are concerned about our guests and their futures, and want assurance that our voices, and theirs, will always have the opportunity to be heard.—YWCA, Columbus.

Faith Mission is dedicated to providing life saving and live improving services to homeless women, children and men and anyone in need. People come to our door, at times, with nothing but the clothes on their back and are in desperate need of not only basic life support, (food, clothes), but also services to help them regain self-sufficiency and move on to become contributing citizens to their community. If this bill passed, Faith Mission would be restricted from effectively providing these services, like job referral, medical services, mental health care referrals and support groups from chemical dependency and domestic violence.—Faith Mission, Columbus, Ohio.

Berea Children's Home and Family Services provides healing and nurturing care to over 8,000 children and families who reside in Ohio. These abused and neglected children have no public voice of their own. In addition to the therapy they receive from our residential treatment and in-home therapy programs, they look to us to also be their advocates. We will be unable to adequately serve these victimized children if the Istook Amendment is introduced in a Senate bill and eventually approved by Congress.—Berea Children's Home and Family Services, Berea, Ohio.

Through the last several decades, an effective partnership has been built between government and private, non-profit organizations to address many of the social problems of the day. One of the major reasons this has worked has been the ability of non-profits to inform legislators about what programs work and advise them about more effective ways to address problems. With the severe budget cuts to social programs currently being considered and passed, churches and non-profit organizations are being asked to do more with less. We have a responsibility to not only serve, but to stand up for the poor and vulnerable. This plan appears to muzzle the concerns of many of your constituents.—Catholic Charities, Diocese of Toledo.

The amendment will restrict Family Services' ability to help community groups become politically active in regard to matters that would improve their neighborhoods and the community at large. We would not be able to discuss with legislators the need for funding of important service programs to pregnant and parenting teenagers, the deaf and battered women.—Family Services, Akron, Ohio.

If these unprecedented restrictions go through, organizations like ours will be forced to choose between providing services to people in need and providing a voice for the people we represent. Vital community services will be jeopardized and government will be cut off from the insights of the very organizations that are closest people government is trying to serve.—Caracole, Inc., Cincinnati, Ohio.

I fear that publicly funded agencies, which deal with issues of drug abuse, domestic violence, sex abuse, etc., will find themselves in positions where they will have to forfeit their ability to impact on future legislation or public interest litigation, because they received any federal funds, regardless of amount.—Mental Health Services East, Inc., Cincinnati.

The Achievement Center for Children provides a comprehensive array of services for children with physical disabilities and their families. These children have already been dealt a difficult hand in life through no fault of their own. Their issues and concerns need to be heard and understood.—Achievement Center for Children, Cuyahoga County.

Vital Community services could be lost because organizations would not be able to share their knowledge of people in need and types of services needed with legislators and others in the position to provide assistance. the Istook Amendment would impose restrictions only on federal grants which go primarily to non-profit organizations. It would not impose restrictions on federal contracts which go primarily to for-profit organizations. These corporations would continue to be able to lobby the government.—Alcohol, Drug Addiction, and Mental Health Service Board, Lima, Ohio.

Every Woman's House realizes that the commitment by Congress to addressing the issue of domestic violence is meaningless if vital programs, such as those offered by our agency, are not funded. The Istook Gag Order may eliminate any political advocacy on any governmental level and make the acceptance of any federal money subject to stricter reporting requirements, therefore limiting the available funding to domestic

violence agencies.—Every Woman's House, Wooster, Ohio.

It is the small independent non-profit organization that does most of the social service work in your district. Almost all of them get some money from the federal government and depend on it to survive. Most are too busy trying to help people have time to communicate with you on a regular basis, but do work closely with local officials as collaboration among agencies and departments create private/public partnerships. These efforts would come to a halt if the Istook Amendment goes into effect.—Ohio Parents for a Drug Free Youth.

Lobbying with federal dollars is already illegal and penalties for violating the rules are severe. Our organization is well aware of this. Nonprofit groups speak for the public interest and represent large numbers of ordinary citizens and vulnerable populations who lack the skill/resources to assert their basic rights. This type of legislation limits not just lobbying, but free speech as well. Indeed, we view it as an assault on the First Amendment rights we now enjoy.—League of Women Voters of Oxford, Ohio.

As a parent of a 13 year old mentally retarded son who has no speech, I know how important speech is. Please do not take away my voice. I need to use it for my son's many needs and other children/adults like him.—N.K., Parma, Ohio.

When Alexis de Tocquerville visited the United States, he marveled at the natural tendency of Americans to form voluntary organizations to carry out the will of the people.

Our vast non profit system is the result of that tendency. The present Congress, in its mindless rush to take government out of involvement in society, looks to the non profit world to pick up the shattered pieces. And, now, through the Istook Amendment, that same Congress is trying to silence the very groups that society will need to depend upon to survive.''—Cleveland Institute of Art.

To be fair, I have received a few letters from Ohioans. I am always glad to have the benefit of their views, too, although in this particular case we do disagree.

But I was struck by the fact that the vast majority of those supporting the Istook amendment indicated they were involved in the beer wholesale or retail business. Their letters were almost identical and so many contained the following phrase:

Moreover, the Center for Substances abuse Prevention (CSAP), working with their Neo-Prohibitionist allies, regularly promotes political activism, pushes anti-beer wholesaler legislation at the federal, state, and local level, and they pursue these activities with taxpayer dollars.

Mr. President, the Center for Substance Abuse Prevention is under the Substance Abuse and Mental Health Services Administration of the Department of Health and Human Services. Yes, it is federally funded. But what does it do? It supports hundreds of nonprofit groups, financing after-school and summer activities for youths, counseling for pregnant women, drug-free workplace programs, education efforts and good-health workshops. It also offers training, manages a clearing house for prevention information, and develops anti-drug education and promotion campaigns.

I happen to think this is a worthy goal, and one that most Americans heartily support. The ravages of drug and alcohol rip apart our families, break up marriages, and destroy lives. Real lives and real people.

Whatever we can do to prevent such abuse and educate people—particularly our young adults—should be encouraged. The Federal Government does have a legitimate role in this area. The key is to make sure alcohol products are used responsibly. I don't consider myself a prohibitionist and would oppose efforts to do just that. But in this particular case, what concerns me is the fact that some in the beer and alcohol industry fear that by promoting efforts aimed at moderation and responsibility, the Federal Government is a threat to their livelihood. Their ultimate fear is that first comes moderation, next comes prohibition. So the real interest here is how much they sell, the bottom line, and their overall profits. It is not about policy.

I also have received a letter from the Mothers Against Drunk Driving [MADD]. That organization receives a small Federal grant from the Department of Transportation to conduct workshops on highway safety and impaired driving. They also get a grant from the Department of Justice for serves and assistance to victims of drunk drivers.

Again, I would bet most Americans would applaud their efforts. But for some, apparently, the message is too much. They don't want to hear it. Why? Because MADD has been involved in State initiatives to curb drunken driving and tighten blood alcohol content levels for drivers. You would think this would be in the public interest—getting drunk drivers off the road and imposing harsh penalties. But MADD has attracted the ire of the beer and liquor industry. Let me quote from MADD's letter:

MADD takes pride in the role we have played to combat drunk driving and serve its victims and we resent the suggestion that we have been the recipient of ''welfare for lobbyists''. Most of these so-called lobbyists have paid for the right for their voices to be heard with their blood and tears or the lives of their loved ones.

Mr. President, I like free and fair debate. Let us make policy decisions on the merits and the public's interest. But what galls me even further is the fact not only were these industry groups—along with the Heritage Foundation and the Christian Coalition—spearheading the Istook effort, they were in the back rooms to write it. Talk about lobbying reform. According to an article in the November 8, 1995, Wall Street Journal, during one negotiating session the able senior Senator from Wyoming noticed these parties in the room and told them, appropriately, to get out, or at least words to that effect.

I notice that these groups have worked with some of the primary House leaders who have been all too happy to attach individual, specific interest riders to appropriations measures. Is this how the game is gong to be played? Where is the real reform here? Who is doing whose bidding?

Mr. President, This amendment is ill-conceived, constitutionally impaired, and just plain un-American. It will stifle the efforts of those on the frontlines who are trying to deal with so many of the tragic problems in today's society. We cannot run from those problems, we cannot pretend they do not exist, though I suppose there are some who who would like that. Let us help those who are helping those most in need by defeating this hostile, chilling, and burdensome amendment.

VOTE ON AMENDMENT NO. 3049

The PRESIDING OFFICER. Is there further debate on the amendment numbered 3049? If not, the question is on agreeing to the amendment of the Senator from Idaho [Mr. CRAIG]. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The bill clerk called the roll.

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

Mr. FORD. I announce that the Senator from Hawaii [Mr. AKAKA] is necessarily absent.

I also announce that the Senator from New Jersey [Mr. BRADLEY] is absent because of illness in the family.

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

The result was announced—yeas 46, nays 49, as follows:

[Rollcall Vote No. 564 Leg.]

YEAS—46

Abraham	Frist	McConnell
Ashcroft	Gorton	Murkowski
Bennett	Gramm	Nickles
Bond	Grams	Pressler
Brown	Grassley	Roth
Burns	Gregg	Santorum
Chafee	Hatch	Shelby
Coats	Hatfield	Simpson
Cochran	Helms	Smith
Cohen	Hutchison	Stevens
Coverdell	Inhofe	Thomas
Craig	Kassebaum	Thompson
D'Amato	Kyl	Thurmond
DeWine	Lott	Warner
Domenici	Mack	
Faircloth	McCain	

NAYS—49

Baucus	Ford	Mikulski
Biden	Glenn	Moseley-Braun
Bingaman	Graham	Moynihan
Boxer	Harkin	Murray
Breaux	Heflin	Nunn
Bryan	Hollings	Pell
Bumpers	Inouye	Pryor
Byrd	Jeffords	Reid
Campbell	Johnston	Robb
Conrad	Kennedy	Rockefeller
Daschle	Kerrey	Sarbanes
Dodd	Kerry	Simon
Dole	Kohl	Snowe
Dorgan	Lautenberg	Specter
Exon	Leahy	Wellstone
Feingold	Levin	
Feinstein	Lieberman	

NOT VOTING—4

Akaka	Kempthorne
Bradley	Lugar

So, the amendment (No. 3049), as modified, was rejected.

Mr. DOLE. 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. KENNEDY. Parliamentary inquiry. I make a point of order——

The PRESIDING OFFICER. I inform the Senator the Senate is conducting a quorum call.

Mr. KENNEDY. I make a point of order that there is a quorum present.

The PRESIDING OFFICER. It is too late for that. The clerk will continue to call the roll.

The assistant legislative clerk continued to call the roll.

Mr. DOLE. 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. DOLE. Mr. President, I think we have reached some agreement to expedite things. I know many of my colleagues have a lot of things to do, and we would like to finish fairly early this evening if we can. I ask amendments 3037 and 3047, 3046, and 3045 be laid aside to recur at the hour of 6:45.

I put the question on the motion to reconsider.

The PRESIDING OFFICER. Is there further debate?

The question is on agreeing to the motion to reconsider the vote.

The motion was agreed to.

Mr. DOLE. The vote then on 3049, following the vote on a Medicare provision at 6:45; that vote would occur at 6:45.

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

Mr. DOLE. Immediately following that vote between now and 6:45, the debate occur on an amendment to strike the Medicare provision offered by the Democratic leader, Senator DASCHLE, and that the votes occur back to back.

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

Mr. DOLE. I say to my colleagues, we hope we can expedite this. That would mean we might be able to finish action on the CR by 7 o'clock. By that time, hopefully, the debt ceiling will be here. We have to deal with that yet tonight, and therefore we can be expected to be in session until we finish that.

It may be there will only be a couple of amendments. In any event, we would like to finish that this evening.

Mr. DASCHLE. Just to clarify one technical point. As I understand it, we have an agreement there would be no intervening action on my amendment.

Mr. DOLE. That is correct.

Mr. KENNEDY. Further, does the Senator understand the time will be divided equally?

Mr. DOLE. Yes.

AMENDMENT NO. 3050

(Purpose: To strike the provision for the determination of the Medicare part B premium for 1996)

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

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from South Dakota [Mr. DASCHLE], FOR HIMSELF, MR. KENNEDY, and Mr. ROCKEFELLER, proposes an amendment numbered 3050.

Mr. DASCHLE. I ask unanimous consent the reading of the amendment be dispensed with.

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

The amendment is as follows:

On p. 36:

Strike section 401.

Mr. DASCHLE. How much time would either side have in the debate on this amendment?

The PRESIDING OFFICER (Mr. BENNETT). There is 35 minutes until the vote is ordered. That will be divided equally—17½ minutes.

Mr. DASCHLE. Mr. President, there are a number of problems with this continuing resolution. We have been dealing in the last couple of hours with one of the more egregious problems having to do with the Istook amendment.

But something more critical and more important and deeply troubling to us is the fact that there is a premium hike for Medicare beneficiaries incorporated in this continuing resolution.

I want to take just a couple of minutes to explain what it is we are referring to and talk briefly about why it is so important that we deal with this problem.

In 1974, Congress recognized that seniors should not be subjected to Medicare premiums whose growth outpaced the growth of Social Security income. As a result, back then we voted to limit the percentage increase in part B premiums to no more than the percentage increase in Social Security benefits.

Then, in 1982, Congress voted to suspend the COLA limitations and instead limit premium increases to 25 percent of Part B program costs. Congress voted to continue to limit the premiums to 25 percent of Part B costs in 1984 and again in 1987.

In 1990, Congress intended to cap the part B premium at 25 percent by setting in law specific dollar amounts for the premium for each year from 1991 through 1995. This was done to protect seniors from potentially higher than anticipated rates of health care cost growth. However, the projections upon which these dollar amounts were based have now been calculated as too high. Thus, the 1995 premium covers slightly more than 31 percent of program costs despite congressional intent to limit the beneficiary burden to 25 percent.

Consequently, in the law that we passed in 1993, Congress reset the premium at a percentage equal to 25 percent of program costs for 1996 to 1998.

That will change if this legislation passes.

Next year, if nothing happens, part B premiums return to covering 25 percent of Part B costs. Clearly, the 31.5 percent premium that beneficiaries had to absorb this year is due to an unintended glitch in the law.

There was no design to put it at 31 percent. The design was to stipulate a dollar amount so that we did not have to stipulate a percentage. The Republican majority is now attempting to lock in that glitch, by statute, for all perpetuity. The Congressional Budget Office says the monthly premiums, which are currently $42.50, will go to $53.50 under this continuing resolution. This is an increase of more than 25 percent in the dollar amount of the premium.

Mr. President, I think it is very clear that this is going to be extraordinarily difficult for many seniors. Seniors' average income today is under $18,000. Forty percent of seniors have incomes under $10,000. Seniors now spend more than 20 percent of their income on health care. Rural seniors—who are typically older, poorer, and sicker—will be disproportionately hurt by this policy. And, because the money for these premiums is taken directly out of Social Security checks, this premium increase also amounts to a Social Security cut.

Mr. President, this is not the place, regardless of whether or not one would view this to be the right thing to do, to consider such a proposal. This is not the time to debate whether or not we are willing to increase premiums by $11 a month for every participating senior across this country and to lock-in an inadvertent percentage increase. Today the questions are: Is this the right vehicle? Is this the right time? Should we be doing it outside the context of Medicare reform? Outside of a debate on deductibles and other issues that relate to what seniors are going to be asked to absorb?

There is absolutely no reason why this needs to be in a short-term continuing resolution. It is unrelated to continued Government financing. It has no impact on the hospital insurance trust fund. It does not protect and preserve Medicare, as some of our Republican colleagues claim they want to do. It has nothing to do with attacking fraud and abuse. It does not provide seniors with more choices. It does not cut Medicare costs. It simply shifts costs directly from the Federal budget onto the backs of seniors. That is wrong. There is no reason why seniors should be singled out. It leaves all other parts of Medicare untouched.

Why? To create the pool of resources necessary to fund the Republican tax break package for the wealthy, provided the Republican majority has their way. This is going to hurt seniors.

We do not need to do that. This ought not be done in this bill. This is the wrong time, the wrong place, the wrong approach, and the wrong effort directed entirely at those who can least afford it.

So, Mr. President, for all those reasons, I urge my colleagues to join with us in support of this amendment. I am

pleased that the distinguished Senator from Massachusetts and Senator from West Virginia have agreed to cosponsor this legislation. They have been in the forefront of this legislative effort from the very beginning. I applaud them for their cooperation, their help, and their dedication to ensuring that seniors are protected from unfair policies.

With that, I yield such time as he may consume to the distinguished Senator from West Virginia.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. ROCKEFELLER. I thank the minority leader, Mr. President.

Mr. President, I thank the Presiding Officer.

Mr. KENNEDY. Mr. President, how much time remains on our side?

The PRESIDING OFFICER. Ten minutes forty seconds.

Mr. ROCKEFELLER. Mr. President, I will just take 5 minutes.

Mr. President, this amendment is a no-brainer. We are giving every Senator a chance to separate him and herself from a truly dumb idea concocted in the other body. Before us is a continuing resolution—the legislation that pays the bills for the Federal Government to function starting on Tuesday—now being used as a freight train for baggage that does not belong on this train. With this amendment, we are saying throw the Medicare premium increase over the side before it is too late. With this amendment, vote for tossing out the provision to increase the monthly premiums that 30 million senior citizens pay to receive Medicare's part B coverage, otherwise known as physician care and services.

No matter what you think seniors should pay for the Medicare, the continuing resolution is not the bill to hitch onto. If you want seniors to pay 100 or 2 percent of the costs of their Medicare, this bill is not the time, the place, or the vehicle for setting the price tag of Medicare premiums.

In fact, I am incredulous that anyone would want to increase Medicare premiums ahead of doing a single thing to improve, save, or reform Medicare.

The Members on the other side of the aisle told Americans they should be in the majority of Congress. They won the elections last November to do that.

But Mr. President, being in charge also means being responsible. Being in charge means making sure that on Tuesday, the Federal Government can open national parks, enforce law and order, answer the phones when veterans are calling about their benefits or try to visit a VA hospital, process student loans and passport requests, and perform thousands of other responsibilities that Members of Congress are supposed to be here watching over. Being in charge does not mean throwing the kitchen sink onto the basic piece of legislation to fund the Government. And it sure does not mean throwing in a Medicare price increase for senior citizens, hoping it just slips through. Can someone explain the sudden rush to raise Medicare premiums?

The cost of seniors' Medicare premiums should be determined when Congress decides Medicare's overall future. Vote for this amendment to take this issue off of the CR, and put it back where it belongs—in the discussion of Medicare's future, what is a fair share of costs for seniors to bear, and whether Medicare should be cut to save Medicare or cut to pay for tax breaks for the rich. That all still needs to be settled, and it is going to take some more work, I assure everyone listening.

Instead, here we are faced with an absolutely critical bill for Congress to get enacted in the next 48 hours, with an 11th-hour addition designed to make sure senior citizens pay more for their Medicare beginning in January 1996. How ridiculous can you get?

Let me be very clear: Unless you vote to strip this bill of the Medicare baggage, you will vote to send senior citizens on Medicare a total annual bill for their part B premium of $642—$1,284 a year for couples—starting in January 1996. The provision misplaced into this bill will charge seniors an extra $11 more a month, an extra $132 more a year, in order to keep getting Medicare coverage for physician care. This bill is not the place to approve a Medicare price increase for seniors.

We already know why so many Republicans want to increase the cost of Medicare premiums for 37 million seniors. In fact, we already know why the Republican budget calls for $270 billion in Medicare cuts. It is simple. The same Republican budget spends $245 billion on new tax breaks for the wealthiest Americans and all kinds of corporations. Raiding Medicare is the idea, ignoring the fact that only $89 billion is needed to keep the trust fund solvent for 10 years.

It is that simple and it is that wrong. This is not about preserving and protecting Medicare. And the provision in this continuing resolution is not about making sure the U.S. Federal Government will still function on Tuesday. This provision is a premium hike designed to collect more from Medicare beneficiaries in January, money to pay for tax breaks for someone else.

The provision in this bill will put a new burden on seniors who already spend more than one-fifth of their income on insurance, prescription drugs, long-term care services and other health care needs not covered by Medicare. It is wrong to burden seniors with more costs so that there will be money to pay for tax breaks for the wealthy.

This Medicare premium provision does expose a basic truth. Cutting Medicare by $270 billion—that is $181 billion more than the Medicare trustees call for to protect the Medicare trust fund—is not needed to preserve the Medicare program. How do you preserve today's Medicare program by insisting that seniors pay higher premiums than would occur under current law?

You do not. This is not about preserving anything, improving anything, or protecting anything. This is about targeting seniors as a financing source for the Republicans' budget that is going to hurt seniors, not help them in the least.

Increasing costs for Medicare beneficiaries as part of a bill to keep the Federal Government up and running does not make any sense at all. It is a rifle shot aimed at the millions of seniors who rely on Medicare.

It should be struck from this bill and I ask my colleagues to vote for our amendment to get it out of this absolutely vital bill that must be passed now, must be clean of debris completely, totally, and immediately.

I thank the Chair.

Mr. DASCHLE. Mr. President, how much time remains on our side?

The PRESIDING OFFICER. Seven minutes ten seconds.

Mr. KENNEDY. On the other side?

The PRESIDING OFFICER. Seventeen minutes thirty seconds.

Mr. DASCHLE. Does the Senator desire some time at this point?

Mr. KENNEDY. Please.

Mr. DASCHLE. I yield 5 minutes to the distinguished Senator from Massachusetts.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, the bottom line on this particular proposal is that it is a $51 billion tax increase on seniors, and 83 percent of that tax increase will effectively go on people who are making $25,000 or less.

So you are taking $50 billion out of the pockets and the pocketbooks of senior citizens. That does not surprise me about the Republican proposal. Since we know that the tax increase in the Republican budget will hurt those who make less than $30,000 a year—51 percent of all Americans—their taxes will be increased. This is going right along with it. They will be taking effectively $51 billion out of our seniors.

What does that mean for the average family? It means that they will have a reduced Social Security check.

This chart indicates how these premiums are going to be taken out of the Social Security COLA in this next year and the hardship it is going to have, particularly on the lowest percentile. Those that make $5,300 a year will find out that with a $136 Medicare premium increase, they will only have $3 of that COLA left to them. And so it goes right down through the rest of the middle income.

This premium increase will reduce the COLA's for those senior citizens at the lowest level by 98 percent, by 66 percent for those receiving the average benefit and over half for those that are getting $10,000 a year. And we have to ask ourselves why? The reason for it, as the minority leader and Senator ROCKEFELLER pointed out, is to pay for the $245 billion tax break for wealthy individuals.

If you did not have that tax break, Mr. President, you would not need to have this tax increase for those on Social Security. That is the bottom line.

If you are going to have the $245 billion in tax breaks for wealthy people, you have to get $51 billion in this particular continuing resolution, and the way that you do it is to wipe out the Social Security COLA for those at the lowest level. I think it is unjustified. Senator DASCHLE had offered the amendment to ensure the integrity of the Medicare trust fund. That was rejected by all the Republicans except one. That would have ensured the integrity of Medicare and the Social Security System and it would have meant not one dime increase in premiums, not one dime increase in deductibles. We ought not permit this back-door attempt of the Republicans to add this kind of an additional tax on the senior citizens of this country.

Earlier today I spoke of my intention to join with my colleagues in introducing this amendment. The Republican proposal to increase the Medicare part B premium included in the continuing resolution is unacceptable on any vehicle—and it is particularly unacceptable on a continuing resolution designed simply to keep the Government operating.

This proposal is a part of the broader Republican assault on Medicare—a proposal that will devastate senior citizens, working families, and children in every community in America. It extends an open hand to powerful special interests and gives the back of the hand to hard-working Americans. It makes a mockery of the family values the Republican majority pretends to represent.

The Republican assault on Medicare is a frontal attack on the Nation's elderly. Medicare is part of Social Security. It is a contract between the Government and the people that says, ''Pay into the trust fund during your working years, contribute to the growth of your country by working hard, supporting your family, and educating your children, and we will guarantee good health care in your retirement years.''

It is wrong for Republicans to break that contract. It is wrong for Republicans to propose deep cuts in Medicare in excess of anything needed to protect the trust fund. And it is doubly wrong for Republicans to propose those deep cuts in Medicare in order to pay for tax breaks for the wealthy. You don't need a degree in higher mathematics to know what is going on. The $270 billion in Medicare cuts; $245 billion in new tax breaks disproportionately targeted at the wealthiest individuals and companies in America.

The cuts in Medicare are harsh and they are extreme—$280 billion over the next 7 years. Premiums will double. Deductibles will double. Senior citizens will be squeezed hard to give up their own doctors and join private insurance plans.

The fundamental unfairness of this proposal is plain. Senior citizens' median income is only $17,750. Forty percent of all senior citizens have incomes less than $10,000 a year. Because of gaps in Medicare, senior citizens already pay to much for the health care they need, especially prescription drugs and long-term care. But under the Republican budget, elderly Americans will pay $71 billion more out of their own pockets over the next 7 years—an average of almost $4,000 for each elderly couple.

The Medicare trustees have stated clearly that $89 billion is all that's needed to protect the trust fund for the next 10 years—$89 billion, not $280 billion.

Our Democratic alternative provides that amount of savings. We don't need to raise premiums an additional dime. We don't need to raise deductibles a dime. We need to give senior citizens real choices, not force them to give up their own doctor.

The Republican Medicare plan also deserves to be rejected because of the lavish giveaways to special interest groups in the House and Senate proposals.

The insurance industry got what it wanted—the chance to get their hands on Medicare and make billions of dollars in additional profits.

The American Medical Association got what it wanted—no reduction in fees to doctors, and strict limits on malpractice awards.

The list goes on and on. The clinical laboratory industry got what it wanted—their labs no longer have to meet strict Federal standards to guarantee the accuracy of results. The nursing home industry got what it wanted—Federal standards to prevent abuse of patients in nursing homes will be eliminated. The pharmaceutical industry got what it wanted—the right to charge higher prices for their drugs.

Because of this unjust Republican plan, millions of elderly Americans will be forced to go without the health care they need. Millions more will have to choose between medical care and food on the table, adequate heat in the winter, or paying the rent.

Senior citizens have earned their Medicare benefits. They've paid for them, and they deserve them.

It is bad enough that the Republicans have proposed this unjust plan. It is worse that they have taken the single largest cost increase for senior citizens—the increase in the Medicare part B premium—and attached it to this continuing resolution.

Cuts in payments to doctors are not included in the continuing resolution. Cuts in payments to hospitals are not included in the continuing resolution. The only Medicare cut in this bill is a proposal to impose a new tax on the elderly and disabled.

The Republican strategy is clear. Try to rush through their unacceptable proposals—because they know that they cannot stand the light of day. Try to force the President to sign them into law—with the threat of shutting down the Government if he refuses to go along.

The part B premium increase is especially objectionable, because it breaks the national commitment to senior citizens in Social Security. Every American should know about it. Every senior citizen should reject it.

Medicare is part of Social Security. The Medicare premium is deducted directly from a senior citizen's Social Security check. Every increase in the Medicare premium means a reduction in Social Security benefits.

The Republican plan proposes an increase in the part B premium and a reduction in Social Security which is unprecedented in size. Premiums are already scheduled to go up under current law, from $553 a year today to $730 by 2002. Under the Republican plan, the premium will go up much higher—to $1,068 a year.

As a result, over the life of the Republican plan, all senior citizens will have a minimum of $1,240 more deducted from their Social Security checks. Every elderly couple will pay $2,480 more.

The impact of this program is devastating for moderate- and low-income seniors. It is instructive to compare the premium increase next year—the portion of the Republican plan tucked into the continuing resolution—to the Social Security cost-of-living increase that maintains the purchasing power of the Social Security check. One-quarter of all seniors have Social Security benefits of $5,364 a year or less. The COLA for a senior at this benefit level will be $139 next year.

The average senior has a Social Security benefit of $7,874. The COLA for someone at this benefit level is $205.

But under the Republican plan the premium next year will be $126 higher than under current law. Average-income seniors will be robbed of almost two-thirds of their COLA. Low-income seniors will be robbed of a whopping 90 percent of their COLA.

Senior citizens have earned their Social Security and Medicare through a lifetime of hard work. They built this country and made it great. Because of their achievements, America has survived war and depression. Tonight is the eve of Veterans Day, when we honor those who sacrificed for our country. Many of those veterans depend on Medicare. It is wrong to take away their benefits, and it is especially wrong to do so to pay for an underserved tax break for the wealthiest individuals and corporations in America.

The Republicans' attack on Medicare will make life harder, sicker, and shorter for millions of elderly Americans. They deserve better from Congress. This cruel and unjust Republican plan to turn the Medicare trust fund into a slush fund for tax breaks for the wealthy deserves to be defeated.

The PRESIDING OFFICER. Who yields time?

Mr. ROTH. Mr. President, I yield 5 minutes to the distinguished Senator from Rhode Island.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. CHAFEE. Mr. President, there are two horses the Democrats like to ride. One is Social Security, and the other is Medicare.

They like to ride both of them at the top of their lungs, as has been indicated here this evening.

Let us talk about Medicare, which is the subject before us. There are a lot of deceptive statements being made here this evening in connection with Medicare. One is that you are increasing the premiums. First, let us make clear what we are talking about. Under Medicare, there is part A. There is a trust fund and that pays for the hospitalization. Part B is an insurance program. It is a voluntary insurance program that senior citizens can take if they so choose, and about 99-plus percent choose the part B insurance program.

What does the part B insurance program do? It covers the cost after the deductible for physicians. That is what part B is.

Let us look at a little bit of history. When part B was set up under Medicare in the early 1960's, the thought and, indeed, the plan was that the beneficiary, the insured, would pay 50 percent of the premium and the Federal Government would pay the other 50 percent of the premium.

However, due to the fact that it was set in dollars and medical inflation came along, what started out as a dollar premium that equaled 50 percent soon slid down, down, down and became less than 25 percent, something like 18 percent. So then we changed the law, and we provided that it be 25 percent as a minimum. But over the past several years that rose, and it currently is at 31.5 percent. That is what it is now. And so this idea that by staying at 31.5 percent we are increasing the premium is absolute, total nonsense.

It is important to remember this. The Federal Government is now paying, for the total part B premiums, as its share, namely the 69 percent that it pays, with the insured paying 31.5 percent, $42 billion a year, and we believe that the 31.5 percent premium that is currently being paid is a fair premium. It is not 50 percent, as the authors of the legislation originally provided, and it is not 40 percent, but it is 31.5 percent. That is what the Republicans have provided.

The argument is, well, do not do it on this bill. Do it on something else. The problem is that unless we provide on this bill that it be at 31.5 percent, due to the mechanics of the machinery for Social Security and the withholding, and so forth and so on, because this is a premium that is deducted from the benefit of the Social Security recipients—in other words, when they choose to have the insurance, they provide that the premium be deducted from their Social Security income, and in order to keep it at this particular figure, 31.5 percent, it is required that legislation be enacted. That is why we are here this evening.

Mr. DASCHLE. Will the Senator yield on that point?

Mr. CHAFEE. That is right. Yes.

Mr. DASCHLE. Will the Senator indicate what it will revert back to if this legislation is not passed?

Mr. CHAFEE. It will revert to the 25 percent that we have long since bypassed. It is now at 31.5 percent. Who set it at 31.5 percent?

Mr. DASCHLE. But the Senator does confirm it reverts back to 25 percent.

Mr. CHAFEE. A Democratic Congress—a Democratic House of Representatives, a Democratic Senate—provided that it be at the 31.5 percent. And to say this is an increase when that is what is being paid now is just plain not so.

Now, Mr. President, you could say, well, it ought to go to 25 percent. Well, why not have it go to 10 percent or, indeed, more attractive and more appealing I suppose is no charge. Have the Federal Government pay it all. But we believe that when we look at these programs, when we look at the cost of $42 billion, for the beneficiary to continue paying at the same percentage he or she is currently paying is fair.

Now, they do not say, well, it is unfair to pay 31.5 percent. Is that the viewpoint of the Senator from Massachusetts, I wonder?

The PRESIDING OFFICER. The Senator's 5 minutes has expired.

Mr. KENNEDY. I will answer in 30 seconds. What is completely unfair is to raise $51 billion, according to CBO, from low-income people in order to pay for a tax break for the wealthiest individuals. That is what is unfair. I wish the Senator had addressed the issue of the tax break for the wealthy. The Senator has not even referred to it. This provision raises $51 billion, I say to the Senator, here it is, right here in the chart. And you are using that $51 billion as part of your $245 billion tax break for the wealthy. The Senator has not even talked about that in his explanation.

Mr. CHAFEE. Now, Mr. President——

Mr. KENNEDY. I reserve the remainder of my time.

Mr. CHAFEE. I would ask that I have 2 more minutes.

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

Mr. CHAFEE. Mr. President that is what you call a syllogism. Does he believe that the premium should not be 31.5 percent? Suddenly we get talking about tax breaks for the rich. There is no tax break for the rich provided in this legislation. What we are saying is——

Mr. KENNEDY. I will take——

Mr. CHAFEE. Let me finish.

Mr. KENNEDY. I will be glad to answer the question.

Mr. CHAFEE. We are on my time.

Mr. KENNEDY. I will be glad to answer the question.

The PRESIDING OFFICER. The Senator from Rhode Island has the floor.

Mr. CHAFEE addressed the Chair.

The PRESIDING OFFICER. The Senator from Rhode Island has the floor. Does he yield the floor?

Mr. CHAFEE. I know I am against sturdy competition, particularly in the volume level, but I would like to finish.

We believe that a beneficiary paying 31.5 percent is fair. As you know, under the current law, when an individual is unable to pay the premium, then Medicaid can step in. That is the current law of the land. Medicaid is there to cover the deductibles. Medicare is there to pay the part B premium. But we believe that it is fair for the beneficiary to pay 31.5 percent with the Federal Government paying 68.5. That is a pretty good deal.

So that is what this is all about this evening. It has nothing to do with the rich. You can read the language, and there is no tax cut for the rich. I do not know where they get that from. It has nothing to do with that. It is whether it is fair to say to the beneficiaries you are getting a very good deal here.

And you cannot beat it for paying not the entire premium. Indeed, there is no means testing here. There is no suggestion, as we have proposed and subsequently presumably it will come along in later days, that the more affluent pay more. That is not included here. I would be happy if it were. But that is not in this particular program.

So, because of the mechanics that have to take place, it is important that this legislation be approved.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. KENNEDY. Could I have just 30 seconds to respond?

The PRESIDING OFFICER. Who yields time?

Mr. DASCHLE. I yield 1 minute to the distinguished Senator.

Mr. KENNEDY. I want to make it clear that I do think the raising to 31 percent, which this proposal does, is unfair. And I want to tell you why. Because it was a guarantee to the seniors, "Work hard, pay your taxes, and you are going to have affordable health care." Under the Republican proposal, you will be adding some $2,400 to the cost of health care to every senior citizen in this country. You are going to be denying them access to health care. And you are doing it to have the tax breaks for the wealthy.

And that, I say to the Senator, is unfair. And at the 31 percent, the premium will emasculate the cost-of-living adjustment under Social Security. The Republicans said, "We aren't going to touch Social Security," and yet they are effectively wiping out the COLA for the poorest of our elderly people.

I yield the remainder of the time.

Mr. DOMENICI addressed the Chair.

Mr. ROTH. I yield 4 minutes to the Senator.

Mr. DOMENICI. Mr. President, let me say to the senior citizens of the United States, "The Federal Government is paying for your insurance, everything except hospitalization which you paid for in trust from your salary. We have decided to pay a premium for your health insurance. And we pay it for nobody else in America."

There are families with a husband and wife, and four kids, making $22,000 a year, working hard, trying to get ahead. We do not pay any health insurance premium for them, but because we want to take care of our seniors, we pay for theirs. How much do we pay, and how much does the senior pay? At this point in time, the senior citizen pays 31.5 percent and the taxpayers of America, because we want to take care of seniors, pay 68.5 percent.

That is the fact. All this amendment says is that it is going to stay at 31.5 percent. It is not going down to 25 percent or 20 percent or 10 percent. We say to the seniors, ''Is it not fair that you pay 31.5 percent''—that is what it has been for awhile—''while the taxpayers pay all the rest, while we try to get a balanced budget for the United States, so that our children and grandchildren will have a chance at making a decent living and increasing their standard of living?''

By the way, we do not pay the health insurance premium for a husband and wife and four children. They may have insurance; they may not. We do not pay it from the taxpayers of America. So what we did is say, ''Let's get a balanced budget on this score. Let's just leave the premium at 31.5 percent, with the taxpayers paying all the rest.'' When we were finished with all of this, we found we had an economic dividend. That dividend said you have a surplus in the budget of the United States. All we said to the seniors of the United States is, ''We would like to give that money back to the taxpayers.'' Ninety percent of that economic dividend is going back to the taxpayers of America who earn $100,000 or less a year.

Everything I have said is fact. Now, you can turn it around however you would like, but I do not believe there are going to be very many senior citizens who are going to be angry at us when we say, ''We will keep on paying 68.5 percent of the cost of your insurance, but we would like to give the American people a tax break, with most of it going to men and women who have children, by way of a tax credit and a little tiny bit so that we can have the economy grow.''

What is the matter with that? It seems to me that is the best thing we can do for seniors and by far the best thing we can do for their children and grandchildren. And that is the way it is.

The PRESIDING OFFICER. Who yields time?

The Senator from Delaware.

Mr. ROTH. Mr. President, I yield myself such time as I may use.

The PRESIDING OFFICER. The Senator from Delaware has 7 minutes.

Mr. ROTH. Mr. President, I rise in opposition to the amendment. This legislation sets the part B monthly premium for 1996 at 31.5 percent of part B costs, the exact same percentage of cost beneficiaries cover today through their premiums. I might point out that the Senate has already approved this change in the budget reconciliation bill.

Mr. President, if we do not make a change in the part B premium, the percentage of part B spending that beneficiaries cover through their premiums will drop on January 1. And as I said, beneficiaries now pay for 31.5 percent of part B spending through premiums, and as of January 1 of this next year it would drop to 25 percent. If we do not pass this legislation by next week, the Social Security Administration tells us it cannot change the premium for another 4 months because of the time it needs to reprogram its computers.

This part B premium change is a downpayment on restoring fiscal security to part B. I might point out that part B is strictly voluntary on the part of our senior citizens as to whether or not they enroll in it. A lot of attention has been focused on the need to restore solvency to the part A trust fund. But part B spending is also a major problem.

The Medicare trustees, trustees appointed by President Clinton, in their 1995 report on the part B trust fund, pointed out that part B costs have increased 53 percent in the last 5 years and costs grew 19 percent faster than the economy as a whole. In my view, it simply does not make sense to let the part B premium go down when, in fact, part B costs are exploding.

Let us remember where the rest of part B spending comes from. It comes from taxes, taxes paid for by the American people. And even under the reconciliation bill, the taxpayer subsidy of part B will be almost 70 percent of part B costs. The public trustees—again, the same trustees appointed by President Clinton—of the Medicare program termed the part B subsidy a major contributor to the fiscal problems of the Nation. In other words, this subsidy is a direct contribution to our deficit.

Some will undoubtedly claim that this premium change will burden American seniors. We do not think so. The premium change, as I said, simply continues the current level of beneficiary cost-sharing among 36 other Medicare beneficiaries. We think this is fair. We urge the Members of this Chamber to defeat this amendment.

I yield the floor, reserving the remainder of my time.

Mr. GRAHAM. Mr. President, would the Senator from Delaware yield for a question?

Mr. ROTH. Not right now. First I want to yield time to the distinguished Senator from Wyoming.

Mr. SIMPSON addressed the Chair.

The PRESIDING OFFICER. The Senator has 2 minutes 44 seconds remaining.

Mr. SIMPSON. Mr. President, I do not know how much has been covered here, but if ever we are going to get anything done with regard to these programs, this is it. I do not want anyone to forget in this body that when this remarkable program was put together—and, remember, it is voluntary—it was never part of any contract. This is voluntary.

This is an income transfer; 69 percent of the premiums on part B are paid by the people who maintain this building and 29 percent are paid by the beneficiaries regardless of their net worth or their income. This is absurd.

If we cannot even means test part B premiums, which are simply voluntary, we will never get anything done, period. But here is the key. Remember when this program started, I say to my colleagues—do not miss this—under the 1965 law, this was to be a split of 50–50. Everyone in this body knows it, 50 percent was to be paid by the Government, the taxpayers, and 50 percent by the beneficiary. Everybody who is in this debate knows that.

How did it then get to 25 percent? It got to 25 percent by people who knew they could get reelected by simply coming to the floor and saying, ''Oh, you shouldn't have to pay 50 percent of that premium; you should pay 45 percent.''

Mr. FORD. Mr. President, can we have order in the Chamber? It seems we have some visitors. We need decorum here.

Mr. SIMPSON. I thank my friend from Kentucky. ''No, no, you should not have to pay 50 percent, you are beleaguered, tortured.''

Bosh, it is a voluntary program. It is $46.10 a month; $46.10 a month to people who are floating in a golden parachute. This is absolutely bizarre, when the thing was originally 50–50 and now we have it to 25–75 and now we want to say 31 is too much? Ask the people who are called ''Joe Six-Pack'' how they feel about paying 70 percent of the premium for somebody who is loaded. This is crazy.

Mr. GRAHAM. Will the Senator from Wyoming yield for a question?

Mr. SIMPSON. Yes.

Mr. GRAHAM. In the Finance Committee, you offered an amendment which would have the effect of causing high-income Medicare beneficiaries to pay a larger percentage of the cost to the program; is that correct?

Mr. SIMPSON. That is correct.

Mr. GRAHAM. That was adopted by the Finance Committee.

Mr. SIMPSON. It was a very fine bipartisan vote of 15–5.

Mr. GRAHAM. Would this proposal of setting the percentage at 31.5 percent obviate your amendment which would have set a higher percentage for high-income Medicare beneficiaries?

Mr. SIMPSON. Obviously, it would. If we cannot maintain the current level of 31.5 percent, we are in deep trouble, to go back to 25, to strike everything we are trying to do in means testing.

Mr. GRAHAM. What I am saying is, if we retain the provisions in the continuing resolution, it appears to mandate that we set the computers at 31.5 percent for all beneficiaries, the rationale being if we do not act now, it will be too late to adjust those computers.

Would that not have the effect of eliminating the opportunity to do what your amendment calls for, which is to have a different percentage for high-income beneficiaries?

The PRESIDING OFFICER. All time has expired.

Mr. SIMPSON. I do not know how better to explain the situation. If you are going to change this formula, obviously the means testing or affluence testing, as I call it, of part B premiums cannot be done properly if you are going to give more of a break to people regardless of their net worth or income.

The PRESIDING OFFICER. The time of the Senator from Wyoming has expired.

Mr. DASCHLE. How much time remains on our side?

The PRESIDING OFFICER. Two minutes, 10 seconds.

Mr. DASCHLE. I yield 30 seconds to the Senator from West Virginia.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. ROCKEFELLER. Mr. President, I thank the Democratic leader.

The Republicans are asking seniors to pay more than Congress intended because they want seniors to pay more. They think they should pay more, and this, I warn my colleagues, is the beginning of the Republican plan to ask seniors to pay more for their health care coverage.

Mr. DASCHLE. Mr. President, let me associate myself with the remarks of both our Democratic Senators. The Senator from Florida and the Senator from West Virginia have made a point I was going to make in response to the Senator from Wyoming. The fact remains that seniors pay more for their health care than any other group of people in the country. That is not disputable. They pay more than anyone else. Yet, this amendment requires them to pay even more than they pay today. That is what this issue is about and no one ought to be misled about that.

I want to make two final points, reiterating what I said earlier about the importance of this legislation and confirming what the distinguished Senator from Rhode Island said earlier.

Current law dictates that 1996 premiums will revert back to the 25 percent level. The continuing resolution seeks to change this and lock-in the premium at 31 percent. We have debated this, we have discussed it, we have analyzed it, we have consulted and we have concluded over a long period of time that 25 percent is the figure that we ought to lock-in for seniors to pay their fair share, given the fact that they already pay more in out-of-pocket costs and in higher deductibles than any other segment of the population.

Mr. President, we made a commitment 30 years ago that seniors would get health care, and it would be affordable. That commitment is now jeopardized if this amendment is not adopted. I hope Senators on both sides of the aisle will recognize that and support it as this legislation comes before us tonight.

I yield the floor.

The PRESIDING OFFICER. All time has expired.

Mr. DASCHLE. 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.

VOTE ON AMENDMENT NO. 3049, AS MODIFIED, UPON RECONSIDERATION

The PRESIDING OFFICER. The question recurs on amendment No. 3049, as modified, offered by the Senator from Idaho [Mr. CRAIG]. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. LOTT. I announce that the Senator for Indiana [Mr. LUGAR] is necessarily absent.

Mr. FORD. I announce that the Senator for Hawaii [Mr. AKAKA] is necessarily absent.

I also announce that the Senator from New Jersey [Mr. BRADLEY] is absent because of illness in the family.

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

The result was announced—yeas 49, nays 47, as follows:

[Rollcall Vote No. 565 Leg.]

YEAS—49

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

NAYS—47

Baucus	Glenn	Mikulski
Biden	Graham	Moseley-Braun
Bingaman	Harkin	Moynihan
Boxer	Heflin	Murray
Breaux	Hollings	Nunn
Bryan	Inouye	Pell
Bumpers	Jeffords	Pryor
Byrd	Johnston	Reid
Conrad	Kennedy	Robb
Daschle	Kerrey	Rockefeller
Dodd	Kerry	Sarbanes
Dorgan	Kohl	Simon
Exon	Lautenberg	Snowe
Feingold	Leahy	Specter
Feinstein	Levin	Wellstone
Ford	Lieberman	

NOT VOTING—3

Akaka	Bradley	Lugar

So the amendment (No. 3049), as modified, was agreed to.

Mr. SANTORUM. I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

AMENDMENTS NOS. 3045, 3046, 3047, AND 3048

Mr. DOLE. In light of the vote, I now ask that the amendment 3048 be agreed to, and amendments 3047, 3046 and 3045 be withdrawn.

The PRESIDING OFFICER. Is there objection?

Mr. BYRD. Mr. President, reserving the right to object, I wish Senators would just stop and look around. I wish Senators would just take a look at what is going on on the floor.

Mr. President, I will not object, but I want to retain the floor briefly on a reservation of objection.

I wish Senators would just look around this Chamber. If you have not looked around, do it. I do not mean to be discourteous to our colleagues from the House. They have the privilege of the floor. I would defend their privilege, their right to the privilege, as long as it is in that book. And it is in there—the book on Senate Rules. But it is a little disconcerting to see them down in the well, buttonholing Members of the Senate. I resent that. I resent that. If there is ever a time when they want my vote, where they would like to see me vote a certain way, such conduct would turn me the other way.

All the while I have been speaking, a House Member has been standing over there laughing and grinning. I do not mean to be discourteous to House Members, but to me that comes with very poor grace.

I have been in this Senate now 37 years. I used to be a Member of the House. Not once have I ever gone over there and attempted to buttonhole Members of the other body during a vote.

I hope that the Chair will insist on better order in the Senate. That might go for some of our own Members, as well.

I try to sit in this chair here most of the time. I know that we all are prone to forget and chat with colleagues as they come in on the floor because we have not seen them. They have been in committee meetings and so on. If that Chair will make that gavel heard, here is a Senator who would sit down. I respect that Chair and I respect that gavel.

I hope that House Members will show a little respect for this body and for the privilege of the floor which they have been accorded. And I hope that we Senators will help the Chair to insist on that.

Mr. President, I thank the Chair.

I remove my reservation.

The PRESIDING OFFICER. Is their objection to the request of the majority leader?

Without objection, it is so ordered.

So the amendment (No. 3048) was agreed to.

So the amendments (Nos. 3045, 3046, and 3047) were withdrawn.

Mr. DOLE. Mr. President, what is the pending business?

AMENDMENT NO. 3050

The PRESIDING OFFICER. Under the previous order, the question occurs

now on amendment No. 3050 offered by the minority leader, Mr. DASCHLE. On this question, the yeas and nays have been ordered.

Mr. DOLE. I move to table, and 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. DOLE. Mr. President, I think most of our colleagues are here and have been notified, if we might have consent that this be a 10-minute vote, and then, following that, there will be a rollcall vote on final passage of 10 minutes.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

The question is on agreeing to the motion of the Senator from Kansas to lay on the table the amendment of the Senator from South Dakota. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. LOTT. I announce that the Senator from Indiana [Mr. LUGAR] is necessarily absent.

Mr. FORD. I announce that the Senator from Hawaii [Mr. AKAKA] is necessarily absent.

I also announce that the Senator from New Jersey [Mr. BRADLEY] is absent because of illness in the family.

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

The result was announced—yeas 52, nays 44, as follows:

[Rollcall Vote No. 566 Leg.]

YEAS—52

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

NAYS—44

Baucus	Ford	Mikulski
Biden	Glenn	Moseley-Braun
Bingaman	Graham	Moynihan
Boxer	Harkin	Murray
Breaux	Heflin	Nunn
Bryan	Hollings	Pell
Bumpers	Inouye	Pryor
Byrd	Johnston	Reid
Conrad	Kennedy	Robb
Daschle	Kerry	Rockefeller
Dodd	Kohl	Sarbanes
Dorgan	Lautenberg	Simon
Exon	Leahy	Specter
Feingold	Levin	Wellstone
Feinstein	Lieberman	

NOT VOTING—3

Akaka	Bradley	Lugar

So, the motion to lay on the table the amendment (No. 3050) was agreed to.

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The Senate will be in order.

The majority leader is recognized.

Mr. DOLE. I would ask that we have 1 minute before the next vote so the chairman of the committee, the Senator from Oregon, may offer a technical amendment which has been agreed to.

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

Mr. HATFIELD addressed the Chair.

The PRESIDING OFFICER. The Senator from Oregon is recognized.

AMENDMENT NO. 3051

Mr. HATFIELD. Mr. President, I have two technical amendments that have to be offered, and they have been cleared on the other side of the aisle by Senator BYRD. They relate to a technical amendment for the U.S. Information Agency and in relation to the DC amendment. So I send these to the desk and ask for their immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows.

The Senator from Oregon [Mr. HATFIELD] proposes an amendment numbered 3051.

Mr. HATFIELD. 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:

In Sec. 101. (a) after Educational Exchange Act of 1948, insert: ''section 313 of the Foreign Relations Authorization Act, Fiscal Years 1994 and 1995 (Public Law 103–236),''.

On page 10 at line 19, after the period insert the following: ''Included in the apportionment for the Federal Payment to the District of Columbia shall be an additional $15,000,000 above the amount otherwise made available by this joint resolution, for purposes of certain capital construction loan repayments pursuant to Public Law 85–451, as amended.''

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

So the amendment (No. 3051) was agreed to.

The PRESIDING OFFICER. The joint resolution is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendments and third reading of the joint resolution.

The amendments were ordered to be engrossed and the joint resolution to be read a third time.

The joint resolution (H.J. Res. 115) was read the third time.

The PRESIDING OFFICER. The question is, Shall the joint resolution pass?

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

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. LOTT. I announce that the Senator from Indiana [Mr. LUGAR] is necessarily absent.

Mr. FORD. I announce that the Senator from Hawaii [Mr. AKAKA] is necessarily absent.

I also announce that the Senator from New Jersey [Mr. BRADLEY] is absent because of illness in the family.

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

The result was announced—yeas 50, nays 46, as follows:

[Rollcall Vote No. 567 Leg.]

YEAS—50

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

NAYS—46

Baucus	Ford	Mikulski
Biden	Glenn	Moseley-Braun
Bingaman	Graham	Moynihan
Boxer	Harkin	Murray
Breaux	Heflin	Nunn
Bryan	Hollings	Pell
Bumpers	Inouye	Pryor
Byrd	Johnston	Reid
Cohen	Kennedy	Robb
Conrad	Kerrey	Rockefeller
Daschle	Kerry	Sarbanes
Dodd	Kohl	Simon
Dorgan	Lautenberg	Snowe
Exon	Leahy	Wellstone
Feingold	Levin	
Feinstein	Lieberman	

NOT VOTING—3

Akaka	Bradley	Lugar

So the joint resolution (H.J. Res. 115), as amended, was passed.

Mr. MOYNIHAN. Mr. President, I move to reconsider the vote by which the joint resolution was passed.

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

The motion to lay on the table was agreed to.

Mr. DOLE. 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. DOLE. 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. DOLE. Mr. President, has H.R. 2586 arrived?

The PRESIDING OFFICER. It has.

DEBT LIMIT EXTENSION

Mr. DOLE. Mr. President, I ask unanimous consent that the Senate now turn to H.R. 2586, the debt limit; that there be two amendments in order, the