

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

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

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

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

There are, of course, and be assured, countless fine organizations doing good work and good works, organized under 501(c)(4) of the Tax Code. And if they wish to continue their administration of Federal grant money, certainly we

should encourage them to file as a 501(c)(3) or any other available provision of the Tax Code.

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

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

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

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

MEDICARE AND SOCIAL SECURITY REFORM

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

LOBBYING DISCLOSURE ACT OF 1995

The Senate continued with the consideration of the bill.

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

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

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

The PRESIDING OFFICER. The Senator from Colorado.

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

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

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

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

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

AMENDMENT NO. 1838

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

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

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

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

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

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