

## "SOLID" BUDGET PLAN

1995 real deficit (CBO), —\$283.3 billion.

(In billions of dollars)

Year	CBO outlays	CBO revenues
1996	1,583	1,355
1997	1,624	1,419
1998	1,663	1,478
1999	1,718	1,549
2000	1,779	1,622
2001	1,819	1,701
2002	1,874	1,884

Total

12,060

11,008

\$636 billion "embezzlement" of the Social Security Trust Fund.

(In billions of dollars)

	Outlays	Revenues
2002 CBO baseline budget	1,874	1,884
This assumes:		
1. Discretionary freeze plus discretionary cuts (in 2002)		—\$121
2. Entitlement cuts and interest savings (in 2002)		—\$226
[1996 cuts, \$45 B] Spending reductions (in 2002)		—\$347
Using SS Trust Fund		—\$115
Total reductions (in 2002)		—\$462

	1996	1997	1998	1999	2000	2001	2002
Deficit CBO Jan. 1995 (using trust funds)	207	224	225	253	284	297	322
Freeze discretionary outlays after 1998	0	0	0	—19	—38	—58	—78
Spending cuts	—37	—74	—111	—128	—146	—163	—180
Interest savings	—1	—5	—11	—20	—32	—46	—64
Total savings (\$1.2 trillion)	—38	—79	—122	—167	—216	—267	—322
Remaining deficit using trust funds	169	145	103	86	68	30	0
Remaining deficit excluding trust funds	287	264	222	202	185	149	121
5 percent VAT	96	155	172	184	190	196	200
Net deficit excluding trust funds	187	97	27	(17)	(54)	(111)	(159)
Gross debt	5,142	5,257	5,300	5,305	5,272	5,200	5,091
Average interest rate on debt (percent)	7.0	7.1	6.9	6.8	6.7	6.7	6.7
Interest cost on the debt	367	370	368	368	366	360	354

Note.—Figures are in billions. Figures don't include the billions necessary for a middle-class tax cut.

Mr. HOLLINGS. Mr. President, the January table shows the deficit using trust fund and not using the trust fund.

I have been in this budget game now for over 20 years at the Federal level. If anyone can show me any kind of realistic cuts that will by themselves balance the budget, I will jump off the Capitol dome. It is very easy to make that pledge because you see exactly from the arithmetic.

The Republican budget can claim it balances the budget in 7 years only because they use \$636 billion of Social Security between now and 2002. The other half of the trillion-dollar program comes from discretionary cuts, entitlement cuts, and interest savings of \$347 billion in the year 2002. That should give us a dose of reality. At this very minute, we are struggling to find \$45 billion in cuts for this fiscal year.

In addition, you can add on the tax cut, which adds \$93 billion to the debt. I ask unanimous consent that a Wall Street Journal article outlining this fact be printed in the RECORD.

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

[From the Wall Street Journal]

GOP TAX CUTS WILL ADD \$93 BILLION TO U.S. DEBT, BUDGET ANALYSTS SAY  
(By Jackie Calmes)

WASHINGTON.—Despite Republicans' claims to the contrary, their tax cuts will add billions to the nation's nearly \$5 trillion debt even as the GOP seeks to balance the budget by 2002.

Mr. HOLLINGS. Mr. President, in this chart we have taken the outlays under the Republican budget proposal as promulgated by the Congressional Budget Office for the years 1996 through the year 2002, and the revenues from CBO for the years 1996 through 2002. If you look at the total for spending, it is \$12,080,000,000,000—\$12,080,000,000,000. Then if you look at total revenues over the same period, it is only \$11,008,000,000,000.

By simple arithmetic we will be adding over \$1 trillion to the debt over the next 7 years.

In the year 2002, the gross debt will go from \$4.9 trillion today to \$6.728 trillion.

In order to show good faith, Mr. President, I ask unanimous consent to have printed in the RECORD the budget paths that I presented in January at our initial meeting of the Budget Committee.

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

## HOLLINGS RELEASES REALITIES ON TRUTH IN BUDGETING

Reality No. 1: \$1.2 trillion in spending cuts is necessary.

Reality No. 2: There aren't enough savings in entitlements. Have welfare reform, but a jobs program will cost; savings are questionable. Health reform can and should save some, but slowing growth from 10 to 5 percent doesn't offer enough savings. Social Security won't be cut and will be off-budget again.

Reality No. 3: We should hold the line on the budget on Defense; that would be no savings.

Reality No. 4: Savings must come from freezes and cuts in domestic discretionary spending but that's not enough to stop hemorrhaging interest costs.

Reality No. 5: Taxes are necessary to stop hemorrhage in interest costs.

An estimated \$93 billion in extra debt will pile up as a result of the Republicans' proposed \$245 billion in seven-year tax cuts, according to calculations from GOP congressional budget analysts. And that's assuming the economy gets a huge \$170 billion fiscal stimulus that Republicans are counting on as a consequence of balancing the budget over seven years, thanks mostly to lower interest rates.

GOP leaders agreed last summer, as part of a House-Senate budget compromise, to apply that hypothetical \$170 billion "fiscal dividend" toward their proposed \$245 billion in tax cuts. That left \$75 billion in revenue losses unaccounted for. Interest on that amount would add about \$18 billion, for the total \$93 billion in debt.

Meanwhile, the Republican architects of the plan boast that the tax cuts are all paid for with spending cuts. Senate Finance Committee Chairman William Roth, announcing his panel's draft \$245 billion tax-cut package last Friday, said it would be completely financed with lower interest rates and smaller government. "Other factors like that will add up to \$245 billion," the Delaware-Republican said.

And Oklahoma Sen. Don Nickels, another Finance Committee panelist and a member of the Senate GOP leadership, added, "We will not pass this tax cut until we have a letter" from the Congressional Budget Office reporting that Republicans' proposed spending cuts through 2002 "will give us a balanced budget and a surplus of at least \$245 billion." He added, "It's all paid for."

The confusion has to do with the frequently misunderstood distinction between the nation's accumulated debt, now approaching \$4.9 trillion, and its annual budget deficits, which have built up at roughly \$200 billion a year.

Republicans' spending cuts, it's projected, generally will put the annual deficits on a downward path until the fiscal 2002 budget shows a minimal surplus. But the annual deficits until then, while declining, together with nearly \$1 trillion more to the cumulative debt. Meanwhile, the GOP tax cuts add to those annual deficits in the early years—in fact, the fiscal 1997 deficit would show an increase from the previous year. Thus the debt, and the interest on the debt, would be that much higher.

Interviews in recent weeks indicate that many House and Senate GOP members are unaware of the calculus. And some are unfazed even when they hear of it. "It would bother me if I thought we were adding to the debt," said Texas Sen. Phil Gramm, now seeking the presidency on his record as a fiscal conservative, "but I don't think we are."

Mr. HOLLINGS. The Chair has been indulgent and I know my distinguished colleague from Tennessee is waiting to be heard.

Let me conclude by asking people to look at the arithmetic and to help expose the fact that once again, we have lied to the American people.

The PRESIDING OFFICER. Under the previous order, the Senator from Tennessee is recognized to speak for up to 20 minutes.

## CHANGE THE BUDGET STATUS QUO

Mr. THOMPSON. Mr. President, I appreciate the recognition.

First of all, I want to commend the distinguished Senator from South Carolina for his usual eloquence. I

think if I ever had a case to litigate in court that I want him on my side. Apparently, a lot of people in South Carolina over the years have felt the same way.

He brings to this discussion a unique perspective of someone who has been in this body for many years, having served as Governor before his service in this body. Great experience—he has been through the budget years, budget battles.

It is always enlightening to hear an analysis of history—ancient history, recent history—as to how we got into the fix that we are in this country, whose fault it has been in the past, and what calculations that were made in the past that turned out not to be correct, and the political battles back and forth.

It is also interesting to hear from someone with such vast knowledge and experience as to how these deficits are figured, whose figures are to be used, whose figures are to be trusted and all of that.

However, Mr. President, I cannot bring to this discussion that kind of richness of historical perspective. I bring, as many of my colleagues here in the Senate, including my colleague from Tennessee who occupies the chair now, a different perspective.

That is, one from someone who has not been in this body, has not been in politics as far as that is concerned, over the years, and perhaps who views this a bit differently, from a different perspective.

That is, simply—regardless of all of that—we are simply spending more than we are taking in. We are simply bankrupting the next generation. We simply have to do some things differently in this country.

I think probably the best service that analysis of the past can be is an example of what we should not do. Sometimes I wonder whether or not we should not, with regard to our fiscal policies in the past, with regard to so many of our social policies, we should not carefully analyze what we have done over the years and do the exact opposite.

I think as far as these fiscal problems are concerned, all I know is that we have that problem; the American people know we have that problem. They sent some of us here to address that problem in a different way than has been addressed in times past.

We stand here now on the brink of what I feel is a historic opportunity to address this for the first time in decades. Others would disagree and say we have tried various things before and they have failed. We tried some things and they worked for a while and we backed off again, which to me is a pretty good argument for a constitutional amendment to balance the budget. That is a debate for a different time.

The chairman of the Budget Committee, as I read in this morning's paper, called this reconciliation package the culmination of his life's work. He is

not a person to use language loosely, and I am sure he feels that way, and I am sure it is the case.

It has been a remarkable life's work and I think it points out the way in which serious people view this serious problem and where we are. That is, on the brink of perhaps a historic occasion for the first time, perhaps, in this generation, to really try to get a grip on a problem that is strangling our Nation, that will undoubtedly engulf the next generation if we do not face up to it and do something about it.

Anyone who reads history will see that history is full of occasions of great powers having great economic viability and power and success and great military powers, and countries come to the top and they rule the world on occasion for periods of time, in ancient times, and they become the major economic powers of the world for periods of time.

Invariably, as the Bard would say, they strut and fret their brief hour upon the stage and then they move on. They decline, through laziness, laxity, corruption, for whatever reason, they move on. And they fade into the sunset and they are no longer militarily or economically powerful.

One looking at the United States of America by any measurable criteria—economic, socially, or perhaps any other criteria—could make a pretty good case that the United States of America is on the beginning stages of that kind of decline. I think just within the last few years that people have taken note and made a decision in this country that we are not going to let that happen to the United States of America, that we are going to do something really unprecedented in world history, and that is to stop ourselves in mid-decline and to correct that course.

For years in this country we have somewhat recognized these problems, but basically roll them over for the next generation to deal with. We have thought that we could have our cake and eat it too. We have thought that we could socially engineer our ways out of almost any problem and do it from Washington, DC.

These things have not worked. Now we are in a position of having to correct some false assumptions that we have made and some false basis for policies that we have had in this country for some time now. That should not be a remarkable occurrence and it should not be something that should be extremely disturbing to many of us.

This must happen in an individual's life. In the life of a nation, Thomas Jefferson, as we heard so often quoted in the balanced budget debate back a few months ago, pointed out that we need to reexamine ourselves every once in a while. Even our form of government, in some basic ways, should be reexamined and challenged from time to time. Different way of doing business. Certainly these policies that are based on nothing more than a series of legislative enactments should undergo that kind of

scrutiny. That is what we are doing now. That is what we are doing.

We have operated under the assumption that we could cure poverty in this country by spending our way out of it, that as long as we were spending vast sums of money this was demonstrating our commitment to those less fortunate. It made us feel good.

Basically, of course, we were spending other people's money, folks out there working for a living, paying taxes, and they were footing the bill as always. But we felt basically the end would justify that, because we could eradicate poverty in this country, basically. We, of course, gave no account, apparently, to basic tenets of human nature, that we could not spend \$5 trillion on a problem such as this without creating dependency. We gave no accounting to the obvious fact that we cannot micromanage people's behavior from Washington, DC. But we spent \$5 trillion and now we have, perhaps, basically the same rate of poverty that we had in this country when we started.

We developed a program for health care coverage for the elderly back in 1965. A lot of Democrats and Republicans joined together at that time to institute Medicare and also Medicaid. At the time the Ways and Means Committee estimated the hospital insurance part A would cost \$9 billion to finance in 1990. In 1990 hospital insurance actually cost \$67 billion. Medicaid, a narrowly defined program buried in the 1965 bill that created Medicare, of course provides health care for low-income Americans. It was intended to cost about \$1 billion annually. By 1992, expenditures had ballooned to \$76 billion. In 1995 it was \$89 billion. Of course that is the Federal Government's share alone, the States spent another \$67 billion.

So it is clear that we miscalculated, that we have operated under false assumptions, and that we must have some midcourse correction here in order to save the very thing we say we want, because the results of these policies, the results of this miscalculation, has left us in a sea of debt. It has slowed down the economy. We now have the lowest savings rate in the industrialized world. We have one of the lowest investment rates among our trading competitors, and it has left our growth rate at about half what it usually is coming out of a recession in this country. It is making it more difficult for us to compete in a global economy with nations that measure their wages in pennies instead of dollars, and our work force here is insufficiently trained to meet that. This is all in the context of an economy about which a good argument can be made, based upon our savings rate and our growth rate, that our investment rate is basically, long range, long term, slowing down—slowing down.

We have seen the result of our social policies. Mr. President, it is not going to matter all that much whether we

balance the budget or not if out-of-wedlock births become the norm in this country. It is not going to matter whether we have a tax cut or not if juvenile crime makes it so that nobody can even get out on the streets anymore in this country—and that is what it is coming to.

At a time when many of our prime statistics are leveling off, juvenile crime is now skyrocketing. Drug use among the juvenile population is now skyrocketing. So we have a slowing economy and terrible social indicators, where out-of-wedlock births exceed 50 percent in most of the major cities now.

Probably worst of all, I think, is a growing cynicism among the American people. The dissatisfaction you see, the third parties we hear being talked about, the aftermath of these activities of some of our law enforcement agencies, have people who are big, strong, conservative law enforcement people saying, "Wait a minute, this is not the way it ought to be. This is not the Government I know. I feel disassociated from that kind of Government, that way of doing business." This is in a country where 75 percent of the people consistently say they want a particular policy—term limits is one example—and nothing ever happens.

All of that, all of that is a result, a culmination of years and years and years of policies that may have worked for a while and that certainly were based on good intentions by those who instituted them. Certainly some remnants and some parts of some policies are worth saving, and then there are some that were outright wrong from their inception and were based on fraudulent premises. A combination of all of that has led us here with these problems.

We talk about the last election. I do not think people got up on Election Day last time and started loving Republicans across the country. I think we benefited from the fact that we were not in, that we were out. I think, more than anything else, it had to do with people wanting some kind of fundamental change in the way we were doing business in this country on a fundamental basis, and they were willing to give us a narrow window of opportunity to see if we could do something about it. That is why so many of us came together and decided we would take a handful of things, but a handful of the most important things facing this country, and try to do something about them that is different fundamentally—and they are come together in this reconciliation package.

It had to do with the commitment to balance the budget of this country. It had to do with a Medicare system that everybody knows cannot continue the way it is. Changes have to be made or it will not be with us. It had to do with a failed welfare system where \$5 trillion has created more social havoc than we would have believed imaginable. And it had to do with leaving a

few more dollars in the pockets of those who earned the dollars in the form of a tax cut. They were laid out in the campaigns last time and people responded to them, and they are looking to see now whether or not we are going to keep that commitment.

Everyone can be debated and will be debated, but I think it is good for the system and the American people to see it all debated out, because there are two sides to most of these issues. But after all is said and done, the time is running out for us to make fundamental change and it is going to have to be done and it is going to happen on our watch.

I am proud to be here for that historic occasion, when I think that will happen. The easy thing to do, always, is to maintain the status quo, to nibble around the edges, to really do just enough to make people think you are doing something without doing enough to really have any effect on anybody's life so you will be subject to criticism. We can argue over whose figures to use and all that. But I think the President's so-called second budget is a good example of that. He apparently comes up with \$245 billion simply by changing a few estimates. Again, I suppose folks that have been around here a long time are used to that. That is the way you make your money, mostly, is to change your estimates, change your growth estimates, change your inflation estimates and all that, and you can come up with \$245 billion out of thin air without having to make any changes.

Regarding the Congressional Budget Office, we do not have anyone who everyone can agree is omnipotent, who is all-knowing and can give us figures that everyone will agree on. I suppose the Congressional Budget Office is the nearest we have been able to come to that. The President always thought so until recently. According to the Congressional Budget Office, the President's so-called second budget does not balance. It gives us \$200 billion deficits as far as the eye can see.

So the status quo is always easier. The same thing as far as the Medicare situation is concerned. We take the position we have to have \$270 billion in Medicare savings. Our colleagues on the other side, so many of them, say, "Yes, we acknowledge first of all that we would have to have a balanced budget," which is progress right there. And second, "Yes, we must do something about Medicare." But again, just as with the balanced budget, "You are going too far, you are going too fast."

Mr. David Broder wrote in the Washington Post earlier this month on this subject, and he pointed out the real problem, when you cut through all the rhetoric on both sides of the aisle as far as the health care problem is concerned, is that the growth in spending for health care is devouring the Federal budget. He pointed out the Presidential commission, headed by our colleagues Senator KERREY of Nebraska and Senator Danforth, reported earlier

this year that unless current trends are changed, by 2010 or 2012, 15 to 17 years from now, all Federal revenues will be consumed by entitlement programs and interest on the national debt. So we clearly cannot continue down that road.

He further states that the Republican approach comes closer to the scale of changes that the country needs. He points out that in the House Ways and Means Health Subcommittee, they point to some estimates given to the committee by Guy King, former chief actuary for the Federal agency that runs Medicare and Medicaid.

Mr. King says that the Democrats are correct in claiming that their \$90 billion solution would keep the Medicare trust fund solvent until 2006, but in 2010—the last year that the Republican plan would keep the trust fund in the black—he said the Democrats would leave it with a \$309 billion figure in the red. He says that date is terribly important because 2010 is the year the huge wave of baby-boomer retirees really hits.

Everyone acknowledges further changes in Medicare will be needed by then. But, as Thomas points out, it is one thing to be dealing with the retiree wave from a position of fiscal parity—which is what our plan would do—but it is much harder to do it when you are already \$300 billion in arrears.

So all he is saying is that, sure, the plan that would say let us just have \$90 billion in savings would get us over the hump. That is what we are used to doing in this country—getting over the hump usually until the next election, hopefully until the next generation, just pushing it on down the road just a little bit further, and do not let me have to deal with it because I do not want to have to go home and explain anything unpleasant to anybody. But if we do that when those retirees hit, when those baby boomers start retiring, we will be hopelessly insolvent.

But we are not getting a reasoned debate in many instances on this. We are getting scare tactics. We are getting the 30-second sound bites which the American people have grown to love so much in our political races, 30-second television commercials that appeal to the most basic instincts and that are invariably flawed from the factor standpoint.

Mr. President, has my time expired?  
The PRESIDING OFFICER (Mr. INHOFE). The time has expired.

Mr. THOMPSON. I ask unanimous consent for an additional 5 minutes.

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

Mr. THOMPSON. Mr. President, Mr. Tim Penny, former Democratic Representative from Minnesota, wrote earlier in the Washington Post, last month, and said that members of both parties should be working together on this important issue just as many Republicans joined Democrats in voting for Medicare in 1965. Unfortunately,

Democratic leaders in Congress have decided otherwise, choosing to attack the Republican Medicare plan rather than offering an alternative. By politicizing the issues, Democrats are threatening the viability of the very program that they created.

Mr. President, we are better than that. We can do better than that. Those on both sides of the aisle have pointed out that this is not an accurate representation of what we are doing, the rhetoric that we are hearing now.

The Washington Post, on September 25, 1995, pointed out that as far as saying the tax cut proposal is simply a tax cut for the rich to finance the Medicare cuts, they said, "The Democrats have fabricated a Medicare tax cut connection because it is useful politically".

Mr. President, the stakes are too high. The opportunities are too great. We must get down to what we all know is the task at hand; that is, saving this Nation from insolvency, saving the Medicare trust fund from insolvency, and putting some money back into the hands of working people.

Mr. President, only in Washington, DC, do we still think that \$1 of tax cuts of any kind, capital gains or otherwise, is \$1 of revenue to the Federal Government. It simply does not work that way. In 1981, for example, when the rates were cut for capital gains, revenues went up. In 1996, when rates were increased, revenues went down.

So I believe, as Senator DOMENICI has pointed out, the chairman of the Budget Committee, this is a culmination of not only his last work but a lot of people's last work. It is an historic occasion. We have an opportunity to do something that probably will not present itself again, certainly in our lifetime, as far as this reconciliation package is concerned.

I urge its prompt consideration and its approval.

I yield the floor.

The PRESIDING OFFICER. Under a previous order, the Senator from Michigan [Mr. LEVIN] is recognized to speak for up to 15 minutes.

Mr. LEVIN. I thank the Chair.

#### THE ISTOOK AMENDMENT

Mr. LEVIN. Mr. President, the Saturday New York Times over the weekend reported that a group of freshman Republicans in the House were threatening to basically bring the Federal Government to a halt unless a provision that they support is adopted in the conference report on the Treasury-Postal appropriations bill. The provision at issue is commonly referred to as the Istook amendment after its author, Congressman ERNEST ISTOOK of Oklahoma. It would put massive new restrictions on all Federal grant recipients with respect to their participation in matters of public policy. This is how the New York Times described it: "As this week began, the freshmen were threatening an even wider uprising, with nearly half vowing to hold up all

the upcoming spending bills and the reconciliation bill unless the leadership holds fast" on the Istook amendment.

Congressman ROGER WICKER of Mississippi is quoted in the article as saying, "It is something the conferees will ignore at their peril."

One headline recently referred to the amendment here, as "lobby reform." Proponents of the amendment say it will "end welfare for lobbyists." Well, I have been working on lobbying reform for over 5 years, now, and I can tell you, this is not lobbying reform. It is repression of the rights of people to lobby.

The Istook amendment is a rather blatant attempt to silence dissent and to muffle the diversity of opinion in the forum of public policy debate. The amendment is one of the most poorly thought out I have ever come across. Senate conferees have been holding fast against it, although there is supposed to be a meeting of the conferees sometime tomorrow and we will have to see what happens. But again, the Senate has served as a firewall against an extreme proposal emanating from the House. The Istook amendment provides that any Federal grant recipient is not allowed to use more than a small percentage of their own money—non-Federal dollars—for political advocacy and still receive a Federal grant for totally unrelated activities.

There is already a longstanding law on the books that prohibits the use of appropriated funds for lobbying—no ifs, and, or buts. Appropriated funds under current law cannot be used for lobbying and there are provisions that ensure that even indirect costs of an organization cannot be used to subsidize lobbying activities. Current law applies to all appropriated funds regardless of who the recipient is—for profit contractors as well as nonprofit grant recipients. The penalties for violating this provision are severe, including debarment from all future Federal funding. So this is not restriction that is easily overlooked or dismissed.

The argument that current law allows welfare for lobbyists is factually incorrect. Under current law, no Federal tax dollars can be spent by any recipient to lobby, period.

Well, then, what is the Istook amendment getting at? It is getting at the non-Federal money. It is trying to control what private organizations can do with the money they raise solely from private sources.

What does the amendment say? First, it applies to all grant recipients. Any entity that receives a Federal grant, either directly or indirectly would be subject to the provisions and requirements of the Istook amendment. So, yes it covers organizations like AARP which receives grants to conduct various programs for senior citizens, a favorite target of the Istook supporters. But it also covers grants to persons who do research in small laboratories

for the NIH. It covers grants to major medical centers that may be studying the effects of chemotherapy for cancer treatment. It covers grants to religious organizations that may be conducting latchkey programs for the forgotten kids in neighborhoods across this country, and it covers groups like the Red Cross. It applies to any organization or entity that receives, directly or indirectly, Federal grant money or, indeed, that may apply for Federal grant money.

It does not apply to Federal contractors. Federal contractors receive hundreds of billions of Federal tax dollars, and they have a tremendous incentive to lobby. Continuation of the B-2 bomber readily comes to mind as a program that producers of the B-2 might have an interest in lobbying on, but the Istook amendment does not try to limit the amount of lobbying that contractors can conduct with their private money, even when they are lobbying for Federal funds. The amendment does not try to limit the volume of lobbying these companies can conduct despite the hundreds of millions, and in some cases the billions of dollars, they receive from the Federal Government and the Federal taxpayers. And if the Istook supporters can call private money used by Federal grant recipients welfare for lobbyists, the same would have to hold true for private moneys used by Federal contractors. There is no difference.

The whole approach is based on a disturbing and a flimsy distinction. You can buy B-2's from a company that makes a profit and not worry about how it lobbies with its own money, but if you buy research into a cure for cancer from a nonprofit university, then you need to restrict that university's lobbying efforts with its own money.

The B-2 contractor can lobby all it wants with its own money, but the university working on a cure for cancer cannot.

So the amendment at the outset targets only one type of recipient of Federal funds, and that is the grant recipients that are largely nonprofit organizations, leaving the contract recipients that are largely for-profit companies completely untouched.

What are the restrictions that the amendment then places on all Federal grant recipients? An organization cannot get a Federal grant if it spent more than—and I am shorthand the formula here—if it spent more than 5 percent of its total expenditures on political advocacy in any one of the preceding 5 years. So let me repeat that. An organization cannot get a Federal grant if it spent more than 5 percent of its total expenditures on political advocacy—that is the term the amendment uses—in any one of the preceding 5 years. And then, of course, once an organization is a grantee, it is held to that same 5-percent limit as a condition of continuing to receive the grant.

So first of all, this is not a limitation on what a grant applicant must be