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Senate

The Senate met at 10 a.m., and was called to order by President pro tempore [Mr. THURMOND].

PRAYER

The Chaplain, Dr. Lloyd John Ogilvie, offered the following prayer:

Dear Father, our lives are polluted with noise. The blaring sounds of a noisy society bombard our ears and agitate our souls. The television set is seldom turned off. We turn on our car radio at the same time we turn the ignition key. Music is piped into everywhere we go, from the grocery to the gym. On the streets, horns blare, tires screech, and tempers flare. Meanwhile, people around us talk constantly trying to find out what they want to say in the welter of words. It's so easy to lose the art of being quiet.

Even in this quiet moment, our minds are racing, our nervous systems are on red alert and we're like sprinters waiting for the starter's gun to go off. Calm us down, Lord, so we can work creatively today.

Lord, we hear Your voice saying, ''Peace, be still.'' We want the miracle of that stillness and accept it as Your gift. We breathe out the tension and breathe in the breath of Your spirit. In this time of prayer speak to us the whisper of Your love and assurance, grace, and guidance. Get us ready for a day in which we can be still inside while living in a noisy world. In the name of our Lord and Saviour. Amen.

RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDENT pro tempore. The able acting majority leader, Senator STEVENS, is recognized.

SCHEDULE

Mr. STEVENS. Mr. President, for the information of all Senators, this morning, the Senate will resume consideration of Senate bill 672, the supplemental appropriations bill. Currently, there is one pending amendment which will necessitate a rollcall vote. The leader will notify Senators as to the scheduling of the rollcall vote later this morning. In addition, we expect other amendments to the supplemental appropriations bill to be proposed today, and votes will be scheduled accordingly. Therefore, Senators can expect additional votes during today's session of the Senate.

As a reminder, a cloture motion was filed yesterday. Therefore, all first-degree amendments must be filed by 2:30 p.m. today to be in order. I remind all Senators that the Senate will recess from 12:30 to 2:15 today for the weekly policy luncheons to meet.

RESERVATION OF LEADER TIME

Mr. STEVENS. I ask unanimous consent that the leader time on both sides be reserved for later in the day.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. STEVENS. Mr. President, I ask unanimous consent that Senator KENNEDY be recognized for 10 minutes as in morning business and that Senator GRAMM of Texas be recognized later this morning for 10 minutes as in morning business during the consideration of this bill.

The PRESIDENT pro tempore. Without objection, it is so ordered. The distinguished Senator from Massachusetts is recognized.

SEVEN QUESTIONS ABOUT THE BUDGET AGREEMENT

Mr. KENNEDY. Mr. President, last Friday, the President and the congressional leadership announced that they had reached an agreement to balance the budget. I support the goal of balancing the budget by 2002, and I commend the President's emphasis on improving education, expanding health coverage for uninsured children, and extending the solvency of the Medicare trust fund.

But as the administration and the congressional leadership continue to negotiate the specific provisions of the agreement, and as more information about the agreement becomes available, a number of questions arise about the agreement.

First, what is the distribution of the benefits in the tax package over the first 5 years? The new and expanded tax breaks in the agreement raise the most troubling questions in this regard. The only beneficiaries of the agreement's reductions in the estate tax are the top 1 percent of households. Three-quarters of the benefits of the capital gains provisions will go to households with incomes in excess of $100,000. According to one tax expert, as much as 40 percent of the benefits of the tax cuts will go to the top 1 percent of taxpayers.

We know that the wealthy will receive large tax breaks under this agreement. It is fair to ask, how much, if any, of the major sacrifices under this budget are the wealthy being asked to share? Are the wealthy corporations being asked to give up any of the massive subsidies they receive under the current spending and tax laws? I urge the administration and the congressional leadership to make a detailed analysis of the proposed tax cuts available as soon as possible, so that Congress and the country can judge their fairness.

Second, what is the distribution of benefits in the tax package in the second 5 years? Because the capital gains tax break initially generates revenues as wealthy investors sell their assets to take advantage of the lower tax rate, an accurate assessment of its cost and fairness must examine a longer period of time.

According to an analysis of the Senate Republican leadership's tax proposals introduced this January conducted by the Center on Budget and Policy

● This ''bullet'' symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

Priorities, the Republican capital gains tax cut cost $33 billion in the first 5 years, and then nearly tripled to $96 billion in the second 5 years. And their estate tax provisions, which cost $18 billion in the first 5 years, ballooned to $48 billion in the second 5 years. We must do all that we can to ensure that Congress does not repeat the mistake of the excessive 1981 tax cuts that led to the massive Reagan-Bush budget deficits.

Third, what spending cuts will pay for these increased tax cuts in the second 5 years? If the cost of the tax cuts in years 6 through 10 far exceeds the cost in years 1 through 5, will Congress face the impossible choice of making severe and unacceptable reductions in social programs, or doing nothing and acquiescing in a new round of deficits as far as the eye can see?

Fourth, what are the even longer-term costs of the tax breaks? By one estimate, the net cost of the tax breaks will reach $45 billion a year by the 10th year. Projecting those rates into the second 10 years—years 2008 through 2017—the cost of these tax breaks could exceed half a trillion dollars for that period.

The great danger is that these pressures on the deficit will explode exactly at the same time that the country faces the severe budget pressures caused by the retirement of the baby boom generation. We already know that we face intense long-run problems with Social Security, Medicare, and Medicaid. The last thing that we should do in the current budget agreement is to make those long-run problems worse.

Fifth, can the country realistically accept the increasingly tight caps on domestic investments even in the first 5 years? President Clinton correctly resisted deeper cuts sought by Republicans. But the agreement slashes domestic investments by at least $60 billion below the level needed to maintain the current level of services. That is roughly a 10-percent cut in real terms. Discretionary spending has remained relatively flat since 1991, and is already at its lowest level as a share of the economy in 60 years. These dramatic cuts will mean less for vital investments in areas such as research and development funded by the National Institutes of Health and the National Science Foundation, less for crime prevention and police officers on the street, less for repair and upgrading of our Nation's highways and bridges, less for education, health and safety, and the environment.

Can the country afford to continue to shortchange the key public investments needed to keep our economy strong into the next century? It is only through investment that the Nation can sustain needed economic growth. Using the definition of public investment accepted by the General Accounting Office—including education and training, public infrastructure, and civilian research and development—public investment accounted for 2.5 percent of the economy under President Reagan. Today, it has fallen to 1.7 percent of the economy. How much lower is Congress prepared to see it go?

Sixth, what is the distribution of domestic discretionary spending cuts under this agreement? After protecting high-priority spending items, the agreement will force deeper cuts in the unprotected areas. The Center on Budget and Policy Priorities found that 34 percent of the cuts in non-defense discretionary spending in the last Congress came from programs for those with the lowest incomes, such as programs for fuel oil assistance, child care, senior nutrition and meals for senior shut-ins, vaccinations for children, school lunches, drug abuse prevention, and Head Start. Programs for low-income Americans have already borne a disproportionate burden of deficit reduction. They should not have to bear an unfair burden under this agreement.

Seventh, will defense spending be able to live within this agreement? The Secretary of Defense is conducting a quadrennial defense review of strategy, force structure, and modernization needs. Is the spending anticipated in this agreement sufficient to meet the commitments that the Department feels are essential? If the defense spending levels in the agreement are not adequate to meet future security needs, how can we ensure that defense increases are offset by reductions in the tax breaks, and not by further reductions in needed domestic investments?

Before we adopt this agreement as a budget resolution, we must do our best to obtain serious answers to these serious questions. Fairness is a fundamental issue. It will be fundamentally unfair if a handful of super-wealthy Americans benefit lavishly from this agreement, while millions of average Americans and their families take it on the chin. A fairly balanced budget is achievable. But a budget that fails to balance the Nation's basic needs will not be worth the paper on which it is printed.

Mr. WELLSTONE. Mr. President, I ask unanimous consent that I may speak for 5 minutes as in morning business.

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

Mr. WELLSTONE. Mr. President, I rise to thank the senior Senator from Massachusetts for raising very profound, important questions about this budget agreement. I came to the floor of the Senate yesterday, and I said that I really believed that there is a quiet crisis in our Nation when we don't make the kind of investments in providing opportunities for all the children in our country and that I find this budget to be woefully inadequate when it comes to such a question.

Mr. President, an agreement is fine, but the question is: At what cost? We don't want to leave a whole class of citizens behind. Mr. President, as I look at this budget, I have two questions, and the senior Senator from Massachusetts raised these questions in a very eloquent and important way.

The first question: If, in fact, we are going to have these tax cuts, which, as we look over the first 10 years and beyond, accelerate and you have cuts in the capital gains tax and estate tax disproportionately flowing to the top 1 or 2 percent, then cuts in programs that are important to vulnerable citizens—nutrition, education, housing, you name it—really are harsh. This represents no standard of fairness to have tax benefits disproportionately benefiting the wealthy and at the same time eliminating opportunities for some of our most vulnerable citizens, especially children.

Second, Mr. President, I said yesterday that I really worry about the symbolic politics—and I speak only for myself here. I said it yesterday, and I say it one more time, I speak more to my own colleagues in the Democratic Party.

It is going to become very difficult for us to be talking about the early years, childhood development, the importance of investing in children, and the fact that for one out of every four children under the age of 3 and 4 in America, and for one out of every two children of color in America, it is going to be impossible to talk about our schools and the physical infrastructure when we have a budget that does not invest in these children. We don't have one cent invested now in the physical infrastructure in our schools. Rotting schools don't send children a very positive message about themselves.

We know—the medical evidence is compelling—that we have to do so much more on the nutrition front, on the health care front, on the child care front, on the intellectual development front if all of our children in our Nation are going to be prepared for school, much less prepared for life. And there is precious little by way of investment in children and in educational opportunities for these children in America.

So, Mr. President, I rise to just simply say to my colleagues that it is going to become very difficult for Democrats or, for that matter, all of us in the House and in the Senate to say that we are for children, that we are for opportunities, that we believe in our national values and the quality of opportunity when we do not make the investment.

Mr. President, this is a budget without a soul. This is a budget without a soul. This is a budget that leaves too many Americans behind. This is a budget that will further intensify the profound problem of two Americas. We should have one America. We should have one America where all of our citizens—and let's start with our children and grandchildren—each and every one of them have the opportunity to reach their full potential. This budget doesn't make an investment in these children. This budget doesn't provide these children with these opportunities, and for the sake of tax cuts that in the main go to wealthy people, I don't see the standard of fairness. And I don't see the soul of this budget. I think we are making a terrible mistake.

So, Mr. President, as much as I respect colleagues—I see my good friend, Senator DOMENICI, on the floor—my work will be to try to raise the bar, have amendments, and improve this piece of legislation so that, as a matter of fact, we have a budget that represents an investment in the future. When I talk about an investment in the future, I talk about an investment in children. That includes poor children in America. I do not want to leave them behind.

Mr. President, I yield the floor.

SUPPLEMENTAL APPROPRIATIONS AND RESCISSIONS ACT OF 1997

The PRESIDING OFFICER (Mr. SANTORUM). The Senate will resume consideration of S. 672, which the clerk will report.

The legislative clerk read as follows:

A bill (S. 672) making supplemental appropriations and rescissions for the fiscal year ending September 30, 1997, and for other purposes.

The Senate resumed consideration of the bill.

Pending:

Grams-Johnson amendment No. 54, to facilitate recovery from the recent flooding across North Dakota, South Dakota, and Minnesota by providing greater flexibility for depository institutions and their regulators.

PRIVILEGE OF THE FLOOR

Mr. WELLSTONE. Mr. President, I ask unanimous consent that a member of my staff, Sarah Neimeyer, be granted the privilege of the floor during consideration of the votes relating to S. 672.

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

Mr. WELLSTONE. Mr. President, I say to my colleague from Alaska that I have several amendments that I am ready to proceed with. I don't know exactly what his plan is, so I yield the floor.

Mr. STEVENS addressed the Chair.

The PRESIDING OFFICER. The Senator from Alaska is recognized.

Mr. STEVENS. Mr. President, I thank the Senator.

I would be prepared to discuss the amendments that Senator WELLSTONE has shown to the committee. We are awaiting the arrival of the distinguished Senator from West Virginia. But I believe that it would be in order, if the Senator wishes, to lay down the amendment and discuss the one pertaining to low-income home energy assistance. And I would be pleased to discuss that with the Senator—pending the arrival of the Senator from West Virginia with regard to accepting it, however.

Mr. WELLSTONE. Mr. President, I have several amendments that I would like to offer and I would be more than willing to wait for the Senator from West Virginia, Senator BYRD, to come to the floor, if the Senator from Alaska so desires.

Mr. STEVENS. He sent word to go ahead with regard to amendments that we have seen so far.

AMENDMENT NO. 57

(Purpose: To strike section 304)

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

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Minnesota (Mr. WELLSTONE) proposes an amendment numbered 57.

Mr. WELLSTONE. 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:

Beginning on page 47, strike line 19 and all that follows through page 48, line 12.

Mr. WELLSTONE. Mr. President, I am going to lay this amendment aside and get to an amendment we may agree on. But I want to briefly mention the first two amendments that I have discussed with my colleagues.

Mr. STEVENS. Will the Senator yield?

Mr. WELLSTONE. Please.

Mr. STEVENS. Mr. President, we have only seen two of the Senator's amendments. We would like an opportunity to review them, if he would be so kind.

Mr. WELLSTONE. I would be pleased to. This is an amendment that has to do with brand name drugs for adults. I was going to simply offer it, lay it aside, and then go to the energy assistance amendment.

Mr. STEVENS. Mr. President, that is agreeable with the managers of the bill. I would like to have it laid aside and not be the pending amendment, if the Senator wishes. But we don't want to see a roadblock and have to get consent to move on to the other amendments.

Mr. WELLSTONE. I would be pleased to do that.

Mr. President, I ask unanimous consent that this amendment be laid aside.

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

AMENDMENT NO. 58

(Purpose: to make certain funds available, under the Low-Income Home Energy Assistance Act of 1981, to victims of flooding and other natural disasters)

Mr. WELLSTONE. I send an amendment to the desk

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Minnesota (Mr. WELLSTONE) proposes an amendment numbered 58.

Mr. WELLSTONE. 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 title III, add the following:

SEC. 326. The Secretary of Health and Human Services shall—

(1) make available under section 2604(g) of the Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. 8623(g)), $45,000,000 in assistance described in such Act to victims of flooding and other natural disasters in Minnesota, North Dakota, and South Dakota, for fiscal year 1997; and

(2) make the assistance available from funds appropriated to carry out such Act prior to the date of enactment of this section.

Mr. WELLSTONE. Mr. President, let me, first of all, say to my colleague from Alaska that I hope we will be able to eventually negotiate this out. We have been in contact with the Department of Health and Human Services to find out exactly what the need is in other States and see how we can make the best use of low-income energy assistance money to help people who have been the victims of floods.

So I thought, that while I know that my colleague is willing to perhaps take this, that I might start by explaining this amendment, unless my colleague has remarks which he wants to make at the moment.

Mr. STEVENS. Mr. President, if the Senator will yield, it would be my position that, if the Senator would delete the references to specific States, we would have no objection to the amendment. It is my understanding that the money is available and this would earmark $45 million for assistance under section 2604(g) of the Low-Income Home Energy Assistance Act. But there are other disaster areas that are covered by this bill. We see no reason why there should not be similar assistance in those areas.

There are some disasters from 1996 and some from the spring of 1997 covered by this bill. They are all within the assistance for fiscal year 1997. Being limited to the assistance that is in this bill for 1997, we would have no objection if it is not earmarked to specific States.

I don't know the extent of assistance that would be available outside of the three States mentioned, but I do believe there are circumstances that would warrant them because of the type of flooding that took place in the fall of 1996.

Mr. WELLSTONE. Mr. President, I say to my colleague, perhaps I will then lay out the rationale for this. The reason I hesitate is that perhaps we might need, in the agreement, to work on another number. In other words, the $45 million was based upon the very best advice that I received from Governors of our States about what we needed. It may be that we are going to talk about other States as well, which I am pleased to do, however, I just want to have some understanding of what the need is and whether or not this is enough funding. Altogether I think there is a contingency fund of