

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

over \$200 million that Health and Human Services has in the LIHEAP program.

So, if my colleague would not mind, I would like to explain why I have offered this amendment. First of all, I very much appreciate the offer from the Senator from Alaska.

I also want to say at the very beginning that both Senator STEVENS and Senator BYRD have—I want people in Minnesota to know this—really left no stone unturned when it comes to this effort to get the assistance to people. I thank them.

Mr. STEVENS. Will the Senator yield further, Mr. President?

The Senator's amendment mandates the Secretary to make this available from the moneys that the Senator has mentioned. The Secretary has current authority to do it. It is discretionary. The effect of his amendment is to mandate that, of the moneys that are there, at least \$45 million shall be available immediately for the disaster victims. I believe that the fund itself is for general population assistance for LIHEAP projects. If the Senator will take out the reference to the specific States, what it means is that the \$45 million is reserved for the purposes he seeks and, if there is additional money in there, for others. But we think this reserving money ought to be for victims of all disasters covered by the bill.

Mr. WELLSTONE. Mr. President, I again appreciate the Senator from Alaska and his wisdom on this matter. The Senator is quite correct.

A little bit of background about this: We have been working very hard with the administration over the last month to get them to release this contingency funding. I talked with the Office of Management and Budget and others about releasing some of this funding to the State of Minnesota. Under the best of all circumstances, you want to keep this contingency fund intact because you may need it for the summer cooling assistance. We don't normally think about that. But not too many summers ago we were faced with a tragic situation in our country where people actually died from the heat. I understand the need to keep some of that money in the contingency fund. It just so happens that this flooding and the extent of this devastation is unprecedented, and we are trying to take some of this fund to deal with an emergency—indeed, the emergency that confronts people in our States.

Let me, first of all, explain the reason for this amendment. This money is in a contingency fund to provide assistance to people who really need that assistance, who are really faced with an emergency situation, and that is the case in Minnesota and the Dakotas. But what we are faced with in Minnesota is the situation where many people are now going back to their homes and they are trying to rebuild their lives. This money, which can be delivered expeditiously and will help people repair their furnaces so that

they can begin the process of rebuilding their lives by cleaning up and moving back into their homes.

If I could get both Senators' attention, if I could get the attention of the Senator from Alaska, I want to say to the Senator from Alaska and to the Senator from West Virginia that we will accept the very generous offer. We have now made some calls and this is fine with us.

Maybe I could summarize this amendment and we will be done with it, if that is OK.

Mr. President, in Minnesota alone, we have estimates of around \$30 million to help people with their emergency energy needs. Once this amendment is accepted, and it will be and hopefully be part of this disaster relief bill, we are in a position, out in Minnesota, to deliver this assistance to people within a couple of weeks. We are talking about, roughly speaking, in Minnesota alone, about 16,000 households which will be eligible for this assistance.

So, I say to my distinguished colleague from Alaska, and I say to my distinguished colleague from West Virginia as well: Thank you. I want this assistance to help people in, not just three States, but other States as well. It sounds like this additional funding will really make a difference. It sounds like a small amount. I thank my colleagues, all of my colleagues, because, while it may sound like a small amount, given the context of the overall disaster relief bill, this will be a huge help. I have been receiving a lot of calls from State officials and from families in Minnesota saying: Look, we are going home. We are trying to rebuild our homes, trying to rebuild our lives. If you could get just a little bit of assistance to us to repair our furnaces, for example, this would make all the difference in the world.

I say to Senator STEVENS and Senator BYRD, you have helped make all the difference in the world for some families in Minnesota. I thank you and I am very pleased to have this amendment accepted.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. STEVENS. Mr. President, as Senator WELLSTONE has indicated, the effect of this amendment will be to dedicate a portion of the moneys that are available to the Secretary of Health and Human Services to make LIHEAP-type assistance available to victims of flooding and other natural disasters covered by the bill. It is moneys that are there and could be made available. This mandates making it available.

We believe under the circumstances that that is a proper thing to do. For this side, I am willing to accept the amendment.

Mr. President, I ask Senator BYRD if he is willing to accept the amendment.

Mr. BYRD. Yes, if the Senator will yield, I am happy to associate myself with the remarks of the distinguished Senator from Alaska.

Mr. STEVENS. I ask the Senator modify his amendment in accordance with our agreement by deleting the references to the States. Has he done that?

Mr. WELLSTONE. Mr. President, I say to the Senator from Alaska, I will so modify it.

The PRESIDING OFFICER. The Senator has a right to modify his amendment at this time.

Mr. STEVENS. As modified, it then reads "natural disasters for the fiscal year 1997," is that correct?

The PRESIDING OFFICER. The amendment is so modified.

The amendment (No. 58), as modified, 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 for the 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. STEVENS. I am prepared to accept the amendment of the Senator and ask for a vote.

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

The amendment (No. 58), as modified, was agreed to.

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

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

The motion to lay on the table was agreed to.

Mr. STEVENS. Does the Senator wish to proceed to other amendments?

Mr. WELLSTONE. I am ready, but in deference to both Senators, they had wanted me to lay aside the extension of the drug patent?

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

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

The Senator from Alaska.

AMENDMENT NO. 60

(Purpose: To make a technical amendment to language in the manager's amendment)

Mr. STEVENS. Mr. President, the Department of Transportation has provided us a technical correction to some language that is in the nonemergency title of the bill. The correction in no way changes the scope or intent of our committee action and it has been cleared, now, on both sides. I offer it, to bring about the technical correction that has been sought by the administration through the Department of Transportation.

I send the amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows: The Senator from Alaska [Mr. STEVENS] proposes an amendment numbered 60.

Mr. STEVENS. 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:

On line 1, page 37 of the bill, after the colon, strike all through "1997" on line 15 of page 37, and insert the following:

"Provided further, That notwithstanding any other provision of law, such additional authority shall be distributed to ensure that States receive amounts that they would have received had the Highway Trust Fund fiscal year 1994 income statement not been understated prior to the revision on December 24, 1996; and that notwithstanding any other provision of law, an amount of obligational authority in addition to the amount distributed above, shall be made available by this Act and shall be distributed to assure that States receive obligational authority that they would have received had the Highway Trust Fund fiscal year 1995 income statement not been revised on December 24, 1996:

Provided further, That such additional authority shall be distributed to ensure that no State shall receive an amount in fiscal year 1997 that is less than the amount a State received in fiscal year 1996"

Mr. STEVENS. Mr. President, I ask for immediate consideration of the amendment.

Mr. BYRD. Mr. President, this side is in agreement with the distinguished Senator from Alaska with reference to this amendment. We are willing to accept it.

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

The amendment (No. 60) was agreed to.

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

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

The motion to lay on the table was agreed to.

Mr. STEVENS. Mr. President, so there is no misunderstanding, I ask unanimous consent that amendment No. 60 that I offered on behalf of the Treasury Department to make a technical correction to the bill be considered original text for the purpose of amendment.

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

Mr. STEVENS. Mr. President, does the Senator from Minnesota wish to proceed now?

Mr. WELLSTONE. Mr. President, I am ready to speak about the bill, the disaster relief bill, and how important it is to Minnesota. I am waiting on the amendment for Senator HOLLINGS.

Mr. STEVENS. Mr. President, if the Senator wishes to address the bill in any way, it is his privilege.

Mr. WELLSTONE. Mr. President, I thank the Chair. I will, just for a minute, suggest the absence of a quorum, and then I will be right back on the floor.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Under the previous order, the Senator from Texas is recognized for 10 minutes as in morning business.

Mr. GRAMM. Mr. President, I thank the distinguished chairman of the Appropriations Committee for giving me this time.

BUDGET DEAL

Mr. GRAMM. Mr. President, obviously, with the budget deal completed over the weekend, Members are trying now to look at the facts. What I would like to do in these 10 minutes is turn and look at the facts.

I know to many people in America, it may seem too good to be true to believe that we could give the President the largest increase in social spending that we have seen in America since the 1960's, in his own words, that we could give Republicans a tax cut and that we could give the American people a balanced budget all at the same time.

If all that seems too good to be true, it is for a simple reason: It is too good to be true. Let me begin by simply running through the budget very quickly.

Because the economy has been growing, this year we had an easier task of balancing the budget than we have had before. In fact, we only needed about \$330 billion of deficit reduction in order to balance the budget. Let me outline how the budget agreement achieves that \$330 billion of deficit reduction.

As many of you know, on Thursday night, at the very point where the budget agreement had reached an impasse, the budgeting arm of Congress, the Congressional Budget Office, miraculously discovered a revenue windfall where they reestimated, again, the rate of growth in the economy and the amount of taxes taken from the economy and, in the process, produced a revenue windfall that lowered the deficit by \$225 billion. That one assumption of stronger economic growth provides 68 percent of the deficit reduction required to balance the budget.

The budget negotiators assumed a lower inflation rate which reduced the deficit by \$15 billion, another 5 percent of the required deficit reduction. They assumed by balancing the budget, the economy will be stronger still, and we will get a balanced budget dividend with stronger economic growth, and they assumed that economic growth would provide \$77 billion of additional deficit reduction, another 23 percent. In the final analysis, the deficit reduction in this budget can be divided in the following way: 96 cents out of every dollar of deficit reduction is simply assumed; 4 cents out of every dollar, \$14 billion out of \$330 billion comes from a change in public policy.

So why is the budget balanced in this budget? It is balanced because the negotiators assumed that it is balanced. Only \$14 billion of the \$330 billion of required deficit reduction comes from policy change.

What is very much real about the budget is discretionary spending. When the Speaker said this budget is the fulfillment of the Contract With America, I think if you go back and look at the 1996 budget that was passed by Congress, which embodied the Contract With America, you will see that over the 5 years of this current budget negotiation it spent \$216 billion less on social spending than the budget deal that has just been completed. The budget we adopted last year spent \$193 billion less on nondefense discretionary spending. The President's budget from last year spent \$79 billion less on nondefense discretionary spending. And finally, if you take the President's budget as scored by CBO, with the across-the-board cuts in the last year, this budget agreement actually gives the President \$5 billion more than he asked for in his own budget with the CBO adjustment and the automatic cut mechanism in the end.

In addition to this massive increase in discretionary spending, the budget entails a whole group of entitlements. It expands Medicaid in two different ways; it overturns welfare reform from last year and reinstitutes welfare benefits for illegal immigrants; it expands food stamps and, together with mandatory and entitlement programs, it spends roughly another \$35 billion.

Then the major savings claimed in the budget is in Medicare, but virtually all these savings come from lowering reimbursement to doctors and hospitals, because what the negotiators did is they not only picked the number of \$115 billion, but they committed to the Clinton policy. The only problem is that on a dozen occasions in the last 30 years, we have assumed a lower reimbursement rate for doctors and hospitals under Medicare, and each and every time this policy has not worked because the doctors and the hospitals have found ways around it. But we take every penny of that \$115 billion of claimed Medicare savings and spend it on new entitlements and on new social programs.

Finally, we come to the tax cut which is funded by odds-and-ends, dogs-and-cats savings and by spectrum auction. This is selling the right to use spectrum. I remind my colleagues that the Appropriations Committee last year assumed \$2.9 billion of spectrum broadcast auction to fund spending. When that auction actually occurred, it raised only \$13.6 million, or, in other words, we got \$1 for every \$200 of spectrum auction we assumed last year.

But let me talk about the tax cut. We, in the budget, have an \$85 billion net tax cut. Any tax cut beyond that we have to raise other taxes to pay for it. About \$5 billion of that is offset by the lower CPI assumed in the budget