

wives, sons, daughters, grandfathers, great grandfathers and friends who paid the ultimate price in this nation's conflict. All of us need to take time to show our solidarity with their grief and their sacrifice; to fly the flags at our homes, schools, cemeteries and public places; to walk the eerie quiet of Antietam or Bull Run; visit the local veterans' cemeteries; lay some flowers on the tomb of a fallen soldier; spend a quiet moment at the monuments to our honored war dead; take our children in tow and teach them about all the brave young men and women who have paid so dearly in the past so that future generations can be free; and through that conscious effort and those small individual acts put a very human face on Memorial Day. Remember, spontaneous acts of remembrance such as these were what spawned Memorial Day in the first place. And they will always be the most meaningful tributes of all.

In Flanders fields the poppies blow  
Between the crosses, row on row,  
That mark our place; and in the sky  
The larks, still bravely singing, fly  
Scarce heard amid the guns below.  
We are the Dead. Short days ago  
We lived, felt dawn, saw sunset glow,  
Loved and were loved, and now we lie  
In Flanders fields.  
Take up our quarrel with the foe:  
To you from failing hands we throw  
The torch; be yours to hold it high.  
If ye break faith with us who die  
We shall not sleep, though poppies grow  
In Flanders fields.

#### FISCAL YEAR 1998 BUDGET RESOLUTION

Mr. GRAMS. Mr. President, I should like to talk a little bit about today's budget vote and some reasons why I had to anguish over it and vote no on this budget, a budget that I hoped we could all be proud of and we could go home and really tell our constituents we had done the best job we could and we were providing an honest budget that was going to provide the things we had talked about—smaller Government, less taxes, et cetera.

But, Mr. President, there is an old saying that if something seems too good to be true, then it probably is. In Washington, that scene can be taken one step further. If something seems too good to be true, then it probably is and the taxpayers are somehow going to get stuck paying for it.

Such is the case with the budget resolution passed by the Senate earlier today. On paper, the plan purports to eliminate the deficit by the year 2002 by reining in Federal spending while providing significant tax relief for America's working families.

I appreciate all the efforts that were made to try to reach a good budget agreement I hoped I could support, and I know how hard Senators DOMENICI and LAUTENBERG and the leadership on both sides of the aisle worked to bang out this budget. But in reality, this budget will ultimately create bigger

Government, a budget that is going to demand more dollars from the taxpayers rather than giving them most of the tax relief they have been promised.

It is, in other words, a deal between politicians here in Washington, not between the taxpayers and the people they elected to represent them.

I have made the pursuit of a balanced budget my top priority here in the Congress, and I have always said I would support a budget plan which meets just three basic specific criteria. First, it must shrink the size and scope of Government and return money and the power that those dollars represent to the tax people. It must balance the budget by the year 2002 with steadily declining deficits each year and without the use of rosy economic scenarios. And it must provide meaningful and broadbased tax relief to working families.

Now, while I would like to join the bandwagon in supporting the budget resolution, this Washington budget does not meet those protaxpayer standards.

First, shrink Government and return power to the taxpayers. Balancing the budget by the year 2002 is a responsibility we must meet, but it is simply the beginning. If we intend to reduce the \$5.3 trillion national debt that will remain even after the deficit is eliminated, and take power from Washington and return it to the taxpayers, we must do more than simply balance the budget. We were not elected to serve as the Nation's accountants, simply trying to make sure the numbers all add up on paper. We were elected to be policymakers—and balancing the budget is just one of these policies.

We cannot lose sight of the overall goal of shrinking the size of the Washington bureaucracy and sending those dollars back to the taxpayers. Yet, this budget plan does just the opposite. It increases the size of Government by giving President Clinton even more money for pet projects than he originally requested—\$74 billion more than he requested in his budget just last year, and \$5 billion more than the budget he put forward in February of this year.

Mr. President, instead of eliminating wasteful programs to reduce the Federal deficit, this budget plan actually creates numerous new programs, including \$34 billion in new entitlement programs that will cost billions of the taxpayers hard-earned dollars.

Now, if some of these new programs have merit, they should be authorized and appropriated through open hearings and through normal committee process. Total spending in this budget plan for all programs is \$18 billion higher than President Clinton's budget request for the next 5 years. So where is that in shrinking the size of Government? It is increasing the size of Government. The discretionary spending for the next year alone will be \$6.3 billion more than even what the President had requested back in February.

Compared to the budget resolution we passed last year, this budget plan has significantly increased discretionary spending. In fiscal year 1998, discretionary spending will be \$26 billion higher, \$26 billion more than last year's budget, while the total discretionary spending for the next 5 years will be \$194 billion higher than last year's budget request.

I do not believe this is what the taxpayers had in mind when they heard the President declare that the era of big Government is over. During the last 5 years, Congress spent an additional \$240 billion raising the size of Government that much over the years, but over the next 5 years we are going to increase the size of the Government another \$270 billion. Again, plus the \$34 billion in new spending initiatives, not just fattening some of the old programs but actually creating, giving birth to \$34 billion in new programs that will have to be supported even more in the outyears.

By increasing discretionary spending and creating new entitlement programs, this budget plan would ensure that big Government is not only here to stay, but that it will grow even bigger, and it will ultimately mean higher taxes in the future. In the continuing struggle between taxpayers and big Government, this budget deal takes the wrong side, and I cannot be a part of it.

Second, the claim of balancing the budget with steadily declining deficits, not through rosy scenarios. One of the dirtiest little secrets in Washington is the economic hocus-pocus that goes on in the budgeting process. The Washington folks seem to believe that as long as they have a balanced budget on paper, however they can reshape the numbers to fit their goals, it does not matter how they got there because the end will justify the means. But, as everyone knows, you can't write a household budget with inflated numbers or unrealistic assumptions, and you should not be able to write a Federal budget that way as well.

Any honest budget plan must reach balance through steadily declining deficits every year. The deficit must be lower each year than the preceding one. But this year's 5-year budget agreement actually increases the deficits for the first 2 years, then projects enough of a reduction in the final 2 years to reach balance. So, in other words, let's spend more now and then we will cut later. In other words, this President will be out of office, this Congress will have many new faces, probably, but they are going to let the next President and the next Congresses make the tough decisions that this Congress has turned its back on making.

Mr. President, James Glassman wrote on this subject in Tuesday's Washington Post, and I found this observation to be most appropriate. He said:

The way to get to smaller government is by spending less money. In fact, federal

spending will rise sharply in fiscal year 1998—that's the year that starts on October 1, 1997, and the only budget year that has any real significance.

Why? Because "all the other numbers for all the other years are sheer fantasy. As anyone who runs a business knows, the only figure you can possibly control is next year's spending."

Let me say when the budget deal was struck here in 1990 that raised taxes, part of the agreement was we will put a cap on future spending. We will not spend over this limit. In 1993, a new tax increase came into being, and along with that new tax increase came the removal of those old caps, and new caps on spending were put at a higher level. They said, all right, we will not spend over this level if you give us these tax increases now.

Now, in 1997, for the 1998 budget year, the first thing that has to be done in this budget, we have to bust those spending caps again because this budget can't live within those promises, and it extends the level ever higher.

What does that mean? Where does the revenue come from? It is taken from the taxpayers and the hard workers of this country. Budget proponents are claiming to balance the budget by immediately increasing the deficit by at least \$23 billion, or an increase of 34 percent, and then finding the savings to eliminate the deficit in the preceding years for the following years.

If this does not make sense to the American taxpayers, that is because it does not make sense at all. It is just another example of the budget tomfoolery that is going around in Washington. A budget plan must also be based on real numbers and not the inflated budget estimates that have been used in the past to justify more spending and higher taxes. Somehow the new revenues, the increased dollars that come to Washington, can never be put into the category of reducing the deficit or returning some of it in tax relief. It always goes on the other side of more spending.

This budget agreement fails on that score as well as by continuing to use the inflated budget estimates of the past to mask the spending increases it contains. I cannot support a budget that uses such gimmicks simply to make the numbers add up on paper.

There are two other weaknesses of the agreement I would like to point out. For quite some time we have been told repeatedly by the CBO that we needed at least \$500 billion in spending cuts to achieve a balanced budget. It will take hard choices to accomplish that. However, the need to make some of the most difficult choices supposedly vanished recently when we were told that we can spend more while balancing the budget at the same time because somehow the CBO discovered \$225 billion in extra money. This cannot be true. It contradicts the CBO's own recently completed study that examined the potential impact of a recession on budget projections and the goal of a balanced budget by the year 2002.

In this study, the CBO examined two possible recessions, one possibly in 1998, another in the year 2000, and it concluded in both cases GDP would fall 3.7 percent below potential and would add about \$100 billion to the deficit. That would make the goal of achieving a balanced budget in the year 2002 very difficult.

Again, if the \$225 billion in "extra money" is indeed real, it did not fall mysteriously from the sky. It is money that belongs first and foremost to the American taxpayers, and it should be put to proper use. The right way would be to return it to the taxpayers as tax relief and/or designated for deficit reduction. The wrong way is to spend all that. Unfortunately, this budget resolution takes the wrong way.

Now, there are some who said on the floor today only \$30 billion of that \$225 billion was spent. If that is true, where is the rest of it? Where did it go? If it is still there, let's put it to tax relief. But the secret is that it has been put into spending.

I introduced an amendment earlier today that would have required that we use the \$225 billion of the CBO revenue windfall as assumed under this budget for tax relief and deficit reduction, and to keep nondefense discretionary spending at the current freeze baseline level. My amendment called for giving back half of the \$225 billion windfall to the taxpayers and then devoting the other half for deficit reduction. Again, the question is, where did that money go?

Another element of my amendment called for keeping nondefense spending at a freeze baseline level. Now, baseline budgeting has been the subject of great debates, many debates, and I will not repeat the arguments today, but let me tell you briefly why this is so important. For years, Republicans criticized the use of inflated baseline budgeting because it did not reflect the actual spending levels in terms of an increase or a cut in a program's funding. By that, they always project next year's spending to already be higher so they set a new baseline. So if we were going to spend \$100 this year, the new baseline next year would be \$105, so that is what they work off. If we only spend \$104, the claim would be we cut the budget by \$1, when actually we spent \$4 more.

Now, there are claims in this budget that we will save \$1 trillion in spending for the American taxpayer over the next 10 years. Now, that sounds great, doesn't it? If you go by the baseline budgeting, what they are really saying is, if we froze spending today, over the next 10 years we would spend about \$16.2 trillion, but under the baseline budgeting, we are going to only spend \$19.2, but we could have spent \$20 trillion, so we are saving you \$1 trillion. We could have spent \$20 trillion, but by the baseline we will cut back.

The difference is, we are not saving \$1 trillion in spending for the taxpayers. We are adding \$3 trillion in new spending over the same 10 years.

It was Lee Iacocca who said if American businesses used baseline budgeting the way Congress does, "They would throw us in jail." Many of us share Iacocca's views and believe inflated baseline budgeting is a fraud and it should be ended.

During the past 2 years we have been telling the American people we would guarantee an honest accounting of our Federal budget by implementing zero-baseline budgeting. In other words, be honest. This is what we spend this year. This is what we propose to spend next year, not the baseline that we could have spent, but we are not going to spend quite that much, so we will save you money. That is like going to a sale and saying I am going to spend \$100 to save \$4.

We adopted zero-baseline budgeting, and Congress has produced two balanced budgets by using the freeze baseline. But the fiscal year 1998 budget resolution abandoned this policy that we had used over the last 2 years of honest accounting by reverting to inflated baseline budgeting. In my view, this is a shift, again, in the wrong direction.

Returning to the inflated baseline not only again breaks a promise to the American people but also ensures, ensures that big government will live on by allowing Washington to avoid the hard choices that it must make to eliminate wasteful programs and address our long-term fiscal imbalances. We could have met the problem head on this year. They were negotiating the budget and could have finally had to face those problems, but somehow, at the last minute, the White Knight, the CBO, with \$225 billion in new projections, rode in for the rescue and Congress did not have to make any choices. They went ahead and spent all the money.

Mr. President, my amendment, as you know, was defeated by the Senate this morning. But this issue is not one that is going to go away. We must be honest with the American people, and we must, again, use zero-baseline budgeting as we promised, so we can rebuild the American people's confidence in the Government and make Congress accountable to the taxpayers.

No. 3, meaningful broad-based tax relief for working families. I have been the Senate's leading advocate of what we call meaningful broad-based tax relief for working families through an important measure such as the \$500-per-child tax credit.

Rhetorically, everyone from colleagues in Congress and the President has joined me in calling for such tax relief. Once again, a closer look at this budget agreement reveals that reality does not match the rhetoric.

What does this Washington deal mean for the millions of families who would benefit from a broad-based tax cut? Proponents of the budget agreement argue that since \$135 billion has been set aside on paper for tax relief, that it is good. I beg to differ, because,

as with all things in Washington, there is more, or, in this case, there is less than meets the eye.

For example, when they say there is \$135 billion available for tax relief, they are ignoring the fact that \$50 billion of this pool will be raised through higher taxes, so, in other words, to give a tax break to some we will have to raise taxes on others. We are going to have to borrow from Peter to pay Paul. So that leaves us a net tax cut of \$85 billion and someone will have to pay for the \$50 billion. You can bet that someone will not be Uncle Sam.

Also consider the fact that \$35 billion has already been promised away to the President for his narrowly targeted college education tax plan.

Now, as the Senate author of the broad-based tax relief for working families represented by the \$500-per-child tax credit, I am deeply troubled that this Washington budget agreement dedicates too much money for narrowly targeted tax relief at the expense of broad-based tax relief. The debate over targeted versus broad-based tax relief raises the single most important question for us today, and that is the question of who decides. Targeted tax relief says Washington will decide who is going to get a tax break, how they are going to get it, and what they have to do to get that tax break. If you, as a taxpayer, want to cut, you have to do what Washington tells you to do, whereas broad-based tax relief says taxpayers can decide. If you want to use your tax cut for higher education, go ahead, for housing, go ahead, for health care, go ahead, but tax relief should not be narrowly tailored to fit the priorities set by Washington or used as a tool for social engineering purposes.

Tax relief should be as broad based as possible leaving the decisionmaking on how best to use that to the taxpayer themselves. Every household is different. Washington cannot decide.

Now, while all of us support the use of tax relief for higher education expenses, we must recognize that there are many other needs faced by working families every day that can be best met by a tax cut, and it should not be up to Washington to make those decisions. But that is what this budget agreement does by reserving \$35 billion from the President's college tax deduction which benefits a few. This Washington deal takes away tax relief dollars from the child tax credit which benefits the many.

Finally, there are many other claims to those dollars remaining in the tax relief pool, including a capital gains tax cut, estate tax relief, IRA's and a host of other tax proposals. But if you start out with \$135, you take away \$50 in tax increases, you have \$85 net. From those \$85 million, the President has targeted tax relief of \$35 billion, which leaves a pool of \$50 billion.

To go through some of this other child tax relief, if you are going to get the full-blown tax relief you have been

promised, it would be \$104 billion. If you are going to get tax gains, tax reduction, it would be \$24 billion; estate tax, \$18 billion; IRAs, about \$11 billion. What we have is about \$170 billion of tax cuts promised that somehow we are going to squeeze out of a box of \$50 billion. So, in other words, somebody is going to get something, but it will be a shadow. While all these ideas have merit, the competition for this ever-shrinking pool means more bad news for those of us who care about getting tax relief.

Again, we have promised working families a \$500-per-child tax credit, but once you factor in all the tax hikes, special interest tax cuts, and deals that have been made a part of the budget agreement, it is easy to see that this \$500-per-child tax credit could end up being nothing more than a token gesture, a promise of meaningful broad-based tax relief for working families without the dollars to back it up.

In other words, working families will be squeezed out again, a broken promise, and that is something that I cannot support.

Contrary to the claims of its proponents, this Washington budget deal is a retreat from the promises we made to the taxpayers for meaningful tax relief. As I have argued, the figures set aside for tax relief are wholly inadequate to keep the promises we made to take from Washington and give back to the taxpayers—a fatal flaw in this budget agreement and another brush-off to the working families we are supposed to represent.

In its analysis of the budget, the Heritage Foundation concluded that “a credible plan to balance the Federal budget must result in a smaller Government that costs less and leaves much more money in the pockets of working Americans. The current budget deal not only fails these important tests, but in many cases would implement policies that are worse than taking no action at all.”

The medical profession is guided by the doctrine of “First, do no harm.” The American people should demand the same of their Government as it establishes the Nation's spending and tax priorities through the budget process. A budget that fails to meet even the most basic tests of honesty and common sense—and that may actually leave the Nation in a fiscal situation more perilous than the one we face today—is a budget the American taxpayers will not support. Congress and the President can, and must, do better.

In closing, let me add a final thought about this so-called balanced budget resolution.

As I stand here in this Chamber, on a day when I should be proudly telling the taxpayers of Minnesota that Congress has finally heard their pleas and produced an honest budget that reduces the size of government and offers meaningful tax relief, I am saddened and angry that I cannot.

The budget resolution passed by the Senate today is not the budget I was

elected to carry out. It is not the budget a great many of my colleagues were elected to carry out. It is a budget built of concession, not of compromise, of illusion, not of reality, of whispers, not of boldness. It is a budget built like a house of cards, without a foundation, and held together by nothing but wishes and assumptions. This may be a so-called agreement between the Republicans and Democrats in Washington, but it is not the budget agreement we promised the taxpayers. It is a budget Congress hopes America will like. As you see more of the details, it will be one they don't. For this reason, it is a budget I deeply regret I cannot in good conscience support.

#### TRIBUTE TO JONNA LYNNE CULLEN

Mr. LOTT. Mr. President, this has been an extremely busy week for the Senate and a historic week, capped off by our work on the landmark budget resolution.

Before we finish today, and before Members return home to observe Memorial Day, I want to join my colleague, Senator COCHRAN, from Mississippi, and others who are interested in paying special tribute to a special lady. I thank my colleagues that do have time reserved to speak for giving us these few minutes to say to our good friend, and, in my case, a former colleague when I was a staff member, Jonna Lynne Cullen, and thank her for a lot of great memories and for a lot of great work and for all that she has done for our country.

I think it is appropriate that we do this at the end of this week when we have done something good for this country by passing a budget resolution that will, at last, ensure a balanced budget for the American people. It is appropriate because most of Jonna Lynne Cullen's life has been devoted to good things for her country.

She first came to Capitol Hill as a young woman. I got to know her in 1959 as a college freshman at the University of Mississippi. We were friends then. A few years later, then, in 1967, when she came to Capitol Hill, she went to work for the Rules Committee with the legendary chairman, William Colmer of Mississippi.

One year later, I joined the Congressman's staff as his administrative assistant, beginning a close working relationship with Jonna Lynne—or J.L., as we all affectionately call her—and that relationship grew as we worked on bills before the Rules Committee and we spent time in the presence of Chairman Colmer and as she worked in the Reagan administration. Through the years, our relationship and friendship has continued to grow.

Over the course of 30 years in the Nation's Capitol, J.L. has remained much as she was when we first met. Without dealing in stereotypes, it's true that she is very much a southern woman: