

will continue to chug along with a growth rate of 2.5 percent a year until the year 2008. In other words, there is nothing built in in that case that we have a recession. Maybe we will not have a recession, but there is a possibility that if we do not have a recession, at least the economy will slow down.

Madam Speaker, today we have two assumptions that are built into the CBO and the OMB's projection; one, that we will stay within the budget caps, and two, no recession or economic downturn will occur over 10 years, possibly 15 years. My colleagues, both of those assumptions are difficult to believe under today's realities.

The 1997 budget agreement set tight spending controls on the growth of discretionary spending. Discretionary spending accounts for a great deal of the spending by the Federal Government, and the portion of the budget that the folks here in Congress can control. It includes but is not limited to such items as the Department of Education, the FBI, disaster relief, and all these other programs.

If we adhere to the spending caps, then everything will be fine, but that is a big if. As I mentioned earlier, the only problem is that Congress is already having a difficult time in keeping it within the limits set by the Balanced Budget Act of 1997. Is it realistic to think that in the year 2009, that is part of the projection of these organizations, that there will only be an 11 percent increase in spending? That is just a little over 1 percent a year.

Let us go back in history and take a look at how that compares to what we did in the last 11 years. From 1987 to 1998, discretionary spending rose by 75 percent. That is just a little under 7 percent. So I say to my colleagues, even the projection that these organizations are providing and we in Congress are assuming, that discretionary spending will increase by 1 percent, is not accurate, because in the past it has been almost 7 percent.

So we have some real difficulties that are looming before us. The appropriators have already indicated they cannot stay within the limits imposed by the 1997 budget. Therefore, if domestic spending should begin to rise, then the interest payments on the debt will not decline. If the surplus starts to decline, then the debt in turn will increase, and interest payments will continue to increase, also.

In conclusion, Madam Speaker, the two assumptions that CBO and OMB have used have great validity only if they come true. The first assumption is that we will stay within the budget caps. As we know, we have already broken the budget caps in certain areas, and I expect we will probably break them again.

The second assumption is that there will be no recession in the next 10 to 15

years. That too is not realistic. I caution my colleagues that we need to try, as much as possible, to control spending because I think the Balanced Budget Agreement set us on the right course. I hope we will not deviate, and try to restrain spending.

I call upon the President also. For every new program that he offers us, he has to come up with a way to offset it. We must hold the line on spending, and if we do these things, hold the line on spending and continue to reduce taxes, I think that we can look at surplus into the future.

#### AN IRRESPONSIBLE FINANCIAL FREEDOM ACT

The SPEAKER pro tempore. Under the Speaker's announced policy of January 19, 1999, the gentleman from Texas (Mr. DOGGETT) is recognized during morning hour debates for 4 minutes.

Mr. DOGGETT. Madam Speaker, let me just say that I want to associate myself fully with the remarks just made by my Republican colleague, the gentleman from Florida (Mr. STEARNS). He made some excellent points.

Though it may not have been intended, I think he makes a very compelling case for how extremely irresponsible the Republican so-called Financial Freedom Act is that is to be presented on this floor tomorrow.

I, as a person who has for the last several sessions been among the leading deficit hawks, according to the Concord Coalition, refer to the comments of the founders of that organization, Warren Rudman, a former Republican Senator who wrote just within the last week remarks very similar to our Republican colleague, the gentleman from Florida, in saying that the surplus is only a projection that cannot be spent.

If spending is increased, and he adds something my colleague, the gentleman from Florida, failed to mention, our taxes are cut based on the expectation of large surpluses, and the projection turns out to be wrong, deficits easily could reappear where surpluses are now forecast. Most economists have therefore advised that the best thing to do with the surplus is to pay down the debt, or to deal with this problem of the retirement security through security accounts.

I believe that is correct. If we are to dissipate a surplus that may not even exist over the course of the next 10 years, we will be back into the years of Reagan red ink, where we have more and more deficits which we are finally, through responsible policies, being able to work ourselves out of.

I think, though there is substantial competition in this Congress, it is very difficult to find anything more irresponsible than the so-called Financial Freedom Act. It is really a bill that

ought to be called "the Freedom From Financial Reality Act," because it disregards the very realities our colleague, the gentleman from Florida, has just been pointing to.

This bill proposes to have essentially a \$1 trillion tax cut. It is the equivalent, in terms of financial responsibility, of our Republican colleagues piloting the SS Titanic through the deficits ahead, and the dance band playing the tune of "We don't believe in icebergs," or in this case, "We don't believe in deficits."

So irresponsible has their path been that they now find themselves proposing to reduce their own tax cut I think it is by approximately \$72 billion, because they have exceeded their own irresponsible budget resolution, as noted by our colleagues across the Capitol.

But shaving off \$72 billion from a bill that is as irresponsible as the one our House Republican colleagues have proposed is little more than the equivalent of tossing the deck chairs off the Titanic after the iceberg has been hit.

We face very perilous times if this Republican proposal is advanced, because it threatens the very security of our economic expansion. We have an unparalleled economic expansion going on at present in this country. Families all throughout this Nation have benefited in varying degrees, many just now beginning to share in the benefits of this economic expansion, and to threaten that by going back to the old deficit approach I think would be a real mistake.

It is that same threat of irresponsible action in this Republican tax bill that also jeopardizes our ability to assure the security of Medicare and social security, and to address the concerns that our colleague, the gentleman from West Virginia, just raised about the lack of prescription drugs and the discrimination against seniors with reference to prescription drugs.

All of these issues are at stake in this battle over the Republican tax bill. Indeed, it is not only our colleague, the gentleman from Florida, but the chairman of the Federal Reserve Board, Alan Greenspan, who has addressed this issue as he came before our Committee on Ways and Means.

He had pointed out that, "It would be a serious mistake to avoid reducing the surpluses and to yield to the short-term political temptation of a tax cut." I urge the rejection of this Republican mistake.

#### SECURE MEDICARE AND SOCIAL SECURITY BEFORE GIVING TAX CUTS

The SPEAKER pro tempore. Under the Speaker's announced policy of January 19, 1999, the gentleman from Massachusetts (Mr. NEAL) is recognized during morning hour debates for 4 minutes.