We have had the Office of Management and Budget, which is the arm of the White House, indicate that there will be $1 trillion in surpluses over the next 15 years, and we have heard information from the CBO, which is the arm of Congress, also saying there will be a huge amount of surpluses.

My concern this morning is that the spending that we are talking about here in Congress is increasing, and I hear all the new programs that the President is proposing, so I am concerned. I thought I would bring my concerns to the floor today to discuss with my colleagues a couple of things we should concern ourselves with.

When the Congressional Budget Office and the Office of Management and Budget made their forecast, they used the assumption that none of the spending increases would break the budget caps; that is, the spending limits set by the 1997 Balanced Budget Agreement would be held intact.

I think we all know here this morning that we have already broken the budget caps in some ways, and many of us feel that, in certain areas, we should. But there are several factors that must be in place in order for these optimistic forecasts that CBO and OMB have projected to become reality.

Besides holding within the caps from the 1997 Balanced Budget Agreement, there is a built-in assumption in both these organizations that the economy 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.

Mr. NEAL of Massachusetts. Madam Speaker, I would just like to question, if I could, the gentleman from Texas for 1 moment.

I ask the gentleman, was it not the underlying assumption of the previous speaker, the gentleman from Florida (Mr. STEARNS) suggesting that long-term economic projections are notoriously unreliable?

Mr. DOGGETT. Madam Speaker, will the gentleman yield?

Mr. NEAL of Massachusetts. I yield to the gentleman from Massachusetts.

Mr. DOGGETT. Indeed, he made the point quite well that so many economists share in, that we cannot count on those surpluses. They depend on everything, including the weather, and they are about as reliable as the weather report for 10 years from now.

Mr. NEAL of Massachusetts. Madam Speaker, it seemed to me to be startling to suggest, and I agree with him, incidentally, that we would project surpluses for the next 10 to 15 years based upon current economic assumptions.

Mr. DOGGETT. Absolutely outrageous, and Chairman Greenspan shared that concern also. That is why he emphasized in unequivocal terms that this Republican tax proposal would be a mistake, and pointed to the advantages that he said would accrue to the economy from a significant decline in the outstanding debt to the public; that that is the kind of thing that can keep our expansion going and can help us to secure social security and Medicare.

Mr. NEAL of Massachusetts. I ask the gentleman, these suggestions are being made in advance of having solved the Medicare and social security problem; is that correct?

Mr. DOGGETT. Indeed, this proposed Financial Freedom Act, the Freedom From Reality Act, proposes about a $1 trillion cut in the next 10 years, and then, as those baby boomers are really beginning to demand and need social security and Medicare, it explodes in the next 10 years another $2 or $3 trillion. These numbers do get so big, but we are talking not about billions but trillions of dollars that are likely to be additional debt at the very time many Americans are retiring and need social security and Medicare.

That is why I think Chairman Greenspan, not only in answer to my questions, but just to turn the chart around, answered a specific question about the very kind of proposal, an outrageously irresponsible proposal, the Republicans have presented.

A Republican colleague, asking in front of the committee that approved this bill, ''Would you support, say, the proposal being touted currently for a 10 percent across-the-board reduction in tax rates?'' And Chairman Greenspan says, ''Well, Congressman, as I said at the beginning, my first preference is to allow the surplus to run, because I think that the benefit to the economy through the strength of increasing savings is a very important priority for this country.''

We are concerned as Democrats not with spending but saving, saving the economic expansion we have, saving Medicare, and saving social security.

Mr. NEAL of Massachusetts. Madam Speaker, what we are essentially saying here on the Democratic side is this: we are not against tax cuts. We are simply suggesting that once we certify that social security and Medicare have been fixed for the next I think 65 years on the social security side and 35-plus years on the Medicare side, as certified by the trustees and actuaries of both those programs, then we are saying that we want to be able to entertain the notion perhaps of modest tax cuts, as proposed by President Clinton and the Democratic alternative.

Mr. DOGGETT. Absolutely. And I know we will hear shortly about a Democratic alternative to try to provide some fairness to middle-class workers in this country and families. I know the gentleman himself has introduced a proposal to try to simplify this complicated web called the Internal Revenue Code.

We have a number of creative Democratic proposals to try to get a little fairness for the people that are out there trying to hold their families together and earn a middle-class income. But to give it all to those at the top of the economic ladder, one-third of the benefits to individuals in this Republican bill go to families that earn over $200,000 a year, so that is not the typical middle-class family. They want to just let a little dribble down to the rest of us. But I think that is not the right approach.

Mr. NEAL of Massachusetts. As is always the case, it is a question of priorities, is it not?

Mr. DOGGETT. Absolutely.

Mr. NEAL of Massachusetts. We are suggesting that Medicare and social security come first and then we can talk about tax cuts, or as the gentleman has indicated, I think, accurately so, what we are saying is, do not disturb the current economic growth that we have in anticipation of something that might not ever occur, massive budget surpluses.

Mr. DOGGETT. Do not bet on the come, stick with economic reality.

THE DEMOCRAT PLAN FOR A FAIRER BUDGET AND TAX PLAN

The SPEAKER pro tempore. Under the Speaker's announced policy of January 19, 1999, the gentleman from New York (Mr. RANGEL) is recognized during morning hour debates for 3 minutes.

Mr. RANGEL. Madam Speaker, after listening to the observations of my colleagues, I cannot believe that the majority is serious in saying that they have to take this surplus and convert it into a tax cut because the people in Washington would surely spend it.

I do not know whether they can count, and even though it is true that the number does dwindle day by day, but the truth is that they are in the majority. So if basically what they are saying is, stop me before I hurt the country, it is too late. They have already done that.

But in years ago, before the Republicans had the majority, a tax bill was not a political document, it was something that we would have for economic growth, to give assistance to the American people. Now we find that, through no fault of this Congress, there is going to be a baby boomer crop coming in 2015. People are going to mature, they are going to be eligible for social security, eligible for Medicare, and we have the ability among us to really take care of that unexpected booming course that we are going to have.

But instead of talking about that, these Republicans are talking about putting their foot in the door, as the gentleman pointed out, not just for the next 10 years but for the 10 years that follow that, that is going to go into trillions of dollars.

We cannot challenge them because they have the votes. We cannot challenge them because there are no committee meetings. We cannot challenge them because we do not go into caucus to discuss what they are doing. But one thing is certain, that the minority will be presenting a fairer package to the American people, one that includes taking care of the social security system, taking care of Medicare, and making certain that we reduce the Federal debt, as well as target a relief for the taxpayer.

Mr. NEAL of Massachusetts. Madam Speaker, will the gentleman yield?

Mr. RANGEL. I yield to the gentleman from Massachusetts.

Mr. NEAL of Massachusetts. Madam Speaker, I would ask the gentleman from New York, is it his projection and the position of the Democratic minority that what we are really discussing