

blessed. During the time that we spent together, he demonstrated what it meant to defy racial stereotypes.

His loss is not only a personal one, but one to the entire U.S. Judiciary. How long will it be until someone else with his compassion and understanding will grace our presence again? Mr. Speaker and my fellow colleagues, I ask you to join me in hoping that that day will be very, very soon.

SYRACUSE CHILDREN'S CHORUS  
REPRESENTS U.S. AT INTER-  
NATIONAL FESTIVAL IN CHINA

**HON. JAMES T. WALSH**

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, June 9, 1998*

Mr. WALSH. Mr. Speaker, I rise today to ask my colleagues to join me in praising the Syracuse Children's Chorus, a group of young singers who will represent not only my home district of Central New York, but in fact, our entire nation when they travel to the International Children's Choir Festival and World Conference in China July 31 through August 14.

The group, directed by Dr. Barbara Marble Tagg, is one of three such groups invited by the government of the Peoples Republic of China, and the only one from the United States.

They will perform in Hong Kong and three mainland cities—Shenzen, Guilin and Guangzhou. This is a unique honor and a wonderful opportunity. I've known about the Syracuse Children's Chorus since our own children participated and their reputation is outstanding. I know they will represent Central New York and the U.S. very well. I am proud and excited for them and their families.

Since its founding in 1981 by Dr. Tagg, the Syracuse Children's Chorus has become an international model for music education. The SCC has been the recipient of grants from the National Endowment for the Arts and has been heard on National Public Radio. They performed at the 1996 International Society for Music Education World Conference in Amsterdam, following a concert tour of Belgium and Holland that year.

They were also featured at the Walt Disney World Children's Holiday Choral Festival as well as Carnegie Hall in 1991.

The Syracuse Children's Chorus has commissioned more than 50 works for children's choruses by composers from the U.S., Canada and China.

Dr. Tagg is artistic director and founder. She is an Affiliate Artist at Syracuse university where she is a member of the choral music education faculty. She is a remarkable person who has done much for our community.

I ask my colleagues to join me in wishing them well in their performance and their experience.

The Chorus members are: Jessica P. Ashooh, Rachel O. Bass, Elena de la Garza-Bassett, Andrea L. Bess, Erin L. Canavan, Shawna L. Carrigan, Heather N. Charlton, Courtney J. Chiavara, Stacey L. Condolora, Jeffrey B. Corbishley, Elizabeth M. Corcoran, Andrea E. Dunuwila, Brendan E. Dunuwila, Kristen W. El-Hindi, Sarah T. Esagro, Jill R. Evans, Abigail M. Freeman, Rebecca L.

Fullan, Christina Hollenback, Jessica L. Keating, M. Amaris Kinne, Caroline T. Manolakos, Michelle M. Michalenko, Erin M. Molnar, Sidra S. Monreal, Amber L. Moriarty, Marissa H. Mulder, Michelle M. Ostrowski, Kathryn L. Palange, Johanna C. Pingel, Kathryn M. Pratt, Amanda J. Schofield, Katharine J. Suddaby, Elana S. Sukert, Sarah A. Tiedemann, Richard D. Udicious and Carolyn D. Woiler.

The Chorus staff are: Stephen Paparo, conducting intern; Jackie Pickard, chorus manager; Teresa Hudson, chorus administrator; and Michael Wesoloski, director of PR/market-ing. Accompanist is Glenn Kime.

CBO'S FRACTURED CRYSTAL BALL

**HON. NEWT GINGRICH**

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, June 9, 1998*

Mr. GINGRICH. Mr. Speaker, The attached editorial from The Washington Times puts the problems with the Congressional Budget Office in the proper perspective. Stephen Moore's suggested remedies merit serious consideration. I submit the editorial to the CONGRESSIONAL RECORD.

CBO'S FRACTURED CRYSTAL BALL

(By Stephen Moore)

Speaker Newt Gingrich announced last week that Congress should begin to "review the accuracy [sic]" of the economic and budget forecasting of its internal think tank: the Congressional Budget Office. It's about time.

Mr. Gingrich and his GOP colleagues are finally catching on to a problem that many supply side economists have recognized for years. Since at least 1995 the CBO has been dramatically low-balling its economic estimates, and thus overstating the budget deficit. On average CBO has understated GDP growth by 1 percentage point per year—which is a large forecasting error.

One implication of this underestimate of GDP growth has been that the government's official budgeting agency has missed the biggest fiscal story of the last quarter century: a balanced budget with very rapidly rising budget surpluses.

Consider the legacy of error detailed in the attached table. Two years ago, in May 1996 the CBO forecast a 1998 deficit of \$174 billion. Instead, now we are told that we will have a surplus of \$35 billion. This means the CBO's 1996 deficit forecast for 1998 was off by more than \$200 billion. The five year (1998-02) estimated deficit was \$1,167 billion. The latest CBO forecast now sees a surplus over that period of at least \$200 billion. In two years, CBO has revised upward its budget estimate by almost \$1.4 trillion. Incredible.

But the CBO's crystal ball may still be cracked. The latest CBO report that came out in early May 1998 continues to underestimate surpluses. Larry Kudlow of American Skandia and I have estimated that the surplus for this year will be closer to \$70 billion and that future surpluses will be at least twice as high as CBO says.

The CBO has long been bearish on the American economy even as employment, stock values, and business profits soar, inflation approaches zero, and interest rates dip to 20-year lows. The long-term CBO estimate for real GDP growth is a turtle-paced 2.1 percent growth rate for as far as the eye can see. Yet the average GDP growth over the past 16 years has been 3.0 percent. In fairness

to CBO, the Clinton Treasury Department is predicting an equally anemic rate of future growth.

Economic forecasting is at best an inexact science. Some might even call it voo doo. The best—and perhaps the only—semi-reliable forecast of the future is the past. CBO continues to assume that the economy will grow at substantially below its historical trend.

The logical question is: Who cares if CBO is wrong? The answer is that bad forecasts make for bad policies. Republicans in Congress continue to budget as if we are in a deficit environment. In fact, revenues are going to be at least \$500 billion higher from 1998-2002 than they thought last year. This explains why Congress is now pondering a niggardly tax cut of less than \$100 billion when in fact a better economic forecast would demand tax cuts 3-5 times higher than that. Yes, bad numbers lead to bad policies.

Faulty number crunching is also a big problem at CBO's sister agency, the Joint Tax Committee. Last year when the Republican Congress cut the capital gains tax rate from 28 percent to 20 percent the JTC scored this as a five and ten year revenue loser for the government. This ignored all historical evidence to the contrary. For nearly 40 years every capital gains tax cut has yielded more revenues. Every capital gains tax increase, including most notably the 1986 increase, has lowered federal tax receipts. Preliminary tax return data indicate that in the first 10 months since last year's cap gains cut, capital gains receipts are surging. Has JTC learned its lesson? Hardly. The JTC is now scoring a proposal to cut the cap gains tax to a uniform rate of 15 percent. Rather than admitting its error, JTC chooses to stick with its discredited story.

The GOP has no one to blame but itself for these faulty forecasts. The GOP runs Congress nowadays and hence it hires and fires the number-crunchers. But JTC and CBO appear to be using the same Keynesian models the Democrats invented 40 years ago.

It is time for the GOP to launch an assault against the CBO and the JTC. The assault should be based on the fact that CBO's models are broken. The goal is not ideology, but simple accuracy. Newt Gingrich and the Budget Committees should ask these agencies to:

(1) Raise GDP forecasts through 2008 from 2.1 percent to a more realistic 3.0 percent.

(2) Raise revenue growth estimates. CBO (and Treasury) predict 4 percent revenue growth. We've been averaging 7 percent revenue growth since 1982. This year revenues are up an enormous 11 percent. A reasonable revenue growth estimate is 10 percent for 1998 and 7 percent thereafter.

(3) Revise the surplus estimates. Because revenues will be much higher, so will surpluses. With 7 percent revenue growth, the surplus by the year 2002 reaches roughly \$300 billion.

(4) Make dynamic economic estimates of capital gains tax changes. A 15 percent capital gains rate will be extremely bullish for the economy and increase wealth and tax collections.

Most important of all, once armed with these new forecasts, the GOP must abandon its austerity budget strategy and enact a very, very large tax cut. It is time to harness the surpluses in a way that creates more prosperity, not bigger government. American workers and businesses, not politicians, created this prosperity and the expected tide of budget surpluses. Now we deserve a substantial tax cut dividend.