

## TIME FOR SEC HEAD TO GO

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oregon (Mr. DEFAZIO) is recognized for 5 minutes.

Mr. DEFAZIO. Mr. Speaker, those who were watching television just before the vote would have been treated to a softball interview with Mr. Harvey Pitt. Mr. Harvey Pitt is a former lobbyist for securities firms and accounting firms and, knowing so well the backrooms, he was named by the President of the United States to be our chief watchdog when it comes to securities enforcement. There is a little problem with Mr. Pitt as a watchdog, unfortunately. He is so ethically and morally compromised, he often cannot vote.

Recently, the Securities and Exchange Commission staff provided a compelling case against Ernst & Young, an accounting firm. There were three commissioners present, and apparently they found the evidence compelling, but unfortunately two of them were so ethically and morally challenged, both appointees of President Bush, Mr. Pitt, the chairman, and another member, they could not vote. The only person that could vote was a Clinton holdover. He did not have the ethical problems of voting for or against his former clients and buddies and he voted to fine them. An administrative law judge threw it out.

So here we have it. The chief enforcement arm of the United States Government to rein in corporate misconduct, securities fraud, the accounting firms, and the chairman cannot vote. In his first 10 months in office, he had to recuse himself from voting 29 times because these were all people whom he had represented and he will represent again soon when he leaves his position as chair of the Securities and Exchange Commission.

This is the tough new Securities and Exchange Commission which is supposed to instill confidence? Mr. Pitt carried on at great length about what he really cares about is the little guy, you know, Main Street. I do not think Mr. Pitt has seen Main Street from his penthouse apartment, his thousand-dollar-an-hour consulting with these securities and accounting firms for a heck of a long time, except maybe from the tinted windows of his limousine.

He has represented other outstanding folks: MCI, WorldCom, a \$4 billion problem there. Merrill Lynch. Arthur Andersen. Whoops. Yeah, a little bit of a problem there. In April he met with a former client, KPMG Consulting, while their audits were being investigated. He said, "Hey, you can't tell me that I can't meet with people who I worked for who are currently under investigation because I wouldn't be able to meet with anybody." This is our chief watchdog, Harvey Pitt.

Harvey Pitt. Yes, perhaps he would be a great enforcer because he knows all the backroom tricks. One of the big problems we have was conflicts of in-

terest with the accounting companies. Mr. Pitt as a \$1,000-an-hour lobbyist/lawyer, he always talks about himself as a lawyer, not a lobbyist—he was a lobbyist with a law degree and a license to practice law—had in fact worked very hard to prevent those conflict of interest rules from going into effect which, of course, allowed many of the current accounting shenanigans to go forward because these same firms, Arthur Andersen and others, were selling services to the companies that they were supposedly providing arm's length auditing services to and the companies were not going to be real eager to buy those services if their CEO was not earning tens or hundreds of millions of dollars of bonuses by inflating their earnings reports and having the accounting firms sign off on it. This is our chief watchdog.

It is not just his actions that belie Mr. Pitt. It is his words. When he was sworn in, he said the SEC will be a kinder and gentler place for accountants. He would have us believe that now he has become a veritable pit bull of enforcement, that he is the best person for the job. It is extraordinary that the Bush administration has not joined notables such as Senator JOHN MCCAIN in asking for Mr. Pitt to resign. He is an embarrassment to this administration. To have a chief law enforcement officer who cannot enforce the law because he is so morally and ethically compromised, he cannot even vote on enforcement actions recommended by his own staff and investigators.

It is time for Mr. Pitt to go if you want to restore some modicum of faith in how straight these markets, these reports and these investigations are.

The SPEAKER pro tempore (Mr. KELLER). Under a previous order of the House, the gentleman from California (Mr. GEORGE MILLER) is recognized for 5 minutes.

(Mr. GEORGE MILLER of California addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from the District of Columbia (Ms. NORTON) is recognized for 5 minutes.

(Ms. NORTON addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Hawaii (Mrs. MINK) is recognized for 5 minutes.

(Mrs. MINK of Hawaii addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

#### DEMOCRACY AT WORK: MILITARY RETIREE GRASSROOTS SET AN EXAMPLE FOR ALL AMERICANS

The SPEAKER pro tempore. Under a previous order of the House, the gen-

tleman from Mississippi (Mr. SHOWS) is recognized for 5 minutes.

Mr. SHOWS. Mr. Speaker, today through access to advanced technical means of communication, Americans are able to unite their individual voices and present a message, loud and clear, that makes Congress pay heed to what they have to say. This is truly democracy in action.

July 16 is the sixth anniversary of the beginning of a grassroots movement that exemplifies the spirit of democracy our Founding Fathers envisioned and represents the power of many individual voices uniting as one. On July 16, 1996, Colonel George "Bud" Day, a Congressional Medal of Honor recipient who was Senator JOHN MCCAIN's cellmate in North Vietnam for many years, filed a class action lawsuit against the government of the United States for breaking promises of lifetime health care. Specifically, since the founding of the Republic, the U.S. Government routinely promised military recruits if they served a career in uniformed service for 20 years, they and their dependents would receive health care for life. Indeed, that is what they received.

But beginning with laws enacted in 1956, lifetime health care benefits were chipped away. Personnel who joined the service before 1956, with the promise of lifetime care, later retired from the service to find the government had gone back on its promise. When laws passed in the mid 1990s finally kicked military retirees over the age of 65 out of the military health care system, that is when Colonel Day filed his suit on behalf of two Florida military retirees. Today, Colonel Day's class act group, CAG, represents thousands of military retirees and families across the country in a case that is pending in a Federal appeals court in Washington. Last year a three-judge panel of that court ruled in Colonel Day's favor that the United States did break a contract with its career uniformed personnel. The full 11-judge panel has reheard the case and a ruling will be forthcoming.

The government attorneys put themselves in a position of claiming essentially the military recruiters made promises on behalf of the United States Government that they never intended to keep because, in these attorneys' opinion, the law did not require them to keep their promise. The attorneys should just have said, "They make promises but had their fingers crossed behind their backs." Most observers believe the court will again side with Colonel Day. The question will be whether the United States attorneys will appeal the ruling to the Supreme Court.

Colonel Day forged a coalition of Americans who had a shared grievance against their own government. Colonel Day and the class act group's historic lawsuit and the power of the thousands of retirees who are members of CAG represent the best of what our Founding Fathers envisioned. There are other

issues relating to the broken promise and the military grassroots continues to make its collective voice heard. In 1999, thousands of retirees across the country came together when I introduced the Keep Our Promise to America's Military Retirees Act. This was the first legislation in Congress that addressed the broken promise head-on. By writing letters and e-mails to newspapers and Congress and by posting billboards across the country, military retirees made their voices heard. In just one year, the voice of the military retirees grassroots, united loud and clear around the legislation, forced Congress to act. Congress enacted TRICARE for Life, which restored much of the promises of lifetime health care for retirees over the age of 65.

TFL, as it is known, was a significant achievement for many military retirees over 65, but much more needs to be done to restore the promise of military health care to many more of our retired uniformed personnel. For too many retired military personnel, the military health care system currently in place does not provide the level of quality care they have been promised, earned and deserve. A new coalition representing military retirees has emerged to challenge the government to provide that health care. They call themselves the MRGRG, the Military Retiree Grassroots Group. These retirees do not have a formal organization or membership but are all over the country wired together via the Internet. The MRGRG's goal is to achieve full restoration of the broken promise now and have it done this year.

Recently, nine MRGRG members, recognized as leaders in the retiree movement, drafted a white paper on military health care. The 200-page white paper spells out the retirees' case clearly and in great detail. At their own expense, MRGRG members have reproduced and hand-delivered white paper binders and CDs to every member of the House and Senate. Like Colonel Day's group, the MRGRG represents exactly what our Founding Fathers intended, American citizens acting freely and of their own will, telling their elected representatives what they ought to do.

The good people of CAG and MRGRG are already heroes—they fought to defend the freedoms we all enjoy, and they made a career doing it. And now they are heroes all over again, setting an example for all of us by showing how democracy is supposed to work and by making it work exactly the way our Founding Fathers intended.

Our Founding Fathers would be proud of today's military retirees' faith in our democratic institution. I know I am. God bless them, and God Bless America.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mrs. THURMAN) is recognized for 5 minutes.

(Mrs. THURMAN addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

#### THE NATIONAL DEBT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Mississippi (Mr. TAYLOR) is recognized for 5 minutes.

Mr. TAYLOR of Mississippi. Mr. Speaker, as we read about the scandals in the private sector and as we hear the President go to Wall Street to try to get them to do a better job with their accounting practices, it strikes me that the President would have much better spent his time if he had given that speech here in these halls. You see, as we talk about false billing and cooking the books going on on Wall Street, there is no more false billing and there is no bigger cooking of the books than right here in the halls of Congress and in the other body. I guess the average American would be dumfounded to know that the taxes that they pay every month called FICA, their Social Security taxes, they think is being set aside for their Social Security, would they not be surprised to find out that as of this moment, our Nation owes the Social Security trust fund \$1.3 trillion. There is not a penny in that account, nothing but an IOU of some government securities. Folks who pay taxes know that on that pay stub is a tax for Medicare. They presume it is being set aside to pay for their medical expenses when they get older. They would be shocked to find out that as of this moment, if you could find that imaginary lockbox, that we owe the Medicare trust fund \$271 billion. For folks back home, I realize a billion is a lot of money, so I walk you through it the way I have to remind myself. A billion is a thousand times a thousand times a thousand, and in this instance again times 271 is how much is owed to the Medicare trust fund.

Every year money is taken out of the Department of Defense budget with the promise that it will be set aside to pay military retirement pay. I am sure that after what the gentleman from Mississippi (Mr. SHOWS) said, and rightly so, that they would be aghast to find out that if you were to find the so-called military retiree fund, all you would find there is an IOU for a thousand times a thousand times a thousand times 168.

The civil servants, the people on the Border Patrol, the people who work for Customs, the FBI agents who are out there trying to find kidnapped kids, the ATF agents who get shot at on a regular basis trying to keep violent people from building bombs that would harm other Americans, they have a retirement plan. They pay into it. The government pays into it. That money is supposed to be set aside just to pay for their retirement. If they could find that mythical lockbox, they would find that what is missing is a thousand times a thousand times a thousand times 540. \$540 billion.

□ 1945

In fact, I guess the average Joe would be a little surprised that after coming

to Congress and promising to balance the books, that in the approximately 1,286 days that DENNIS HASTERT has been the Speaker of the House, that the Federal debt has grown by \$511,040,208,939.15, which is more debt than was accumulated in this country from the day that George Washington became President until 1975. Our Nation went for almost 199 years and accumulated only as much debt since DENNIS HASTERT has been Speaker.

I say that to express my severe disappointment that in those 1,286 days, Speaker HASTERT has not allowed, and he sets the schedule for floor debate; only bills that he approves come to the floor and bills that he disapproves do not come to the floor. He has never set a day of debate for a Balanced Budget Amendment to the Constitution of the United States. So that regardless of which party, be they Democrats, be they Republicans, or whoever is controlling the House, and regardless of which party controls the Senate, and regardless of who is the President, they are going to spend no more money than is collected in taxes.

In the 23 years my daughter has been alive, this Nation has added \$5 trillion to that debt. We could have gone all the way from the day George Washington became President to the day Ronald Reagan became President and our Nation was only \$1 trillion in debt. In just 23 years, this much has been added. I think the American people are rightly demanding that Congress spend no more than they collect in taxes. Because no good parent would go out and buy a car and say, by the way, I have a 6-year-old child and let them pay for it, plus interest, when they grow up. No good parent would go buy a house, the most expensive house, because they are not going to pay for it, they are going to stick their grandkids with the bill.

That is what you have been doing, Speaker HASTERT; and I think it is time we had a vote on a Balanced Budget Amendment to the Constitution to stop this Congress and stop future Congresses from doing that. This is a message that I am going to deliver every day until we get a vote on the Balanced Budget Amendment.

I want to encourage Americans to check my sources. Because unlike those guys who were talking about big budget surpluses last year, but never followed it up with the facts, I want Americans to check these numbers because they will be as shocked and appalled as I am. So please look for the monthly statement of the public debt, June 2002, under <http://www.publicdebt.treas.gov>, and see for yourselves how broke our Nation is. And then when we hear the politicians ranting and raving about irresponsibility on Wall Street, maybe you will encourage them to look in the mirror.