

(Mr. HILL), the gentleman from Tennessee (Mr. TANNER), the gentleman from Arkansas (Mr. BERRY), and also the gentlewoman from South Dakota (Ms. HERSETH) who will follow.

We have worked together on this fiscal responsibility and budget issues. Mr. Speaker, I listened to what the gentleman from Arkansas (Mr. BERRY) said, and I just have the thought that most American families when they sit down to look at their finances and they consider that they have got a food bill and rent or a house payment, utilities, car payments, they have got to send their kids to school, they know that at the end of the day, at the end of the month, at the end of the year, they have to have had enough revenue come in to meet those expenses. This is a very simple principle. You have to have enough revenue coming in to meet your expenses.

I like to look at the history of this whole deficit situation, and let us just go back about 12 years. Mr. Speaker, in 1992 this Congress, this government was spending \$290 billion more than it took in. In other words, there was an annual deficit of \$290 billion. That was the largest at that time in the history of the Nation. It was stagnating the economy. The interest rates were higher than they should have been. The American people understood this because it was affecting them on a daily basis, and they spoke through the ballot box in 1992.

Starting in 1993 and for the next 5 years, the deficit went down every year. In 1998, for the first time since 1969, the Federal Government had a surplus. In 1998, for the first time in almost 30 years, the Federal Government had a surplus. Two years later, our Federal Government, for the first time since the 1950s, did not have to borrow from the Social Security fund to cover its yearly operating expenses. That was only 4 short years ago in fiscal year 2000. Since then, Mr. Speaker, this government has borrowed \$1.7 trillion to pay its bills. We have put that into the economy.

We hear rhetoric every day about how the economy is improving. Mr. Speaker, if you cannot improve this economy by borrowing, the government borrowing \$1.7 trillion and pumping it into the economy, I feel for you; \$670 billion was borrowed during that same 3-year period from the trust funds, like Social Security. And as we heard the gentleman from Tennessee (Mr. TANNER) say, we borrowed over a trillion dollars from the public, mostly, about 70 percent of it coming from foreign countries like China and Japan.

Mr. Speaker, our government with respect to our budget and fiscal responsibility is headed in the wrong direction under the current leadership.

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Let me say that again. The government and the budget, with regard to fiscal responsibility, is heading in the wrong direction under the current leadership.

This Congress and this administration have no discipline when it comes to fiscal responsibility. We are spending at record levels. It is absolutely running out of control, while there is no thought given to how we responsibly pay for that spending, and we are simply sending the bill to the children and the grandchildren. We will pay for it in our lifetime, and we will pay for it soon as we see those bills come due.

Mr. Speaker, the group that I work with, the Blue Dogs, have worked hard to return some sanity to the budgeting process. Just like any responsible American family that has to balance their own family budget or business budget, we believe that it is time for the Federal Government, the Congress, to dust off the deficit reduction tools that we used in the 1990s to get the budget under control.

We have heard them talk about this here tonight. We heard the gentleman from Texas (Mr. STENHOLM) talk about them. Strong PAYGO rules, that means pay-as-you-go. When you find yourselves in a hole, that is what you do.

Enforceable spending caps, that was an important component of the 1997 Balanced Budget Act. We put caps in place for spending and we lived by it.

Most important of all and a simple step that this Congress and administration ought to be able to do is to enact a budget resolution that the House and Senate can use as a blueprint to establish its priorities and identify the resources to pay for those priorities.

Mr. Speaker, I think that pretty soon the American people will realize that annual deficit spending to the tune of a half a trillion dollars a year will come back to haunt us.

The SPEAKER pro tempore (Mr. HENSARLING). Under a previous order of the House, the gentleman from North Carolina (Mr. JONES) is recognized for 5 minutes.

(Mr. JONES of North Carolina addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

FISCAL RESPONSIBILITY

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from South Dakota (Ms. HERSETH) is recognized for 5 minutes.

Ms. HERSETH. Mr. Speaker, as the newest member of the Blue Dog Coalition, I rise today to speak on an issue of vital importance to the hardworking people of South Dakota, fiscal responsibility.

South Dakota families know how important it is to live within their means. They do this because they know that is what it means to live responsibly, even if it requires difficult decisions for them and their families.

In its most recent pronouncement, the Congressional Budget Office now estimates that the Federal budget deficit for fiscal year 2004 will be approxi-

mately \$477 billion. This means that in a 12-month period ending this September 30, the Federal Government will spend almost half a trillion dollars more than it will take in. If a South Dakota family behaved in this way, they would ultimately be headed to bankruptcy court under the burden and pressure of crushing debt.

This projected deficit would be the highest in our Nation's history, and the picture does not get much better as we look down the road. CBO's updated 10-year deficit estimate is \$2.4 trillion, almost \$1 trillion more than its earlier predictions. To make matters worse, the 10-year deficit estimate would virtually explode to \$4.1 trillion if all of the current administration's tax cuts are extended for 10 years.

What is often lost in the debate about the budget deficit is its impact on the overall Federal debt. We cannot allow this fact to be obscured. The national debt currently stands at well over \$7 trillion. That is an estimated Federal debt of more than \$24,000 for every man, woman and child in the United States. During this past year, the national debt has continued to increase an average of \$1.69 billion per day.

In fiscal year 2003, the U.S. Government spent \$318 billion of taxpayers' money on interest payments on the national debt. This is over \$1,000 per person and over \$4,000 for a family of four in this country, and that was for last year alone.

The problem can be brought into sharp focus by taking a snapshot of the programs under the jurisdiction of the committees on which I serve: Committee on Agriculture, Committee on Resources, and Committee on Veterans' Affairs.

Because Congress and the administration have failed to exercise the same fiscal responsibility that South Dakotans use to balance their household budgets every day, our government is now seeking to balance the budgets on the backs of family farmers, veterans and vulnerable members of our society, such as many Native Americans.

Under pressure from our massive deficit, the Agriculture appropriations bill that just passed the House shortchanges conservation programs that are needed to restore the land and build wildlife habitat.

The same fiscal policy has led to cuts in vital service for Native Americans, including in education and human services. These cuts come despite the fact that Native Americans in my State live in some of the poorest counties in the entire Nation in sometimes desperate conditions. They know better than anyone else that education is the only path toward a better life.

Finally, just as we are creating a whole new generation of veterans on the battlefields of Iraq and Afghanistan, pressure from the deficit has led to a budget that shortchanges America's veterans. It is a sad fact that this

administration's budget is \$1.2 billion short of the amount that the Secretary of Veterans Affairs said is necessary simply to maintain current services.

In the years ahead, we must meet the obligations that we are making to these tens of thousands of selfless Americans. They will need assistance to recover from injuries sustained on the battlefield. They deserve assistance with education, housing and building a better life. Especially in light of the sacrifices they have already made, they do not deserve having to bear the additional burden of financing this outrageous financial debt.

We must put our financial house back in order. The \$318 billion we are paying in interest on the debt alone would fund all of these needs many times over. It would help sustain family farms and rural economies, build new schools for all who need them, and keep our Nation's promise to our veterans.

I hope that we can bring common sense back to our Nation's budgeting process. We must reinstate meaningful budget enforcement tools such as the pay-as-you-go rule proposed by the Blue Dogs and by which this House previously abided. We must focus on middle class tax relief, paying down our Nation's debt and balancing our Nation's budget in a way that protects our key priorities.

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

(Mrs. MALONEY 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 Ohio (Mr. BROWN) is recognized for 5 minutes.

(Mr. BROWN of Ohio addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

ORDER OF BUSINESS

Mr. WOOLSEY. Mr. Speaker, I ask unanimous consent to speak out of order.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

SMART SECURITY AND HALLIBURTON

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

Ms. WOOLSEY. Mr. Speaker, for nearly 3 months, the Bush administration has flatly refused to cooperate with the United Nations-sanctioned auditors examining the contracts provided to companies like Halliburton for services in Iraq.

President Bush's government has withheld pertinent information from the U.N.'s International Advisory and Monitoring Board which was specifically tasked to ensure that Iraq's oil revenues would be managed responsibly during the United States occupation and for as long as American and other companies work on reconstruction jobs in Iraq.

Halliburton, my colleagues may remember, is the Texas-based oil company that has received over \$1 billion in lucrative contracts from the United States for the reconstruction of Iraq, and they have never had to place a single bid for these contracts.

Years ago, the Pentagon established the practice of allowing private companies to bid on various projects, rewarding the most qualified company willing to complete a given project for the lowest price with a highly sought after government contract.

Mr. Speaker, this practice was good for American companies, while, through competition, also kept prices down, ensuring that American taxpayers did not get fleeced in the process.

The Pentagon, under the shoddy supervision of the Bush White House, has all but disregarded this process in 4 short years. Not only has the Bush administration given rise to the shameful new policy of the no-bid contract, it has also rebuffed any and all attempts by international organizations to provide oversight to those companies that are the recipients of these no-bid contracts.

My colleagues may also recall that Vice President CHENEY is the former CEO of Halliburton. In the months since the beginning of the Iraq War, Vice President CHENEY's former company, from which he still receives nearly \$200,000 a year in deferred income, has been nothing if not greedy.

CHENEY's company, Halliburton, overcharged the U.S. Government for the price of gasoline imported into Iraq from Kuwait. CHENEY's company, Halliburton, charged the United States Government for thousands of meals for soldiers that were never provided. Yet the Bush administration has done everything in its power to ensure that CHENEY's company, Halliburton, gets whatever it wants or whatever it does not want.

In this case, Halliburton does not want international auditors to get their hands on documents that stipulate how Iraq's oil revenues have been spent or even how much oil has been processed. Halliburton does not want international auditors to learn that meters have never been installed on Iraq's Persian Gulf loading platforms, allowing for the exportation of an unlimited and unaccounted amount of crude oil.

As a result, in addition to the billions of dollars in no-bid contracts, Halliburton may be making millions of dollars more off of the oil that rightfully belongs to the Iraqi people, but

then this is the same company that provided fake meals to American troops and overcharged our government for Kuwaiti oil.

There has to be a better way, because the Bush doctrine of rewarding cronies at the expense of the American taxpayer has proven to be an utter failure. We need to be smart about how we choose companies to rebuild countries like war-torn Iraq.

I have introduced H. Con. Res. 392, which is legislation to create a SMART security platform for the 21st century. SMART stands for Sensible, Multilateral, American Response to Terrorism.

The wonderful organizations Physicians for Social Responsibility, Friends Committee on National Legislation and Women's Action for New Directions helped me in crafting this legislation.

In this day and age, terrorism is an international problem, and so it makes sense that the fight against terrorism should involve the international community. That is why SMART security calls for working closely with the U.N. and NATO to achieve its goals. Only by actively involving other nations in this fight can we hope to prevent future acts of terrorism.

The Bush administration likes to talk the talk when it comes to national security, but if they want to walk the walk, they will stop rewarding their buddies with no-bid contracts, while protecting these same buddies from international auditors. If they want to be truly smart about defending our country, they will be smart enough to realize that national security depends on international cooperation.

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

(Mr. McDERMOTT 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 Illinois (Mr. EMANUEL) is recognized for 5 minutes.

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

IN MEMORIAM OF JUANITA RABOUIN PHILLIPS

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

Ms. WATSON. Mr. Speaker, I rise to honor and memorialize a great American, Juanita R. Phillips, a retired educator in the St. Louis public schools. She died of natural causes on Thursday, July 1, 2004, 3 months shy of celebrating her 100th birthday.

She was born in Chicago, Illinois, on September 26, 1904, 3 months, as I said,