

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,

before her centennial. She attended the Clinton Iowa public schools and graduated in 1927 from the University of California at Los Angeles and earned a master's degree in English from Ohio State University.

After graduation, she taught English at various historically black institutions such as Florida A&M College in Tallahassee, Florida, and Hampton Institute in Hampton, Virginia, before moving to St. Louis.

□ 2030

In 1943 she moved with her husband, Dr. A.C. Phillips, an educator who served as principal of Washington Technical, Vashon, and Central High Schools, and after retirement as a former president of New Age Federal Savings and Loan in North St. Louis.

Mrs. Phillips continued her love for teaching English at Soldan High School, from which she retired in 1972, and subsequently served as a tutorial volunteer.

During her lifetime, Mrs. Phillips remained engaged in various local and national organizations until she became well advanced in age. As a founding member and first president of Alpha Kappa Alpha Sorority's Alpha Gamma Chapter, my chapter, at UCLA in the 1920s, she also dated Ralph Bunche, a classmate while in college. She continued an active social life in St. Louis where she maintained membership in the Booklovers Club, the Garden Club, a local women's bridge club, as well as shared activities with her husband as an archouse in the Beta Eta Boule, The Anniversary Club, The Couples Club, and numerous civic and philanthropic projects. She was a voracious reader, avid gardener, a consummate traveler, and a generous hostess who enjoyed sharing her time and energy to make life more pleasant for her friends and family, and especially her grandchildren.

Mr. Speaker, I want to say I just returned from the Alpha Kappa Alpha Convention, over 10,000 women, and announced to them her passing. But the remarkable thing is that she almost saw a full century of life and we, her family, she was my aunt, need to emulate her spirit because she believed in peace. She loved poetry, and she wrote to us poetically. The last conversation I had with her she said to me, I think I have just lived too long. And I responded, you will live forever in our hearts and our minds.

EXPENSING STOCK OPTIONS

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

Mr. BLUMENAUER. Mr. Speaker, this evening I want to reference briefly, legislation that we are going to be dealing with tomorrow that I think is very important. I have been spending time, as I know a number of my col-

leagues have, questioning the recent proposal from the Financial Accounting Standards Board, FASB, about whether or not we are going to be expensing stock options.

This is particularly important for somebody from the State of Oregon where technology has become a critical part of our local economy. It is the largest export of our State by far, a State originally founded on agriculture and timber. Now, technology exports are twice what we have in those traditional areas. The wages that are paid are twice the State average. They are high-paying, important jobs for a growing part of our economy that is increasingly a critical part of a global economy.

When these proposals came forward, I looked at them closely because, sadly, Congress in the past has not always been the most constructive partner. When it comes to financial regulations, often our participation has hindered rather than helped. I think any objective analysis would suggest that congressional interference with what happened with the savings and loan scandal probably added billions of dollars to the long-term cost to the taxpayer.

More recently, congressional interference dealing with accounting standards probably increased the problems there when we had some of the most difficult fallout. We had an opportunity to play a more constructive role; I am not certain that we did.

That is why I look at this carefully. I started by talking to business people I know back home who were involved with this process to find what impact expensing options would have on their businesses. It was clear that were we to be dealing with the expensing of broad-based stock option plans, the impact would be negative.

Now, it is clear that we are not talking about the vast majority of stock options that are granted to only a small number of high-level employees. Here we have seen expensing take place with little or no impact on shareholder value. That is because they are very limited. In the area that we are talking about with broad-based stock options where the majority of the employees have these options vested, not just the top few, it would have a dramatic impact on the balance sheet.

What it would mean in the long term is that a number of these firms, because of the lower values, they would simply stop offering broad-based stock option programs. That would be a tragedy on several levels. One has to do with the fact that broad-based stock option programs probably are a counterweight, a check and a balance against abuse. If you have a large number of employees who have a stock option program, there is less incentive and it is harder to manipulate. Indeed, to the best of my knowledge, there has not been a single case of a broad-based stock option program that has been one of the problems we have been reading about in the papers. The

Worldcoms or the Enrons have been those stock options that were more limited in nature. So we would lose that check and that balance.

Additionally, we lose an important part of start-up capital. What we are finding in the volatile world of technology finance is that there are a number of people who are willing to grab the brass ring, they are willing to take a chance to forgo salary for stock options, putting, in effect, sweat equity into the business on the prospect that it will prosper and that they will reap handsome rewards in the future. This does not happen all of the time, but it happens frequently enough that people are willing to make that type of investment. It has been a critical part of the success in getting the talent and getting these start-ups off the ground.

It is particularly important in a small State like Oregon which does not have access to capital that we see in other parts of the country like Silicon Valley; and as a result, Oregon would be particularly hard hit if we were to lose the opportunity for broad-based stock options.

Mr. Speaker, I hope that my colleagues carefully examine this legislation coming before us tomorrow and look at the impact that broad-based stock options have in terms of the entrepreneurial spirit, in terms of what it means for the benefit of large numbers of employees, and the integrity of stock options themselves. Members should look carefully at the problems of valuation for something that is in effect equity in the future that is unknown and avoid a problem of adopting a new policy that could have a very negative effect on our technology industry and small business.

BUDGET DEFICIT

The SPEAKER pro tempore. Under the Speaker's announced policy of January 7, 2003, the gentleman from Colorado (Mr. TANCREDO) is recognized for 60 minutes as the designee of the majority leader.

Mr. TANCREDO. Mr. Speaker, it has been an interesting time sitting here and listening to my colleagues on the other side of the aisle talk about the issue revolving around the budget, the budget deficit and spending problems we are experiencing. It is undeniably true that we are spending far too much money. It is fascinating to hear the discussion of this particular phenomenon, spending too much money, and having Members on the other side of the aisle decry that particular activity.

It is fascinating because I sit on the Budget Committee, and on that committee we have for a number of years now looked at budgets that are offered by not just the administration, by the Republican Party, but by Members of the other party. To the best of my recollection, we have yet to see any budget proposed by the other side of the aisle that would address the issue