

post-World War II Germany. And we are going to do it here right in the United States if we don't get control of spending. This is real, folks. This isn't baloney.

Geithner said today he may have to monetize up to \$1 trillion, or get loans for \$1 trillion or \$2 trillion; \$410 billion in the omnibus; \$800-plus billion in the stimulus; \$100 billion in the supplemental. I mean where is this money going to come from? Where is it going to come from?

So, I'd just like to say, Mr. Speaker, to my colleagues and the American people, This ain't baloney. This is real dollars and cents. This is the future of our kids, our grandkids, and the future of our system of government in the United States of America. We must not let this happen. We must not let this happen.

The National Debt currently stands at approximately \$9.13 Trillion.

\$4 Trillion of this debt is owed to Social Security and other government accounts.

\$5.1 Trillion of this debt is held as "Public Debt" by banks, pension funds, mutual fund companies, ordinary citizens, State and local governments, and increasingly, foreign governments.

As of November 2008—the latest figures available from the Treasury Department—\$3.08 Trillion of our "Public Debt" is held by foreign countries:

Top Six

[In billions of dollars]

<i>Country</i>	<i>U.S. Debt Held</i>
Mainland China	681.9
Japan	577.1
United Kingdom	360.0
Carib. Banking Centers	220.9
Oil Exporters	198.0
Brazil	129.6

Carib. Banking Centers include Bahamas, Bermuda, Cayman Islands, Netherlands Antilles, Panama and the British Virgin Islands

Oil Exporters include Ecuador, Venezuela, Indonesia, Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, the United Arab Emirates, Algeria, Gabon, Libya, and Nigeria.

\$1.517 Trillion of the "Public Debt" is outstanding as T-bonds and Notes.
 \$427.2 Billion is outstanding as Treasury Bills.
 \$1.944 Trillion appears to be loans held by Foreign Governments.

* We are unable to determine the interest rate on our National Debt but we do know that interest payment on the debt for FY 2008 (when our outstanding debt was smaller) was \$430 Billion.

THE PROBLEM

In addition to a \$410 billion Omnibus, Congress is poised to enact an \$800 billion Stimulus and a \$100 billion Supplemental.

Added to CBO's projected deficit of \$1.2 trillion, Congress's legislation will force the Bureau of Public Debt to attempt a borrowing of \$2.1 trillion this year.

This is over four times the amount of new debt ever sold by the United States.

HOW DOES THE GOVERNMENT ACTUALLY BORROW MONEY?

The Federal Government currently owes about \$10 trillion: \$6 trillion to private lenders and \$4 trillion to Government trust funds, mainly Social Security.

Most of the debt owed to private lenders is short-term debt—owed for less than a year. Last year, the U.S. Government sold over \$6 trillion in debt as it refinanced short-term debt and added to this number due to the deficit.

When Congress approves the Stimulus and related spending bills, our action will force the Bureau of Debt to attempt to sell \$2.1 trillion of our debt. Back in 2000, the U.S. auctioned debt 145 times. With borrowing exploding, our debt was sold 263 times last year and the number will rise dramatically after enactment of the Stimulus.

Between the short-term current debt to be refinanced and the new debt sold, the Bureau of the Debt will attempt to borrow nearly \$150 billion a week from world markets.

While the number of primary purchasers used to top 40, only 17 "primary dealers" buy U.S. debt today.

As recently as 2003, most purchasers of U.S. debt were American. Now the buyers are mainly foreign, with China topping the list of purchasers.

WHO WILL BUY FEDERAL IOUS?

We can already see warning signs of offering so much debt for sale.

After buying over \$1 trillion of U.S. debt (including over \$300 billion of Fannie Mae and Freddie Mac), China's desire for buying more American IOUs is waning.

Fitch Ratings reported that China's purchases of U.S. debt will decline from over \$400 billion last year to just \$177 billion this year.

China announced recently that it will decrease its buying of foreign securities worldwide as it borrows for its own \$586 billion stimulus program.

OTHER GOVERNMENTS ARE COMPETING FOR INVESTORS STILL WILLING TO BUY

The debt the U.S. will sell will compete with other governments wanting loans.

The European Union, Japan, China, South Korea and 10 other governments announced 2009 borrowing plans of their own totaling another \$1.2 trillion. One question we might ask—who has the money to purchase all of this U.S. and foreign government debt?

Treasury officials express confidence that there are plenty of entities willing to lend the U.S. Government money. In these uncertain times, there is a "flight to safety" in U.S. treasuries. Last year, we borrowed \$6.7 trillion against the \$17 trillion offered. With such demand, why worry?

Unfortunately, this year conditions are changing. With the U.S. offering four times the amount of new debt ever offered and Chinese willingness to loan us money disappearing, there may come a time when the interest we have to pay to sell our debt goes up. Most of our debt is held for less than one year.

Any increase in the interest we have to pay to sell our debt will effect interest rates and constrain the Federal budget. Reuters recently reported that the "Fed faces uphill battle to hold U.S. yields down."

The Wall Street Journal reported, that the Fed may enter the market as a direct purchaser of U.S. debt. If demand for U.S. debt was so strong, why would the Fed join the current list of 17 purchasers of U.S. debt to hold an auction? Are they worried that with so much debt to sell, they may be needed to save an auction?

WHAT HAPPENS IF WE CANNOT SELL MORE DEBT?

The worst case scenario would be an auction of Federal debt that failed to attract enough buyers.

Recently, the German government failed at an auction of its government debts.

Such an event in America would trigger another panic. Since U.S. debt auctions are reported openly within 90 seconds, a failed U.S. auction would trigger a panic on Wall Street long before Treasury officials could get the President on the phone.

HOW MUCH WILL ALL THIS DEBT COST?

Beyond the short-term concerns about quickly borrowing \$2.1 trillion, we should be concerned about the long-term.

There are only 111 million American individuals and families who actually pay taxes.

Their pre-Stimulus debt per taxpayer totals \$54,000 each.

After adding \$2.1 trillion to the \$6 trillion currently owed, their debt rises in just one year to \$75,000 each. Each family's debt will total more than a college education.

Interest payments for the Government are rising too. In 1980, interest on our debt cost \$52 billion. Last year, the payments were eight times more—\$412 billion.

To maintain faith in our dollar, these interest payments must be made before the first Social Security check or salary of a soldier can be covered.

CONCLUSION

In these times, it is easy to see where Stimulus dollars will be spent. But before we approve such legislation, we should answer two other questions: (1) should we borrow this money and if so, (2) can we borrow so much money in just one year? Never in the history of our nation have we borrowed so much from so few.

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TURNING THE PAGE ON THE PAST ADMINISTRATION

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

Ms. WOOLSEY. Mr. Speaker, the swearing in of President Obama on January 20 marked the beginning of a new day in our country and the end of a dark time in American history. Our country has learned painful lessons from the last administration's failure to respect the rule of law and the voice of the American people.

Never once during the last 8 years did the past administration ask whether what it was doing was legal, morale, or right. As a result, its failures may have been criminal. Its actions may have been unconstitutional. Its unwillingness to take responsibility, glaring.

President Obama and the 111th Congress will face huge, huge challenges as we repair the damage of the last 8 years.

Across the country, people are worse off today than they were 8 years ago. The American people have lost loved ones, they have lost their jobs and their homes because of the last administration.

America now finds itself in the worst economic shape since the Great Depression, fighting two wars overseas, and struggling to restore our reputation around the world and mend the fabric of the Constitution that has been damaged by the last administration. We

face this situation today because the last administration acted above the law and looked down on anyone who challenged its right to do so. It followed the law when it was convenient, and ignored the law when it wasn't. It ignored good advice, and was quick to call its critics traitors and al Qaeda types rather than respect their viewpoints. It favored its rose-colored view of the world over reality even when the truth came crashing down around them.

The new President understands the importance of learning from these mistakes as we rebuild our country and as we restore our Constitution. Since the Democrats took back the Congress in 2007, Mr. Speaker, we have aggressively sought to uncover the truth about the last administration. Hearing after hearing has shown abuse of power, disregard for the law, and contempt for Congress. Congress will continue with subpoenas, lawsuits, hearings, and questions. We will reaffirm that no one, not the President and not the Vice President, is above the law.

As we move forward, Congress must address past abuses and failures. From keeping working families in their homes after record numbers of foreclosures, to reinvesting in health care and education for everyone, we will fulfill the priorities of the American people that have been so neglected. From closing the prison at Guantanamo Bay to banning torture, we will restore America's standing in the world. From ending the occupation of Iraq to protecting America's civil liberties, we will be a government that respects the Constitution and the American people.

By correcting the mistakes of the past and reinvesting in our country, we can return equality and justice for all. By looking forward and renewing the promise of America, we will right the wrongs of the last 8 years. By working for the American people instead of working around them, we will return to a government by the people, for the people, and of the people.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. DRIEHAUS). The Chair will remind occupants of the gallery that they are not to manifest approval or disapproval of the proceedings.

TAX CODE TERMINATION ACT

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

Mr. GOODLATTE. Mr. Speaker, it has become abundantly clear that the Internal Revenue Code is no longer working in a fair manner for our Nation's citizens. Many Americans look at the dim state of our economy and the billions of their tax dollars that are being given to private businesses, and they want to know why their Tax Code

is so unfair. The Tax Code Americans are forced to comply with discourages savings and investment, and it is impossibly complex. It has become all too clear that the current code is broken beyond repair and cannot be fixed, so we must start over. For this reason, I rise today to reintroduce the Tax Code Termination Act.

This bipartisan legislation, which I have introduced with nearly 70 cosponsors, will accomplish two goals: It will abolish the Internal Revenue Code by December 31, 2012, and call on Congress to approve a new Federal tax system by July of that same year.

At a time when Americans devote a total of 7 billion hours each year to comply with the Tax Code, we need tax simplification. A few years ago, Money Magazine asked 50 professional tax preparers to file a return for a fictional family. No one came up with the same tax total, nor did any of the preparers calculate what Money Magazine thought was the correct Federal income tax. Results varied by thousands of dollars.

The need for tax simplification is further highlighted by the tax problems experienced by some of President Obama's cabinet nominees. These are highly educated individuals, some of whom claim specialized knowledge of the Tax Code, and one of whom will actually be in charge of ensuring compliance with the Tax Code, Treasury Secretary Geithner. And even they cannot correctly file their taxes.

In addition, in today's Politico, there was an article detailing the problems that members of the Senate have in filing and complying with the Tax Code. In fact, the title is, "For Senators, Tax Questions Are Taxing."

If it is this hard for government officials, including those who write and enforce the Tax Code, to comply with the code, then imagine what it is like for the average American family to comply with it. All Americans find the Tax Code, well, taxing.

While almost every Member would recognize that our Tax Code is no longer working in a fair manner for Americans, nothing has been done to create a more equitable Tax Code. Congress won't act on fundamental tax reform unless it is forced to do so. My bill will force Congress to finally debate and address fundamental tax reform.

Once this bill becomes law, today's oppressive Tax Code would survive for only 4 more years, at which time it would expire and be replaced by a new Tax Code that will be determined by Congress, the President, and the American people. This legislation will allow us as a Nation to collectively decide what the new tax system should look like. Having a date certain to end the current Tax Code will force the issue to the top of the national agenda. Although many questions remain about the best way to reform our tax system, I am certain that if Congress is forced to address the issue, we can create a

Tax Code that is simpler, fairer, and better for our economy than the one we are forced to comply with today.

Whichever tax system is adopted, the key ingredients should be a low rate for all Americans, tax relief for working people, protection of the rights of taxpayers, and reduction in tax collection abuses, promotion of savings and investment, and encouragement of economic growth and job creation. Taxes may be unavoidable, but they don't have to be unfair and overcomplicated. Just like other programs that require reauthorization, the Tax Code must be reviewed to examine whether it is fulfilling its intended purpose, and then Congress must make any changes that are necessary.

America's future depends on overcoming the handicap of the current Tax Code. There is a widespread consensus that the current system is broken, and keeping it is not in America's best interest. I urge my colleagues to support this legislation and end the broken tax system that exists today.

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

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

CONGRATULATING THE PEOPLE OF KOSOVA

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

Mr. ENGEL. Mr. Speaker, I rise today to congratulate the people of Kosova who next week, on February 17, will be celebrating their first anniversary of statehood.

The people of Kosova, born out of the former Yugoslavia, are among the most pro-American people on the face of the earth. I have had the pleasure of visiting Kosova many, many times, and I can tell there is no country that welcomes Americans as happily as the people of Kosova.

Last year, I had the great honor to address their parliament, being the first foreigner to address the Kosova parliament since their independence. I was there with our colleague, the gentlewoman from Ohio, JEAN SCHMIDT, and we had a wonderful time.

There are many problems in Kosova. Unemployment is rampant. There is a de facto division of the country which must not stand. But the people are going about their business, working as hard as they can to build a new nation. More than 50 countries have recognized them, and I have urged and will continue to urge every country on the face of the earth to recognize the new independent nation of Kosova.

When Congresswoman SCHMIDT and I were there, their Constitution was formally adopted and turned over, and I