

1990s, where these very same Wall Street and money center banks, the very same ones on this list, planned to over-leverage the U.S. economy and housing market through such schemes as mortgage-backed securities, through which they benefited handsomely in home equity loans and they made extraordinary profits, their executives, their shareholders, their board members.

And the net result of their combined actions has been to indebt our country on the private side and ultimately now try to shift all of that debt to us, to our children and to our grandchildren, and they sit on the board of the Federal Reserve Board up in New York, the 10 or 15 primary dealers, the very same ones that did all of this damage? These same institutions lobbied all during the 1990s and in this decade to change Federal laws that aided and abetted their plan.

In 1994, the Riegle-Neal Interstate Banking and Branching Act was passed into law that hastened all these mergers that made them bigger; and then in 1993 and 1994, changing the rules over at the Department of Housing and Urban Development to allow home builders like Countrywide to approve their own loans, they changed the underwriting and appraisal standards; and then, again, allowing lenders to select their own appraisers back in the early 1990s; and then in 1995 changed the Securities Litigation Act here; and finally the Graham-Leach-Bliley Act overturned in 1999.

Madam Speaker, I have to tell you, the American people will begin to see how the pieces of this puzzle fit together and they all lead back to the Wall Street megacenters.

Let's not reward Wall St. and the money center banks that have caused America and the world such great harm. How did they do it?

In the 1990s—Plan is set in place by Wall Street and the largest money center banks—like JP Morgan Chase, Citigroup, Bank of America, HSBC, Wachovia, and Wells Fargo—to over-leverage U.S. housing market through such schemes as mortgage-backed securities and home equity loans to make extraordinary profits and enrich executives, Boards, and their shareholders. The net result of their combined actions has been to indebt the U.S. on the private side, and ultimately shift the cost of their excesses to the public side.

These same institutions lobbied changes to Federal laws along with executive actions that aided and abetted their plan.

1994—Riegle-Neal Interstate Banking and Branching Efficiency Act of 1994 was passed into law with Congress hastening bank mergers with further concentration of financial power in large money center banks. The traditional concept of community banking where residential lending took the form of a "loan" which was made on the time-tested standards of character, collateral, and collectability was transformed to a "bond" or "security" which was then broken into pieces and sold into the international market, largely through Wall Street dealers. Essentially, collateral was over-

valued, risk was masked, and proper underwriting and oversight of the loan were dispensed with.

1993–1994—HUD removes normal underwriting standards (HUD Mortgage Letter 93–2, "Mandatory Direct Endorsement Processing" gave authority to homebuilder owned lenders like KB Mortgage and affiliate lenders like Countrywide to independently approve their own loans; in 1994, Mortgage Letter 94–54 allowed lenders to select their own appraisers. Secretary of HUD, Henry Cisneros, upon departure from the Department became a KB Home Board Member as well as a Countrywide Board Member.)

In 1995 the Private Securities Litigation Reform Act, the only bill ever passed over a Clinton veto and a part of the Contract with America, made securities class action law suits more difficult. Congressman Ed Markey offered an amendment to that bill that would have made those that sold derivatives still subject to class actions. The amendment failed.

1999 Gramm Leach Bliley Act passed Congress and for the first time since the 1930's removed the regulatory barriers between banks, commerce, insurance and real estate. Over the next several years, the fury of an inflating housing market and mergers of financial institutions increased. Today, Dresdner, the second largest bank in Germany, has been victimized by the subprime crisis, and has been put up for sale, and is likely being acquired by Commerzbank which is owned by Allianz Insurance Group of Germany. Effective June 5, 2008, Dresdner Kleinwort Securities LLC was listed on the Federal Reserve Bank of New York "Primary Government Securities Dealers." This means a foreign institution, with severe financial problems, is brought under the umbrella of the Federal Reserve. In addition, if one studies the Primary Dealer list, one will also note the presence of Countrywide Securities Corporation, one of the subsidiaries of Countrywide, the most egregious subprime lender in the U.S. The Federal Reserve has become an encampment for the most culpable.

The Boards and executive staff of U.S. housing secondary market instrumentalities, like FNMA and Freddie Mac, further enflamed the boom housing market during the 1990's by masking risk and fraudulent account schemes. All the while, their Boards and executives were making handsome compensation and benefit packages.

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

(Mr. FRANKS of Arizona 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 New Jersey (Mr. HOLT) is recognized for 5 minutes.

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

ABRAHAM LINCOLN BICENTENNIAL

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

tleman from Nebraska (Mr. FORTENBERRY) is recognized for 5 minutes.

Mr. FORTENBERRY. Madam Speaker, my district includes the largest city in the world named for Abraham Lincoln. Lincoln is the capital of Nebraska, a State that bore great significance to our President's legacy.

On October 16, 1854, Abraham Lincoln delivered a speech that changed the world. One of the famed Lincoln-Douglass debates, this 3-hour speech challenged the Kansas-Nebraska Act and presented arguably the most thorough moral, legal, and political argument against slavery to that date. He deplored Stephen Douglass' invocations of the quote "'sacred right' of taking slaves to Nebraska." He spoke passionately against the act, declaring:

"I cannot but hate. I hate it because of the monstrous injustice of slavery itself. I hate it because it deprives our republican example of its just influence in the world—enables the enemies of free institutions, with plausibility, to taunt us as hypocrites—causes the real friends of freedom to doubt our sincerity, and especially because it forces so many really good men amongst ourselves into an open war with the very fundamental principles of civil liberty."

Were Abraham Lincoln to not have spoken these words, my State may have suffered a past of grave injustice. Nebraskans are thankful for his stand for the principle enshrined in the preamble to our Declaration of Independence: All men are created equal.

Abraham Lincoln's legacy, 200 years after his birth, is now deeply rooted in our American tradition. He led our Nation through our greatest and most profound crisis and strengthened our country.

□ 1645

Though Lincoln's work at healing a fractured Nation was tragically and reprehensibly cut short, countless Americans have carried the mantle set forth in his remarkable orations. We work, as Lincoln said, "to do all which may achieve and cherish a just and lasting peace among ourselves and with all Nations." Even today, and even while our Nation is under many pressures at the moment, it is a testament to Lincoln's legacy that the world still turns to us to lead on critical human rights issues.

Madam Speaker, as a Representative of Nebraska, as a resident of Lincoln, as an American citizen, deeply moved by the grand yet simple ideal of equality, I am honored to stand here today and pay tribute to President Abraham Lincoln on the 200th anniversary of his birth.

CHINA SEEKS GUARANTEE

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

Mr. BURTON of Indiana. China yesterday said that they held \$682 billion of our debt and that they were very concerned about the "reckless policies" of our spending. And they were concerned so much that they contacted our new Secretary of the Treasury and said, We want some kind of a guarantee that our money is going to be worth something if you guys keep spending so much over there and devalue not only your currency, but the currencies throughout the world.

Well, today China reversed its position and said—Luo Ping, the Director General of the Chinese Banking Regulatory Commission—said in a speech in New York, "We're still going to buy your Treasuries because where else are we going to put our money, because the United States is still the biggest economy and the best place to put our money. But we're really upset with you because you're devaluing your currency, and you're going to be devaluing ours as well."

And he said this, "Except for U.S. Treasuries, what can you hold? Gold? You don't hold Japanese government bonds or UK bonds. U.S. Treasuries are still the safest haven. For everyone, including China." But, you're devaluing your currency over there, and we don't want ours devalued, but we don't have anyplace to go.

He said further on, "We hate you guys," using his language, "We hate you guys. Once you start issuing \$1 trillion, \$2 trillion or more in dollars, we know the dollar is going to depreciate, so we hate you guys, but there's nothing else we can do." Now what does this tell us as Americans?

This is a chart showing the amount of money in circulation in the United States. And you can't see—my colleagues who might be watching in their offices—but you can see the amount of money in circulation was pretty steady up until about the last 10 or 12 years, and then you see it has just risen like a rocket. It's just gone straight up. And that's before we started all this spending we are talking about right now, which worries not only us but the Chinese and Japanese and others that hold an awful lot of our debt and are buying more right now as we speak.

What's going to happen tomorrow is we're going to spend another \$800 billion. Almost \$1 trillion. The Secretary of the Treasury said the other day that he was going to have to put probably another \$1 trillion or maybe even \$2 trillion into the banking system in this country to make sure everything continues on the right path.

We are going to spend another \$400 billion in an omnibus spending bill in a couple of weeks. So we are looking at probably \$2 to \$3 trillion in additional spending before too long, and it's going to probably triple the amount of money we have in circulation over the long haul. In the short haul, maybe only about half of that. Maybe only \$1 trillion or \$1.5 trillion.

But what that means is the amount of money in circulation is going to go

up like a rocket. And that is what we call inflation, because the amount of goods and services produced by this country is not increasing at a rapid rate right now because of the economy. And so we are going to have pretty much the same amount or maybe a little bit less of goods and services being sold in this country, but we are going to have almost twice as much money.

So, the amount of money chasing goods and services is going to double, which means when you go to buy something, it's going to cost a lot more. If you have 100 quarts of milk, and I used this illustration the other night, and you have \$100, then a quart of milk is going to cost about \$1. But if you double the amount of money to \$200 or \$300, then the quart of milk is going to go up at the same rate. That's the law of supply and demand. And we're putting so much money in circulation that we are going to have, in my opinion, hyperinflation.

Now we had this back in the 1970s. It was worse then than it is now. Jimmy Carter was President. We had double-digit inflation. Fourteen percent. That's what we call hyperinflation. It will probably be worse than that now. We had double-digit unemployment. We have 7 percent now. It was 12 percent back then.

And so they brought a guy in named Volcker to do something about it. And he raised interest rates to 21½ percent, and we had the worst recession up until that time for probably 30 or 40 years. And then Ronald Reagan was elected. He came in and he cut taxes and stimulated economic growth. We had one of the longest periods of income recovery in American history.

We are doing the same thing today that Carter did back in the seventies. I don't think my colleagues—most of them—remembered that, because they are too young. And we are not going to profit from history. But what we are doing is we're throwing money at the problem instead of solving the problem by creating an economic recovery.

The way to create an economic recovery is to give business, industry, and American citizens as much of their tax money back as possible so they can spend it. They can spend it more wisely than the government of the United States. And if you ask all of your neighbors, said, Who could spend \$100 better, you or the government? And most of them will say, We can.

We have got to control spending, and we're not doing it. We're heading in the wrong direction. We're printing money. We're going to be printing money at a very rapid rate, and it's going to cost everybody in this country and the future generations a great deal, not only in inflation, but more taxes and the quality of life.

200TH ANNIVERSARY OF THE BIRTH OF ABRAHAM LINCOLN

The SPEAKER pro tempore. Under the Speaker's announced policy of Jan-

uary 6, 2009, the gentleman from Iowa (Mr. KING) is recognized for 60 minutes as the designee of the minority leader.

Mr. KING of Iowa. Madam Speaker, I appreciate so much the privilege to be recognized to address you here on the floor of the House of Representatives on this 200th anniversary of the birth of Abraham Lincoln.

I've watched, of course, Lincoln's life and history from the perspective of actually a youth who was pointed out to me by my family back in those years. So I have always paid a lot of attention to Abraham Lincoln.

As our 16th President of the United States, the man who saved the Union—who did a lot of things—but a man who saved the Union, kept us from being forever divided. I played a little with the history and the question of that. What would have happened if the Civil War would have ended with a division rather than the unity of the United States of America?

All history that flows from that date—from the 1860s—of this country, would be changed. The history of any involvement that we might have had during the Spanish-American conflict; during World War II; as we heard, from Judge POE; World War II; Korea; Vietnam, all of the wars, but also the geopolitics, the economy. We would not have become the preeminent economic power in the world if Abraham Lincoln hadn't come along and this Nation hadn't been blessed with him at the time it was.

His perseverance to save the Union has positioned this Nation to go forward to a level of destiny I believe unimagined by our Founding Fathers and unimagined by Abraham Lincoln himself.

One cannot say enough about what Abraham Lincoln did for this country or for the free world, Madam Speaker. But here we are today, on the 200th anniversary of his birth, celebrating these two centuries of prosperity that we've had, and I mean the prosperity of liberty, the prosperity of freedom, the prosperity of the Union holding together, and the constitutional point being preserved that this is an indissoluble Union of the States, of the several States and, today, of the 50 States, Madam Speaker.

I can't help but reflect that today is the day that it was planned by our current President of the United States, President Obama, to bring this huge spending stimulus package to the floor of the House of Representatives for what they anticipated and hoped would be a final passage vote of the conference report here in the House so that the bill may or may not have been handled by the Senate today, but so it had the chance to at least have been passed in this Chamber—this Chamber—where Abraham Lincoln served one term before he went back and went through some political bumps in the road and then became President of the United States.

And one can walk through those doors and down the hallway and stand