

We have come along to celebrate the culmination of Lucas' years of preparation. His family, wife, Jennifer, and close friends have been there all along, in the good times and the bad, in the disappointments and in the small triumphs. Yesterday they added a huge triumph, and we join them in the celebration.

Congratulations to our own U.S. Open golf champion, Lucas Glover.

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PROTECT OUR PLANET

(Mr. KUCINICH asked and was given permission to address the House for 1 minute.)

Mr. KUCINICH. Madam Speaker, we all want to protect our planet, but will the American Clean Energy and Security Act of 2009 do that? I don't think so.

The pollution targets are inadequate. Regulatory authority is stripped from the EPA. The bill relies on huge numbers of carbon offsets. For example, it says you can have 2 billion tons a year of carbon offsets, which is roughly equivalent to 30 percent of all U.S. greenhouse gas emissions. Recent analysis suggests it might be 2026 until we see the emissions decline below 2005 levels.

The renewable targets are not strong enough. A recent analysis by the Union of Concerned Scientists indicates this target provides no new renewable energy over business as usual projections. Dirty-energy options qualify as renewable, including biomass burners and trash incinerators. The bill gives a significant number of pollution permits away free.

It opens up a carbon derivatives market in the U.S., and this bill would help establish one of the largest derivative markets in the world without adequate oversight or regulation. It taxes households to pay for an unproven carbon sequestration of capture and storage technology, and allocations for funding for international obligations are underfunded.

We can do better.

HEALTH CARE REFORM

(Mr. PAULSEN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PAULSEN. Madam Speaker, Capitol Hill and the Nation are abuzz over health care reform. While there is much speculation to what a reform plan will look like, one thing is for sure: We must avoid any plan that would lead to a government takeover of health care.

A government takeover of health care will stifle medical breakthroughs and take away the peace of mind that families around America have, knowing that they can get the timely treatment for their children, their parents and themselves. We need real com-

prehensive reform that protects what works and fixes what doesn't.

We need patient-centered reform where the patient is in control of their own care, not politicians, not bureaucrats, not special interests. We need to enact commonsense measures, like allowing small businesses to band together to purchase more affordable coverage for their employees. And we need a lower cost and focus on prevention by rewarding quality over quantity.

I know we can pass real comprehensive health care reform.

SPECIAL ORDERS

The SPEAKER pro tempore. Under the Speaker's announced policy of January 6, 2009, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

THE VETERANS ADMINISTRATION AND GOVERNMENT RUN HEALTH CARE

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

Mr. POE of Texas. Madam Speaker, as dangerous to the public's health and well-being as government-run health care is in Europe and Canada, we have our own American example that has some very serious problems. Last month there was a surprise inspection at Veterans Affairs clinics in the United States. The surprise inspections exposed that fewer than half of those clinics followed proper standards for colonoscopies.

Some mistakes could have exposed veterans to HIV and other diseases. Let me repeat: Less than half followed proper medical standards for colonoscopies.

Since February, the VA has informed 10,000 veterans in three States to get retested. More than 50 patients tested positive for infections, including some with HIV. But that's just the beginning of the medical malpractice by the VA.

VA patients with prostate cancer were put through their own particular set of horrors. In Philadelphia, a patient received a common surgical procedure where a doctor implants dozens of radioactive seeds to attack the cancer.

But the doctor's aim was more than a little off. Most of the radioactive seeds, 40 of them to be exact, ended up in the patient's healthy bladder instead of the prostate. The mistake was a serious one, and under Federal rules it was investigated by the bureaucrat regulators. The regulators allowed the doctor to rewrite his surgical plan to make his mistake just disappear.

In the private sector, somebody would have been held accountable for this negligence, but not with government-run health care VA style. They cover up their errors.

The patient had to undergo a second radiation implant. This time the unin-

tended dose ended up in his rectum. Once again, more negligence. Two years later in 2005, the same doctor made the same mistake, putting more than half of the radioactive seeds in the wrong organ, and again the bureaucrat regulators did not object when he once again rewrote his surgical plan to cover up his mistake.

Had the bureaucrat regulators actually done their jobs, they would have uncovered what the media calls a rogue cancer unit. This one Philadelphia VA hospital, botched 92 of 116 treatments over 6 years, then covered it up.

Let me repeat, Madam Speaker, the VA government health care hospital in Philadelphia medically erred in 92 of 116 cancer treatments. The medical team continued to perform these radiation implants, even though for over a year the equipment that measured whether or not the patient had received proper radiation dosage was broken. Records proved that the radiation safety committee at the veterans hospital knew of this problem but took no action.

In Philadelphia, 57 of the implants delivered too little radiation to the prostate, either because the seeds were planted in the wrong organ or were not distributed properly inside the prostate. Thirty-five other cases involve overdoses to other parts of the body. An unspecified number of patients were both underdosed in the prostate and overdosed somewhere else in their body. This is a horrible way to treat America's veterans.

Another patient, 21-year veteran of the Air Force, had to remain in bed 6 months with pain so severe he couldn't even stand. He lost his job as a pastor at a local church and all of his income, thanks again to the incompetence of the Veterans Administration.

Adding insult to injury, this 21-year veteran of the Air Force didn't learn of the radiation injury from the Philadelphia VA hospital. He found out when he sought treatment in Ohio at a hospital where he underwent major surgery to treat the damage.

Because the bureaucrat regulators were covering up for the VA, it took a private hospital to not only diagnose but treat his injury. That is right, Madam Speaker, the good old private sector saved the veteran where the VA just took a pass.

The New York Times conducted its own examinations. They found that none of the safeguards that were supposed to protect veterans from poor medical care had worked. They also found none of the botched implants in Philadelphia were reported properly. So the errors weren't investigated for weeks, months and sometimes years.

During that time, many patients did not know their cancer treatments were flawed by our government-run health care. The regulators are now looking into the flawed implants in other government-run VA hospitals in Mississippi and Ohio. Who knows what they will find out there about the way government treats our veterans.

Madam Speaker, the Veterans Administration is a government-run health care program that treats our veterans cavalierly in these examples. Veterans should be able to go to any doctor or any hospital to be treated and not bound and tied to VA hospitals. And, also, this is a prime example of how things will be when the government takes over the health care of all Americans. Do we really want the government to control our health care? Not a healthy idea for Americans or for veterans.

And that's just the way it is.

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

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

CREATE A SAFE AND SOUND CREDIT SYSTEM

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

Ms. KAPTUR. Madam Speaker, the first goal of our banking system, as opposed to a securities system, should be to create a safe and sound credit system, one that promotes responsible savings and lending practices. In this system, the availability of credit is crucial, and that's what's missing today across our country. Earlier today, Vice President JOE BIDEN held a town hall meeting in the Toledo, Ohio, area. He heard from Governor Ted Strickland and others that one of the biggest economic challenges facing Ohio remains an inability of businesses to obtain the credit they need. The reason is because our banking system suffered a heart attack last year and still hasn't fully recovered.

Safe and sound credit and prudent financial behavior by individuals and institutions should be our Nation's financial system's primary purpose. The administration's priorities tell me it plans a much larger role for higher-risk securities in whatever system they are envisioning, which to me threatens more higher-risk behavior. Banks traditionally have served as intermediaries between people who have money, depositors, and those who need money, borrowers.

The banks' value-added was their ability to loan money sensibly within parameters of \$10 of loans with every dollar on deposit and thus sensibly and responsibly managing their deposits and collecting on the loans that they were to oversee.

Wall Street's high-risk securitization destroyed that system. The banks didn't much care about making sensible loans as long as they could sell them off somewhere. The regulators were not on top of this because the loans were off the banks' books. So

why would the regulators care? These loans were now somebody else's problem, not theirs.

Where has the epidemic of securitization taken us?

Well, if you look at the government-backed Freddie Mac and Fannie Mae secondary markets, they became the larger purchaser of securitized mortgages. In case you forgot, it's we, the taxpayers, who own both Fannie Mae and Freddie Mac.

But these securitized mortgage bodies bought too many bad loans, which contributed to those institutions' downfall. Who is profiting from this? Because, yes, there are certain organizations that are profiting royally from the downfall of Freddie Mac and Fannie Mae. It is not our constituents, it's not our Treasury, which collects our tax dollars.

There are four entities at least that are profiting, and I would like to target on one tonight, BlackRock. That's a company that isn't a bank. And why on that one in particular? Because its current CEO Lawrence Fink coincidentally, some might say, sold Freddie Mac its first \$1 billion in collateralized mortgage obligations. Euromoney.com states, "Larry Fink is one of the pioneers of the mortgage-backed securities market. As a trader at [then] First Boston a quarter of a century ago, he pitched the first collateralized mortgage obligation that Freddie Mac ever did."

So Larry Fink had a hand in making financial instruments that have brought Freddie Mac and our financial system to its knees, yet the company he leads now profits from his mistake.

Now BlackRock just won a big contract with the Federal Reserve Bank of New York to manage the toxic assets of Freddie Mac and Fannie Mae in their collateralized mortgage obligations.

It's a mess that he help to create, but now we have hired the same man to clean it up? One question I have to ask is how can we be sure he isn't self-dealing or covering up what he did in the last quarter century? Some might say that relationship is a bit incestuous.

The administration's financial regulatory reform proposal includes some consideration for dealing with too-big-to-fail institutions but, rather than create an architecture that keeps risk in hand, what they are doing is they are allowing institutions like BlackRock to become too big to fail.

In fact, BlackRock's assets are now larger with the purchase of Barclays than the entire Federal Reserve system itself. So BlackRock, although not a bank, is getting too big to fail, perhaps? Is BlackRock favoritism an example of how we should be rebuilding our financial system?

Paul Krugman thinks not. He states, "In short, Mr. Obama has a clear vision of what went wrong, but aside from regulating shadow banking, no small thing, to be sure, his plan basically punts on the question of how to keep it from happening all over again, pushing

the hard decisions off to future regulators."

Now is not the time to punt. It's the time for reform. The time has been not as ripe since Roosevelt. We really need a President who will lead and a Congress as well, not following the guidance of Wall Street, but going back to prudent lending and recreating a safe and sound banking system across this country.

[From the New York Times, June 19, 2009]

OUT OF THE SHADOWS

(By Paul Krugman)

Would the Obama administration's plan for financial reform do what has to be done? Yes and no.

Yes, the plan would plug some big holes in regulation. But as described, it wouldn't end the skewed incentives that made the current crisis inevitable.

Let's start with the good news.

Our current system of financial regulation dates back to a time when everything that functioned as a bank looked like a bank. As long as you regulated big marble buildings with rows of tellers, you pretty much had things nailed down.

But today you don't have to look like a bank to be a bank. As Tim Geithner, the Treasury secretary, put it in a widely cited speech last summer, banking is anything that involves financing "long-term risky and relatively illiquid assets" with "very short-term liabilities." Cases in point: Bear Stearns and Lehman, both of which financed large investments in risky securities primarily with short-term borrowing.

And as Mr. Geithner pointed out, by 2007 more than half of America's banking, in this sense, was being handled by a "parallel financial system"—others call it "shadow banking"—of largely unregulated institutions. These non-bank banks, he ruefully noted, were "vulnerable to a classic type of run, but without the protections such as deposit insurance that the banking system has in place to reduce such risks."

When Lehman fell, we learned just how vulnerable shadow banking was: a global run on the system brought the world economy to its knees.

One thing financial reform must do, then, is bring non-bank banking out of the shadows.

The Obama plan does this by giving the Federal Reserve the power to regulate any large financial institution it deems "systemically important"—that is, able to create havoc if it fails—whether or not that institution is a traditional bank. Such institutions would be required to hold relatively large amounts of capital to cover possible losses, relatively large amounts of cash to cover possible demands from creditors, and so on.

And the government would have the authority to seize such institutions if they appear insolvent—the kind of power that the Federal Deposit Insurance Corporation already has with regard to traditional banks, but that has been lacking with regard to institutions like Lehman or A.I.G.

Good stuff. But what about the broader problem of financial excess?

President Obama's speech outlining the financial plan described the underlying problem very well. Wall Street developed a "culture of irresponsibility," the president said. Lenders didn't hold on to their loans, but instead sold them off to be repackaged into securities, which in turn were sold to investors who didn't understand what they were buying. "Meanwhile," he said, "executive compensation—unmoored from long-term performance or even reality—rewarded recklessness rather than responsibility."