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House of Representatives

The House met at 12:30 p.m. and was called to order by the Speaker pro tempore (Ms. EDWARDS of Maryland).

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, DC,
July 27, 2009.

I hereby appoint the Honorable DONNA F. EDWARDS to act as Speaker pro tempore on this day.

NANCY PELOSI,
Speaker of the House of Representatives.

MORNING-HOUR DEBATE

The SPEAKER pro tempore. Pursuant to the order of the House of January 6, 2009, the Chair will now recognize Members from lists submitted by the majority and minority leaders for morning-hour debate.

The Chair will alternate recognition between the parties, with each party limited to 30 minutes and each Member, other than the majority and minority leaders and the minority whip, limited to 5 minutes.

HEALTH CARE REFORM THAT PUTS PATIENTS FIRST

The SPEAKER pro tempore. The Chair recognizes the gentlewoman from North Carolina (Ms. FOXX) for 5 minutes.

Ms. FOXX. Madam Speaker, President Obama recently held a televised press conference to discuss health care reform. As Republican JOHN BOEHNER noted last week, several of President Obama's points may not accurately reflect the health care legislation before the House.

The President said that the government will stay out of health care decisions. But that isn't how the legislation is shaping up. A simple amendment to the legislation that would have guaranteed that no bureaucrat will make any decisions or interfere with any decision between a doctor and a patient was rejected by the Democrats in control of the Energy and Commerce Committee. That doesn't bode well for government staying out of health care decisions.

President Obama also said that the plan will not add to the government's deficit. Of course we all know that the Congressional Budget Office has been throwing water on that idea for weeks. They've already estimated that the current plan will add $239 billion to our deficit over the next 10 years.

And that deficit number is based on a provision in the plan that starts collecting taxes before the health care component kicks in, essentially offsetting a significant deficit with taxes collected before the bills start arriving. That means that after 10 years we will have a new structural deficit as the costs of this plan far outstrip the punitive taxes on small businesses.

But what really concerns me about this plan is Washington's history of underestimating costs of expensive plans like this.

If you look at this chart, based on research from Congress' Joint Economic Committee, you will notice that over the years congressional estimates of the cost of health care programs were extremely unreliable.

For instance, when Congress was considering Medicare part A, the hospital insurance component, Congress estimated it would cost $9 billion by 1990. Actual cost in 1990? $67 billion, seven times more than Congress estimated.

And the 1967 estimate for the entire Medicare program in 1990 was $12 billion. Actual cost? $111 billion, almost 10 times the original estimate.

Later, in 1987, Congress estimated that Medicaid's disproportionate share of hospital payments to States would cost less than $1 billion in 1992. Five years later the results were in: $17 billion, which is an incomprehensible 17-fold increase over the estimate just 5 years earlier.

You get the idea. Government programs have a tendency to take on a life of their own and cost taxpayers way more than was originally estimated or envisioned. While I'm willing to allow for some margin of error in estimated costs—they are estimates after all—what concerns me is that we are starting out with estimates for huge deficits with this health care plan. At the same time, we are paying for it out of the pockets of America's job creators, the small businesses. If the current proposal becomes law, are we going to be coming back to these small business with another tax increase in 5 or 10 years?

We need health care reform that puts patients first and that won't destroy the small businesses that are a pillar of our economy. Republicans have a better solution that won't put the government in charge of people's health care, that will make sure that we bring down the cost of health care for all Americans and ensure affordable access for all Americans.

We should be considering the Republican plan and not this job-destroying Democrat plan.

ADVANCE CARE PLANNING

The SPEAKER pro tempore. The Chair recognizes the gentleman from Oregon (Mr. BLUMENAUER) for 5 minutes.

Mr. BLUMENAUER. Madam Speaker, we in Congress and the new administration have been given a gift of serving in a time of opportunity to solve some of the long-festering problems with the American health care system. One opportunity to achieve true reform is to provide greater value to patients

☐ This symbol represents the time of day during the House proceedings, e.g., ☐ 1407 is 2:07 p.m.
Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

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when they are most vulnerable, when loved ones are facing the last few weeks of life.

Today, these patients have a wide variety of treatment options available. We can test them, hook them up to machines, poke them with needles, perform all sorts of heroic measures, and where appropriate, we can accomplish amazing results with virtually no cost to older citizens. Yet, when it comes time to help people understand what their choices are, to have their questions answered, to be able to shape treatment for what their values and interests might be, we fail them utterly.

H.R. 3200, health care reform, does have a simple solution to empower people and their families. Yet, this carefully crafted provision has been attacked by some opponents of reform, for example, Betsy McCaughey in The Wall Street Journal claiming wildly that somehow this would be mandatory, that it would be done by a government assigned physician, with the threat of coercing senior citizens.

A simple reading of the provision shows that that's simply not the case. Like all other Medicare provisions, it would be voluntary. It would by the physician of one's choice. There's nothing mandatory about it.

It has led the American Association of Retired People to issue a statement about this opinion piece in The Wall Street Journal. ''Ms. McCaughey's criticism misinterprets legislation that would actually help empower individuals and doctors to make their own choices on end-of-life care.

''This measure would not only help people make the best decisions for themselves, but also ensure that their wishes are followed. To suggest otherwise is a gross, even cruel, distortion, especially for any family that has been forced to make the difficult decisions on care for loved ones approaching the end of their lives.''

The AARP makes clear, ''We will fight any measure that would prevent individuals and their doctors from making their own health care decisions. We will also fight the campaign of misinformation that vested interests are using to try to scare older Americans in order to protect the status quo. Profits should never be allowed to come before people in this debate.''

And sadly, it's not just right-wing pundits who are involved with an effort of distortion. I would hope that my friends in the Republican leadership would reconsider their ill-advised attempt to equate this bipartisan effort to empower families with a slippery slope on pressuring seniors or even euthanasia. This is simply categorically false and destructive.

The provision in question was carefully considered. It was the result of real bipartisan cooperation to help families. Indeed, some of the most moving comments in our committee deliberations came from Republican colleagues who talked about the concerns that they faced with their families in this difficult end-of-life situation and how we needed to do better.

Madam Speaker, there are lots of areas where we can disagree as we're dealing with health care reform. By all means, let's debate and argue over areas of genuine disagreement, but let's not attack this long-overdue assistance to families facing the difficult situation at the end of life. Let's not attack it. Let's embrace it. American families deserve no less.

THE NEW YORK FED: A HOPELESSLY CONFLICTED REGULATOR

The SPEAKER pro tempore. The Chair recognizes the gentleman from Florida (Mr. STEARNS) for 5 minutes.

Mr. STEARNS. Madam Speaker, I rise today to address the increasingly troublesome issue of conflicts of interest within our financial regulatory system and the potential long-term harm this could render on American taxpayers.

To be specific, conflicts of interest abound at the Federal Reserve Bank of New York, the entity that has been at the forefront of our Federal Government's efforts to respond to the worst financial crisis our country has faced in decades. The New York Fed is, of course, intimately intertwined with the Federal Reserve and the Treasury Department, too, but Americans may be surprised to hear how close this entity is to major Wall Street financial firms as well. In fact, MIT economist Simon Johnson was recently quoted as saying, ''The New York Fed sticks out as being not just very, very close to Wall Street, but to the most powerful people on Wall Street.''

In particular, the Federal Reserve Bank of New York is notably close to investment bank turned bank holding and receiver of billions of dollars in TARP funds, Goldman Sachs. The last two heads of the New York Fed, including Stephen Friedman, were former key employees of Goldman Sachs, and the current president of the New York Fed, William Dudley, was at Goldman Sachs for 20 years, including 10 years as chief economist. And of course, the New York Fed is now tasked with overseeing Goldman Sachs.

Furthermore, former Treasury Secretary Henry Paulson, who engineered the $750 billion bailout of Wall Street and created the TARP program, was also the former CEO and chairman of Goldman Sachs. And in another noncoincidence, during his time as Treasury Secretary, Mr. Paulson managed to bail out insurance company AIG while letting Goldman Sachs' main competitor, Lehman Brothers, fail, thus ensuring AIG would be able to turn around and pay Goldman Sachs $12.9 billion in losses, making Goldman Sachs the largest recipient of public funds from AIG.

Additionally, until December 2008, the chairman of the New York Federal Reserve, Stephen Friedman, was a former director of Goldman Sachs. Friedman actually resigned from his position as chairman earlier this year after a controversy erupted over his purchase of Goldman Sachs stock during his time in his position as the New York Fed chairman.

And, in yet another conflict-of-interest scenario, let us not forget that Timothy Geithner, who was then president of the New York Fed, he decided to give $30 billion of taxpayers' funds to J.P. Morgan's acquisition of Bear Stearns, but Jamie Dimon of J.P. Morgan Chase was on the board of the New York Fed.

Alarmingly, Madam Speaker, the Obama administration is now proposing we give more power to the Federal Reserve and, in turn, this same New York Federal Reserve. Let us first consider that the New York Fed is dominated by the banks it is supposedly regulating, and let us not forget these regulated banks hold the majority of seats on the New York Fed board.

Former president of the Federal Reserve Bank of St. Louis, William Poole, he recently stated that employees at the New York Fed ''play a very valuable role, day in, day out, with detailed contacts with the big financial firms.''

With such close proximity to large financial firms, how do we really know whose interest the New York Fed is putting first? Are the interests of Wall Street insiders taken into consideration before the interests of the American people? Are Wall Street's interests automatically equated with the interests of the American people?

The New York Fed is part of a system Congress created in 1913 to avoid the concentration of too much power in New York or Washington alone. Yet, it seems today that all of the power at the New York Fed is concentrated within a few major Wall Street financial firms whose key employees now enjoy prominent positions within our Federal Government.

The intimacy between the Fed and the firms they regulate should cause all of us to pause. It was, after all, the New York Fed that allowed companies like Goldman Sachs and J.P. Morgan to convert themselves to bank holding companies so that they could receive access to taxpayer-funded, Henry Paulson-created TARP funds and then turn around just a few months later and post billions in record profits and dole out some of the highest bonuses in history.

Madam Speaker, what is the sense in giving more powers to the regulator of the largest financial firms on Wall Street, the New York Fed, when their failed regulation of mortgage lending is what led to the accumulation of toxic assets in our financial system in the first place? Why on earth give more power to such a hopelessly conflicted regulator?