

all depository institutions. Hedge fund advisers will be required to register with the SEC.

We're also proposing comprehensive regulation of credit default swaps and other derivatives that have threatened the entire financial system. And we will require the originator of a loan to retain an economic interest in that loan, so that the lender, and not just the holder of a security, for example, has an interest in ensuring that a loan is actually paid back. By setting commonsense rules, these kinds of financial instruments can play a constructive, rather than destructive role.

Now, over the past two decades, we've seen time and again cycles of precipitous booms and busts. In each case, millions of people have had their lives profoundly disrupted by developments in the financial system, most severely in our recent crisis. These aren't just numbers on a ledger. This is a child's chance to get an education. This is a family's ability to pay their bills or stay in their homes. This is the right of our seniors to retire with dignity and security and respect. These are American dreams, and we should not accept a system that consistently puts them in danger. Financial institutions have an obligation to put—to themselves and to the public to manage risks carefully. And as President, I have a responsibility to ensure that our financial system works for the economy as a whole.

There's always been a tension between those who place their faith in the invisible hand of the marketplace and those who place more trust in the guiding hand of the Government, and that

tension isn't a bad thing. It gives rise to healthy debates and creates a dynamism that makes it possible for us to adapt and grow. For we know that markets are not an unalloyed force for either good or for ill. In many ways, our financial system reflects us. In the aggregate of countless independent decisions, we see the potential for creativity, and the potential for abuse. We see the capacity for innovations that make our economy stronger, and for innovations that exploit our economy's weaknesses.

We are called upon to put in place those reforms that allow our best qualities to flourish, while keeping those worst traits in check. We're called upon to recognize that the free market is the most powerful generative force for our prosperity, but it is not a free license to ignore the consequences of our actions.

This is a difficult time for our Nation. But from this period of challenge, we can once again tap those values and ideals that have allowed us to lead the global economy and will allow us to lead once again. That's how we'll help more Americans live their own dreams. That's why these reforms are so important. And I look forward to working with leaders in Congress and all of you to see these proposals put to work so that we can overcome this crisis and build a lasting foundation for prosperity.

Thank you very much, everybody. Thank you.

NOTE: The President spoke at 12:53 p.m. in the East Room at the White House.

Remarks on Signing a Memorandum on Federal Benefits and Non-Discrimination

June 17, 2009

Well, today I'm proud to issue a Presidential memorandum that paves the way for long-overdue progress in our Nation's pursuit of equality. Many of our Government's hard-working and dedicated and patriotic public servants have long been denied basic rights that their colleagues enjoy for one simple reason, the people that they love are of the same sex.

Currently, for example, LGBT Federal employees can't always use sick leave to care for their domestic partners or their partners' children. Their partners aren't covered under long-term care insurance. Partners of American Foreign Service officers abroad aren't treated the same way when it comes to the use of medical facilities or visitation rights in case of an

emergency. And these are just some of the wrongs that we intend to right today.

In consultation with Secretary of State Clinton, as well as OPM Director John Berry, my administration has completed a long and thorough review to identify a number of areas where we can extend Federal benefits to the same-sex partners of Foreign Service and executive branch Government employees.

And I'm requesting that Secretary Clinton and Director Berry do so where possible under existing law, and that the heads of all executive departments and agencies conduct reviews to determine where they may do the same.

Hundreds of Fortune 500 companies already offer such benefits, not only because it's the right thing to do, but because they recognize that it helps them compete for and retain the best possible talent, and we need top talent serving their country right now more than ever.

Now, under current law, we cannot provide same-sex couples with the full range of benefits enjoyed by heterosexual married couples. And that's why I'm proud to announce my support for the domestic partners benefits and obligations act; crucial legislation that will guarantee these rights for all Federal employees.

I want to thank Representative Tammy Baldwin, who is behind me some-

where—there she is right there—for her tireless leadership on this bill and in the broader struggle for equality. I want to thank Senators Joe Lieberman—Joe is here—as well as Susan Collins for championing this bill in the Senate, and Representative Barney Frank for his leadership on this and so many other issues. In fact, this is his second trip to the White House today. *[Laughter]*

It's a day that marks a historic step towards the changes we seek, but I think we all have to acknowledge this is only one step. Among the steps we have not yet taken is to repeal the Defense of Marriage Act. I believe it's discriminatory, I think it interferes with States' rights, and we will work with Congress to overturn it.

We've got more work to do to ensure that Government treats all its citizens equally, to fight injustice and intolerance in all its forms, and to bring about that more perfect union. I'm committed to these efforts, and I pledge to work tirelessly on behalf of these issues in the months and years to come.

Thank you very much everybody, and with that I am going to sign this executive order.

NOTE: The President spoke at 6:04 p.m. in the Oval Office at the White House. The memorandum is listed in Appendix D at the end of this volume.

Statement on Signing a Memorandum on Federal Benefits and Non-Discrimination and Support of Domestic Partners Benefits and Obligations Legislation

June 17, 2009

In 2007, Michael Guest, the first openly gay Ambassador confirmed by the United States Senate, resigned from the Foreign Service. He loved his career, but he had to leave it in the end, because he believed that the country he served was failing to implement the principles of equality it espoused abroad. His partner was ineligible for training provided to ambassado-

rial spouses; he bore the costs of his partner's transportation to his placements abroad; and his partner did not receive the overseas benefits and allowances given to spouses of Ambassadors.

It is too late to prevent Ambassador Guest from having to make the choice he made, but today I am proud to issue a Presidential