

in chapter and verse, so just I'll say briefly, first, that the whole notion that risk can be measured by a mathematical formula is based on the illusion of reality. Second, the desire for the improved returns generated by high leverage led the purveyors of this risk to push it beyond any reasonable boundaries.

But while assigning villainy to CEOs of banks and other institutions may be high theater, playing to our country's justifiable anger is counterproductive. There are many good people in the industry, people who inevitably will—and should—be called on to work through the malfunctions in the system. The political process should concentrate now on how to fix the financial system and let the country's legal arm ferret out and deal with the wrong doers.

A core issue today is that the government has yet to adequately describe the roots of the financial crisis to its citizens and therefore to fully pinpoint its size. It's been my experience that you can't fix what you can't explain. This leads one to think that the solution lies in providing ringing clarity on how the housing market burst, how the market excesses spread beyond housing, how these forces were fueled and then accelerated by our outsized external imbalances, and, with this knowledge, decide how markets can now be stabilized.

At the same time, it's hard to see how our national leaders have helped the country dig out of its very real problems when they devalue each public pronouncement with the caveat: "Remember, it's not over yet."

Their caution reminds me of a story that was told to me by a friend, Bob Kleberg, who was the head of the King Ranch, the largest ranch in the United States, about a college commencement ceremony in his hometown of Kingsville, Texas, during the worst of the Great Depression. Bob had invited two speakers. One was an earnest Ivy League economist and the other was this country's most famous cowboy-philosopher, Will Rogers. The economist, who spoke first, read a long and languorous speech about how bad things were, leaving the roomful of 21-year-olds wondering if there was any hope to be had about their prospects. The conclusion of his speech was met with nervous and polite applause, after which Will Rogers, who was sitting in the front row, literally vaulted up onto the stage. Facing the audience squarely he looked out and said just six words: "Live through it if you can." Then he jumped off the stage and returned to his seat. Terse, maybe. But they did live through it.

And we will, too. So what should we do as the crisis abates? Here, there is real work to be done. First we should just come out and say it: the financial system that led us to the brink of disaster is broken.

How do we proceed?

The first step would be to reduce the number of and simplify the U.S. regulatory authorities, which include the Federal Reserve, the OCC, the FDIC, the OTS, the CFTC, the SEC, and state regulators too numerous to list. The easiest part of this process is naming them! Nowhere else in the world is the implementation of banking authority so diffuse, and the choices they present to the governed result in regulatory shopping for the softest touch. Be forewarned: each one of these organizations has a protector in Congress, and it will take a thunderbolt from the White House and Congress to reorganize and streamline them. Tough as it will be, the necessity is apparent to all, both here and abroad.

The next step after marshaling the regulatory authorities is to move on to the banking institutions themselves. Of course we must be attendant to the fact that markets are international and by definition interrelated and interdependent. Yet a sense of

order would dictate that we tend to our own backyard before trying to gain consensus with 19 other countries.

As I see it, we have two choices. The first is to repair the current system, which is made of deposit-taking institutions on the one hand and what's known as the shadow banking system, or non-bank financial institutions, on the other. Under this approach, we would subject the entire group to one large, all-seeing regulatory system. Doing so would be enormously complicated, and the more complicated the regulatory system the less effective the regulation. In my opinion it is a bridge too far.

We need a stronger identity of purpose between the regulators and the businesses subject to regulation beyond mere adherence to the law. My own view is that in addition to too many regulators, there is the further problem that the regulators did not use their existing powers. They could have halted the growth of the excessive leverage but did little. A culture of systemic risk awareness has to be developed, with clear guidelines to be followed regularly.

Equally important, we need a financial system that has untouchable safety and survivability as its main stem. This would remove debate over whether any of its parts is too big to fail. After all, we're talking about the people's money. Is it operationally possible to combine the mechanics of the shadow banking system, which has emphasized gigantic leverage under-girded by stratospherically complex mathematical formulae, with the principle of securing the people's money? And as tempting as it is to tinker with the present system instead of building a new one, is it the best we can do to prevent another crisis?

I believe that we need a simpler system centered on deposit-based banks. Under this approach, individual accounts in the depository banks would continue to be protected up to \$250,000 and these banks would have access to the country's central bank. These institutions would not be allowed to participate in markets involving inordinate leverage or equity transactions that would risk their deposit-protecting charter. In contrast to the current mode, when asked what their primary purpose is, the banks' chief executives wouldn't talk first about shareholder return. Instead they would stand up and say: "Our institution's primary purpose is to repay the depositors' money. Of course this is not the institutions' only purpose, and innovation within them as it relates to the asset side of the balance sheet should be encouraged as long as they keep a weather eye on leverage and equity risks.

The highly innovative shadow banking system with its mantra of lower transaction costs, which would continue to introduce new concepts, would fund itself from the money markets and other sources but without federal guarantees and access to America's central bank. Institutions that currently straddle the two funding markets would have to choose which type of business to pursue. I know this would provoke the immediate cry that the financial system would be further pinched and credit would further shrink. My answer is that any deposit-gathering system with a \$250,000 guarantee from the U.S. government and access to the central monetary authorities would get all the deposits it needed to provide a vibrant credit system.

Admittedly, ironing out the details of such a vastly complicated system is a task of the highest order, but I believe it is attainable. You may have noticed that the Senate voted this week to create an independent commission to examine the root causes of the economic collapse and provide a blueprint for the future, and the Speaker of the House

called for an inquiry similar to the Pecora Commission held in the early 1930s that gave rise to that generation's new securities laws. It takes me back. My first assignment as a new hire at Dillon Read in 1954, where I stayed for the next 35 years, was to read the volume on securities from the Pecora findings as an explanation for why we did things the way we did.

This country has had a long and important history of independent commissions aimed at laying the groundwork for solutions to national problems of huge moment. Independent is the key word. Such commissions, which call on people with deep knowledge of the underlying problem, have had as their precept exposing fundamental realities. It's unfathomable why such a suggestion has been so long in coming, except to note that commissions terrify the powers that be, both inside and outside the government. If properly constituted, however, they bring together the best of the country's thinkers and thinking, and they're often the only force that unifies the nation. I've been dismayed to read that a number of lawmakers who say they're for a commission nonetheless don't want it to get in the way of acting now. That's exactly backwards. In my view what we need is a rigorous debate and that takes time. As the American writer and philosopher Ralph Waldo Emerson once said, "Counsel to which time hath not been called, time will not ratify."

The composition of the commission is critically important: it can shape the whole outcome. It should have the word "independent" in its title. I believe its chair or chairs should be appointed by the president and that its expert membership should be appointed in equal numbers by the Democratic and Republican leadership of both houses of Congress. It is vital not just that far-reaching, complex reform of the financial system be pursued prudently but in a bipartisan manner in order to gain national support. After all, the purpose is to revive public confidence in the system itself.

In conclusion, let me thank all of you for the great warmth of your reception. We can all agree that thanks to so many of you in this room tonight, including Charles and David, Bill and Pedro and Angel, that the Brady Plan worked and that it indeed set the base for significant prosperity over the past 20 years. I believe that if we can muster similar boldness, clarity, and determination today, we can build prosperity from this crisis and I look forward to working with you in this endeavor.

#### GUIDE ACT OF 2009

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

Ms. ROYBAL-ALLARD. Mr. Speaker, I rise to introduce the GUIDE Act of 2009 on behalf of millions of vulnerable individuals known as dual eligibles, who are faced with critical and essential decisions on which drug plan and pharmacy will provide the medications they need to survive.

Seven million Americans are duly enrolled in Medicaid due to low income levels and Medicare because of their age or disability. Almost 40 percent are cognitively impaired. These are people with mental retardation, mental illness, autism and dementia. Over 75 percent have one or more functional limitations such as problems eating, bathing, dressing, and managing money.

Prior to the passage of the Medicare Modernization Act, which established the Medicare part D prescription drug program, dual eligibles received their medications by simply taking their prescriptions and their Medicaid card to a pharmacy of their choice and paying a nominal fee.

With the passage of part D, this simple process changed and dual eligibles were required to pick a plan from the new program or be automatically and randomly enrolled in one.

Unfortunately, due to the life challenges faced by these cognitively impaired individuals, their attempt to navigate the array of complex prescription drug plans was overwhelming with regrettable consequences.

Many mistakenly chose or were enrolled in plans that presented obstacles including: prohibited copays, limited formularies, and medication exclusions.

Their lack of access to prescribed medications has been linked to serious adverse events, including increased emergency room visits and hospitalizations.

To eliminate these access problems, I, together with the gentleman from Texas (Mr. SESSIONS), have introduced the Guidance, Understanding and Information for Dual Eligibles Act, or the GUIDE Act.

The GUIDE Act addresses the life-threatening issue by establishing a pilot program where experienced social workers and case managers will provide dual eligibles with one-on-one counseling for Medicare part D in their community mental health centers and community nonprofit centers.

This program will benefit this group of vulnerable Americans by ensuring tangible access to the medications they so badly need to live healthy and productive lives. In addition, this program will benefit all Americans by reducing the social and economic costs associated with lack of access to essential medications.

Mr. Speaker, the GUIDE Act is an important bill that will provide one of the most vulnerable groups in our society with the information, guidance, and understanding they need to successfully choose the Medicare part D prescription drug plan that meets their health care needs for survival and a healthier and better quality of life.

On behalf of the millions of cognitively disabled and mentally ill Americans who live in all of our districts, I strongly urge my colleagues to cosponsor and support the GUIDE Act.

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

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

#### MAKING HUMAN SPACE FLIGHT A PRIORITY

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

Mr. POSEY. Mr. Speaker, on Monday I had the great privilege of watching the launch of the Space Shuttle *Atlantis* at Kennedy Space Center.

As a resident of Brevard County, Florida, it is an experience of which I will never tire, and one which I earnestly encourage everyone to see, especially Members of Congress and the President, while they still can.

While we have the grandeur of Monday's launch fresh in our minds, I find the proposed NASA budget very disappointing. The budget plan essentially flatlines NASA's budget for the next 5 years and appears to spawn an abrupt end to the space shuttle in 2010. Washington is spending trillions of dollars on other programs, but has not seen fit to make human space flight a priority at this time.

NASA will attempt to complete the remaining flights of the space station manifest in 2010 within the constraints of its budgetary strait jacket. However, any flights that extend beyond September 2010 will be funded by borrowing money from the next generation vehicle, the Constellation, under the just released 2010 budget plan. The plan is unacceptable to me, and I hope it is unacceptable to you and my other colleagues.

Also disappointing is the proposed open-ended review of the shuttle's successor and the fact it was not begun months ago. Time is of the essence as critical decisions are being made today that will impact NASA for the next several decades.

America's space shuttle only has eight, possibly nine more launches. After that, many of the world's greatest engineers and technicians will be laid off from their jobs, and American taxpayers will pay Russians hundreds of millions, if not billions, of dollars to take American astronauts to the international space station.

This ironic arrangement is likely to last for a minimum of 3 years, and likely longer, until the next generation launch vehicle comes online. Various memos and budget blueprints in Washington may portray this arrangement with the Russians as an unwelcome necessity, but it has become a necessity only due to a lack of America's priorities.

It is wishful thinking on bureaucratic whiteboards that America can lay off this invaluable workforce and 3 years or more later expect to regroup them and rebrand them in the shuttle's successor program.

The transition is unlikely to seamless, and I speak from experience. In my younger days, I worked on the Apollo 11 program. I had the best job in the whole world that anyone my age could possibly have: inspecting rockets bound for the moon. But when the pro-

gram came to an end, and it came abruptly, I and many of my fellow colleagues, some of the brightest minds in the world, excepting me, of course, were given pink slips.

Mr. Speaker, Monday's launch represents one thing that the United States is undeniably, unequivocally, and universally respected for around the globe. Friends and foes alike acknowledge that the United States of America is truly the leader in space.

So it is astonishing to me that we are so near the brink of yielding this military and economic high ground to Russia or China, or someone else. Let us bear in mind that the Chinese are not going to the moon solely to collect moon rocks.

History has shown a progression in regards to our security, which we ignore at our own peril. It started back in Old Testament times when whoever could wield the biggest bone controlled the security of the land. And then who could muster the biggest army, and then who could get the straightest spears and strongest shields.

□ 1815

And then, whoever had the strongest Navy—you know, Sweden and Spain, the greatest powers in the world. And then in World War I, whoever could build the most mechanized army, that could build the most tanks determined how secure the world would be. And in World War II, it was the Air Force; whoever controlled the air would control the security of this world. And today, it's space; whoever controls space will control what security there will be on this Earth.

Today, conflict between nations has also evolved beyond bayonets, bullets and bombs; we are in an economic war of survival. I fear that many take our position for granted and assume that our prosperity will continue indefinitely into the future because we have been so blessed with prosperity thus far.

The President has said he wants half of our Nation's GDP to come from high-tech, and as you know, you can't get any more high-tech than space. We take for granted the countless spinoffs and inventions from NASA, which has issued over 6,000 patents. NASA's "spinoff database" lists over 1,600 items since 1976. Farmers rely on their weather satellites. We all rely on GPS now. We don't give a second thought to the use of our cell phones or our BlackBerrys, our laptops, or even Velcro for that matter. I can remember when a computer processor used to take up an entire room. Now, for \$5 you can go down to Wal-Mart and get a little calculator that will fit in your wallet and do the same things.

Mr. Speaker, nothing represents the future and what is possible for mankind more than space. The future is not yet written. We have not yet reached the point of no return. The NASA budget is not etched in stone. We can make the right decisions to reduce the space gap, minimize the loss