cuts U.S. imports by 2.8%. The economy is on life support and the consumer will not come to the rescue this time.

All the money the Fed is pumping into the economy is propping the economy and the stock market up but it is not restoring the economy to previous artificial levels. And those artificial levels were not so great to begin with. For example, GDP growth for the decade just ended was slightly less than 2.0%. Core inflation for the decade just ended was about 2.4%.

Thus, real economic growth was slightly negative for the first decade of the new millennium. Let's call it zero to account for rounding errors. Not surprisingly, stock market growth for decade just ended was also zero.

This is why banks are not lending and borrowers are not borrowing. Banks are using Fed money and low interest rates to restore their balance sheets and to reduce their risk exposure. Repaying debt in 2010 will continue to be attractive to borrowers and reducing risk exposure will continue to be attractive to lenders.

With consumer spending and lending remaining well below recent levels and unemployment remaining at historic levels, there is no chance of a roaring economic recovery. This also raises serious doubts over conventional concerns about inflation.

Inflation is a function of velocity not money supply growth.

THE MONETARY EQUATION IS: MV = PT

Velocity increases when economic growth is very strong. Velocity declines when the economy contracts. There is no chance of velocity increasing anytime soon under current conditions.

Deflation remains a greater concern, which is why the Fed will not increase interest rates before the end of the year. Excess capacity in the U.S. and worldwide along with velocity continuing to fall will keep inflation low.

Real Estate Outlook

Excess inventories of houses for sale, the mortal enemy of prices, remain huge. And inventories may rise. A quarter of homeowners with mortgages are under water and 40% of homeowners who took out mortgages in 2006 are under water.

Since building costs don't change much over time, the volatility in house prices is really fluctuating land values. The collapse in land values the past two years will probably persist. The 30% decline in house prices nationwide has put the 5 percenter's way under water. It took three decades for the financial sector to expand its leverage to the levels reached in 2007. Deleveraging will take at least 10 years.

Due to bad commercial as well as residential real estate loans, small banks are dropping like flies. Since small banks are the primary lenders to small business and since small business is the engine of job growth, it seems likely unemployment will remain high and slow economic growth will continue.

Excess capacity in commercial real estate and big refinancing requirements in coming years beginning in 2010 will continue to plague hotels, malls, warehouses and office buildings. Moody's/REAL Commercial Property Price Index fell 44% last October from 2007. Retailers closed 8,300 stores last year exceeding the previous peak of 6,900 (2001).

Most of the really bad loans in residential and commercial real estate were made in 2005–2006. Those loans will have to be refinanced in 2010–2012. It is estimated that as much as 50% of these commercial real estate loans will not roll over in 2010.

Economic Summary

Thus, the economic weather report for 2010 is for slow economic growth, high unemployment, falling real estate prices, continued deleveraging, more small bank failures and a huge supply of bad residential and commercial real estate loans needing to be refinanced. This is not a clear skies ahead or a return to business as usual forecast, as the stock market seems to have been forecasting.

Financial Outlook

The economy will eventually adjust to this lower economic trajectory but it will take time. The only thing that could speed up this process would be to identify the cause of the financial crisis (The Greatest Securities Fraud in History) and fix it.

Unfortunately, the Obama and Bush Administrations have covered up the cause of the financial crisis in order to protect those responsible. Perhaps the Financial Crisis Commission, which is investigating the cause of the crisis will identify the real cause of the crisis and recommend positive corrective actions. Absent that, we are looking at a sustained period of slow economic growth.

Throughout this crisis, President Obama, a gifted public speaker, has consistently spoken on behalf of ''Main Street'' but acted on behalf of ''Wall Street''. This strategy is based on the belief held by politicians and the investment banking cartel, which caused the financial crisis and is in complete control of the Administration, that you can fool ''all the people all the time''. It will come as no surprise that all of the President's key financial advisors work for or are surrogates for the investment banking cartel.

President Obama proposed prohibiting Big Banks from engaging in Proprietary Trading and Proprietary Hedge Funds.

''Main Street'' was not impressed and ''Wall Street'' laughed

The reason ''Wall Street'' laughed is that proprietary trading and proprietary hedge funds had absolutely nothing to do with cause of the financial crisis and taking it away does nothing to help ''Main Street'' or curtail ''Wall Street's'' subsidized risk taking. While it is true that investment banks benefit from access to the Fed's discount window and bank deposits for trading purposes. This is the result of the repeal (1999) of Glass-Steagall, which was the ultimate cause of the financial crisis, along with the economic structure of the financial industry (cartels, oligopolies and duopolies). In other words, the President learned nothing from Massachusetts. Tinkering with symptoms of the financial crisis rather than its causes is just not good enough.

Moreover, it is not the size of banks that is the problem; it is their configuration and lack of regulation. That is the mixing of unregulated investment banks (gambling casinos) with regulated commercial banks is the problem. It is the combination of investment banks and commercial banks that makes banks ''too big to fail'' not their size.

There is no systemic risk from the failure of a stand-alone investment bank. The repeal of Glass-Steagall, which ushered in a decade of unparalleled risk taking and fraud by permitting investment banks and commercial banks to combine for the first time in 70 years created the ''too big to fail'' problem.

In the process of tinkering and ignoring the real problem the President managed to embarrass Paul Volcker, a great public servant, by making him take credit for this foolishness. This was not Volcker's Proposal. Volcker's Proposal was to bring back the Glass-Steagall Act, which was repealed by the Financial Destruction Act of 1999.

While it is true that Glass-Steagall would prohibit commercial banks from engaging in proprietary trading and hedge funds, it would prohibit a lot more than that. It would prohibit commercial banks from engaging in all investment banking activities. Proprietary trading and hedge funds are crumbs on the floor by comparison.

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

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

HONORING THE U.S. COAST GUARD CUTTER ''INGHAM''

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

Ms. ROS-LEHTINEN. Mr. Speaker, I rise today to honor one of the most decorated ships of the United States, the U.S. Coast Guard Cutter *Ingham*. For 52 years, the *Ingham* protected our shoreline. Entering service in 1935, the *Ingham* delivered critical assistance to the United States in World War II, Korea, and Vietnam.

The *Ingham* protected Allied ships that were ferrying supplies to Great Britain during the Second World War. With the American flag flying high on her mast, the *Ingham* battled stormy weather, dodged German U-boats, sank an enemy submarine, and eluded enemy aircraft. The *Ingham* also served in the Pacific, acting as the amphibious flagship for four of the Philippine Islands invasions. It was from aboard the *Ingham* that General MacArthur planned and oversaw the critical capture of Corregidor.

More recently and closer to home, in 1980 over 125,000 Cubans fled north from the oppressive Castro dictatorship in battered rafts and stormy weather. The *Ingham* was instrumental in rescuing many refugees adrift in these makeshift rafts and bringing seven refugee vessels to safety, saving 122 lives.

She is the only ship in our history to receive two Presidential citations and has been awarded an astounding 14 Battle Stars and 19 ribbons. The *Ingham* and the many crew members who have served both on and below her decks are a testament to our great Nation. A total of 912 casualties are honored on a memorial plaque on her quarterdeck. Having paid the ultimate price for our freedom, these men and women earned our respect.

When the *Ingham* was decommissioned in 1988, she was the second oldest American warship afloat. Now a floating museum, it is through the exhibits and memorials within the *Ingham* that we can honor and remember all of those 912 service men and women and all that they have done in the service of our Nation.

The *Ingham* is a national historic landmark and serves as a national memorial to all Coast Guard men and women killed in action. It is through the leadership of former Key West Commissioner Bill Verge, a retired U.S.