

are fed up with this process, not just the process of earmarking but the lack of accountability and the absolute lack of transparency when it comes to how we make priorities in spending their money, not ours, every year. I think preserving Social Security, fixing Medicare to where it is available for those after the baby boom generation, solving our budget deficit today might be greater priorities. The real balance is between us and our grandchildren, and we lack the courage to make the hard choices now because it impacts our political careers. We have taken our eye off the ball. The ball is what about the future of the country? What about the opportunity for those who follow us? What about the liberty and freedom they are going to have or not have as a consequence of us ducking the hard choices today?

I yield the floor.

Mr. DORGAN. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BROWNSBACK. I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BROWNSBACK. Mr. President, I believe we have 4 minutes remaining, if I may inquire of the Chair.

The PRESIDING OFFICER. There is 2 minutes remaining.

Mr. BROWNSBACK. I ask unanimous consent to speak for a total of 8 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

IRAQ

Mr. BROWNSBACK. Mr. President, I will try to be brief and to the point, if I cannot be eloquent. I want to talk about the Iraq situation.

A number of Senators have spoken about that this morning. They are looking at the progress that is taking place with the surge. I had great question about the surge at the outset. I questioned whether this was the right route to go. Yet I have to say my concerns were proven wrong.

Look at the numbers: U.S. deaths are down more than 50 percent since June. Iraqi deaths are down more than 50 percent since August. Sectarian violence is down dramatically. Areas of Baghdad are opening. October saw the fewest roadside bomb instances since September of 2005. Mortar rocket attacks are at their lowest level since February 2006. Nobody would say it is over, we have won, but they would say these are very positive events that have taken place.

The area we have to emphasize now is the political solution to capture the moment of getting more stability on the ground in Iraq. For some time Senator BIDEN and I have pushed a federalism approach that this body en-

dorsed by 70 votes. Now is the time for us to push much more aggressively on this political solution. We are seeing this already taking hold in the Kurdish region which has had a head start. Under Saddam Hussein, the Kurds were protected by our air power in the north. They have stabilized a government and have been operating basically that region. We now have Anbar stabilizing, the Anbar awakening. But they are not particularly interested in the federalism solution because they don't have oil. So what we have to have take place at the national level in Iraq is an oil law that distributes oil on a per capita basis around the country, not in regions, so federalism roots can take hold—not one Iraq but several regions and not necessarily on a sectarian basis.

Several Iraqis I have met with are saying they believe in federalism. They think it is the route to go. But they say: Don't say we are a Sunni region here or a Shia region there. These are going to be multisect regions so we can get together on a regional basis and not on a division basis around the country. This is a very promising route to go, but we need a political surge to take place in Iraq. We need to put emphasis on a political surge to capitalize on the stabilizing situation that is taking place on the ground.

We need a diplomatic surge. We need to push the Iraqis to get oil laws and debaathification taking place on a national level. We should prioritize local and provincial elections and encourage Iraq to devolve power from Baghdad. We should provide additional humanitarian assistance for those Iraqis who fled sectarian violence and relocated to other areas, or they are coming back. Some people are not coming back to areas because there is no housing left; it got blown up in all the violence that took place. Instead of pretending that nothing has changed, our debate needs to reflect the reality on the ground, that the security situation is much better, that we have a real moment here. The reality is that security has improved. The reality is that centralizing power in Baghdad is not the route to go. Creating federal regions provides a chance for that success to be captured and moved forward.

I question what came out of the Joint Economic Committee on the funding of the war. I am ranking Republican on that committee. That was not a committee report. I believe there are significant problems with how that funding level was arrived at. I don't think that was accurate. I don't think it was a positive way to move forward. Instead, now is the time to say: OK, let's capitalize on the surge. Let's go on a bipartisan basis with Senator BIDEN and myself on federalism. Let's push that to capture this, and then we as America can declare victory—not a Republican victory, not a Bush victory, but we as Americans can say it is now stabilized and we can start to pull our troops back. That is the talk that is

penetrating now, and it is the talk we need to have a lot more of.

Iraqi President Talibani endorses federalism as a political solution. The Kurds have announced they will convene a federalism conference. Some Iraqi Shia groups are openly discussing the creation of a region that would be a federalism model. The Sunnis do not particularly want to because they do not have oil, so we have to get that oil devolved.

I think there is a real route forward for us to all be able to say, soon, we are making progress, it is sustainable, and we are handing it off to the Iraqis.

Mr. President, I thank you for your indulgence.

I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DORGAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DORGAN. Mr. President, I understand I have time in morning business. Let me claim that time.

The PRESIDING OFFICER. The Senator has 15 minutes.

APPROPRIATIONS BILLS

Mr. DORGAN. Mr. President, I want to talk about several things today. I want to start with this question of why, at the end of the legislative session, there is such intractability in trying to get the appropriations bills done.

It is a paradox to me that President Bush, who has come to this town in the last 7 years, and at the start of his Presidency said, "I want a fiscal policy that moves in a certain direction." He had a sufficient number of votes in the Congress to accommodate that so he said, "Look, it appears in the next 10 years we are going to have very large budget surpluses, so I want put in place very large tax cuts, most of which will go to wealthy Americans." I did not support that, but a number of people in his party did, so it became enacted. I said we ought to be conservative. We ought to worry things might change. Maybe these surpluses won't appear. We do not have them yet. They are only projections.

Well, guess what? The President got his fiscal policy, and those surpluses did not, in fact, appear. We faced a recession, 9/11, a war in Afghanistan, a war in Iraq, and a continuing war against terrorism—all of which has been very costly. We have run up \$3 trillion in debt with this President's fiscal policy—\$3 trillion. Now, I think it is unusual that at this stage of this session of Congress the President has done two things. He has sent to this Congress a request for \$196 billion in emergency funding for the war in Afghanistan and Iraq—mostly for Iraq.

He wants \$196 billion in emergency funding—none of it paid for. He says: This is my priority. If you do not support it, you do not support the troops. We do not intend to pay for it. It is called an emergency.

At the same time, he has made another request of Congress. He has said: The budget I sent to you is a budget locked in stone, and if you do not meet those numbers, if you are over those numbers on anything, I intend to veto the bills.

Eight to ten appropriations bills he has threatened to veto. We are \$22 billion over the President's numbers in his budget for investment here at home. I am talking about the things that improve roads, do the water projects that are necessary, build infrastructure, invest in health, and invest in education. We are \$22 billion over the President's budget request.

The President says: I will have none of that. The money we are spending to invest in things here at home, we will not compromise on that. I will veto all of those bills. So I am going to be a fiscally responsible President on \$22 billion with respect to investments in this country, and then I demand \$196 billion from you in Congress, on an emergency basis. None of it paid for. All of it borrowed in order to prosecute the war.

By the way, that \$196 billion is not all to support the troops. A substantial part of it is for contractors. I have been on the floor talking about the greatest waste, fraud, and abuse in the history of this country with contractors in Iraq and Afghanistan. We have been stolen blind by contractors.

One short story: This country says that we will commit to building 144 health clinics in Iraq. So our Government hires a contractor to go build health clinics in Iraq. The money is all gone. Over \$200 million of the money is gone, but the health clinics do not exist. Out of over 200 health clinics, there are only 20 in operation.

An Iraqi doctor came to see me and testified at a policy committee hearing. He said: I went to the health minister of Iraq to find out where these health clinics were because I knew the American taxpayer spent the money for them. The contractor got the money to build them, and I wanted to go see these health clinics and tour them to find out what has been done. The Iraqi health minister said: You don't understand. Most of these are imaginary clinics. They have never been built.

Well, the money is gone. The contractor got the money. The American taxpayer got fleeced. The President wants more money, an additional \$196 billion. He says: If I don't get it, then you don't support the troops. Then he says: By the way, I don't support the extra \$22 billion to invest in health care, to invest in energy, to invest in water projects, to invest in roads, or to invest in this country.

I say to the President, it is time, long past the time, to start taking care

of things in this country. I have a list on my desk of water projects that we are doing in Iraq costing hundreds and hundreds of millions of dollars. I have the specific names of the water projects which we are building in Iraq. The President also says he wants over a half a billion dollars less in funding than the Congress is recommending for the Corps of Engineers to build water projects in this country. This is funding to repair dams, to do dredging, and to do the things we need to do to fix water projects in this country.

Why such a reluctance to invest here at home? I do not understand it. But why the contradiction? The President wants to spend \$196 billion—without paying for any of it—and then crow to the east that somehow he is a fiscal conservative because he is opposed to \$22 billion spent here at home.

Now in the next several weeks, we are going to have to reconcile this, and I hope, in one way or another, this President will be able to try to find out what his true identity is. It certainly is not a fiscal conservative. That is talk. Talk is cheap.

Look at what he is asking for: \$196 billion to be added to the debt. None of it paid for. All of it borrowed. Then he says that he is opposed to \$22 billion to invest here at home.

That is not fiscal conservatism. That is ignoring needs here in this country and spending money in a profligate way, especially on contractors which are fleecing the American people in my judgement. I hope we can reach an agreement on meeting our appropriations needs. That is what we need to do. This place works and this democracy works by agreement and compromise with people of good will.

EXCESSIVE MARKET SPECULATION

Mr. DORGAN. Mr. President, I mention that because I want to talk about two areas of speculation that bother me a lot, both of which relate not to the financial issues of this fiscal policy coming from President Bush, but it relates to the issue of whether you believe Government has a role in proper regulation in certain areas.

The price of a barrel of oil today is trading at \$94 a barrel. It has been flirting with \$100 a barrel. The price of oil has been going up, up, up in the last year. Well, it is interesting when you take a look at what is happening with oil prices. Take a look at supply and demand factors and ask yourself if the fundamentals with respect to oil supply and demand justify \$100 a barrel of oil? The answer is no.

Let me read to you something from a fellow, Fadel Gheit, who works for Oppenheimer & Sons. Here is what the energy analyst for Oppenheimer & Sons said last week. He said:

There is absolutely no shortage of oil. . . . I'm absolutely convinced that oil prices shouldn't be a dime above \$55 a barrel. . . . Oil speculators include ‘the largest financial

institutions in the world.’ ‘Call it the world's largest gambling hall. . . . It's open 24/7. . . . Unfortunately, it's totally unregulated. . . . This is like a highway with no cops and no speed limit, and everybody's going 120 miles per hour.’

Let me tell you what is happening with the price of oil. This is an oil analyst from Oppenheimer & Sons saying that there is no justification for oil being a dime over \$55 a barrel. We have hedge funds in the futures market buying oil. We have investment banks in the futures market. We have investment banks building facilities to store oil. Now, why are investment banks building facilities to store oil? It is because they believe oil will be more valuable in the future. If they buy it and store it, then they will make money in the future.

So instead of a futures market that works with respect to the fundamentals of the supply and demand of oil, we have a carnival of greed in the futures market, in my judgment. We have investment banks hip deep, we have hedge funds hip deep in this, and we have all kinds of things that are going on that are driving up the price of oil.

Who are the victims? The people filling up at the gas pumps have to pay this price that, in my judgment, is unsupported by the fundamentals of supply and demand.

What is the circumstance here? Well, the circumstance, like most things, is we do not have the capability to regulate very effectively.

Let me tell you this story, if I might, about a 32-year-old trader at a giant hedge fund, and I did not mention that hedge funds are in these markets as well, in a very big way. A 32-year-old trader at a hedge fund named Amaranth held sway over the price the country paid for natural gas a year or so ago. Let me tell you what he did. He helped lead to the collapse of an \$8 billion hedge fund named Amaranth. This comes from the Washington Post:

His positions were so big that he could cause the price to move in the way he wanted by buying or selling massive amounts of his holdings in the last 30 minutes of trading on NYMEX, a move known as ‘smashing the close,’ federal regulators say.

At one point, in the summer of 2006, Mr. Hunter, the 32-year-old trader, controlled up to 70 percent of the natural gas commodities on the New York Mercantile Exchange (NYMEX) that were scheduled to supply companies and homes in November of last year and more than 40 percent of contracts for the entire winter season.

Now, this relates to the question of a piece of legislation that is entitled ‘Close the Enron Loophole’ Act that Senator LEVIN and I have introduced. The fact is, in these energy futures, some of them are on regulated exchanges, but many of them are not. The Commodity Futures Trading Commission does not have the capability to see exactly what is happening in these futures contracts and in these over-the-counter or unrelated areas. We need, in my judgment, to pass legislation to try to stop this rampant speculation of unregulated trading.