

raw water from the Euphrates River being sent to these camps. Halliburton said it didn't happen—despite the fact I had the evidence—didn't happen, never happened, not true. The U.S. Army said: Didn't happen, never happened. I did not understand that. I would have thought the U.S. Army would have been apoplectic on behalf of the health of its troops.

So I asked the inspector general: Do an investigation, will you, and tell me what the facts are.

The inspector general did the investigation and just finished a month and a half ago. Guess what? The whistleblowers were right. So why did the U.S. Army declare to us it didn't? I understand the company deciding it will not admit to anything. What about the U.S. Army? In fact, they sent a general to this Congress, to the Armed Services Committee, to say these incidents never happened. Now we have an inspector general report that not only demonstrates that the general testified inappropriately, was wrong, deceived the Congress, but that the inspector general had provided that information to the Pentagon prior to them sending the general up here to tell us information that was not accurate.

It just goes on and on.

Mr. President, we need to have a Truman committee. I know my message is tiresome to some, but it doesn't matter much to me. This Congress owes it to the American people to do what previous Congresses have done during wartime, and that is properly investigate the waste, the fraud, and the abuse on the most significant expenditure of taxpayers' money that has ever occurred ever in the history of this country for contractors. We shoveled money out this door. It is unbelievable. And almost no oversight.

I brought to the floor of the Senate many times a picture of a man who testified with bricks of one-hundred-dollar bills wrapped in Saran Wrap. He said it was the Wild West. We told contractors: Come to this building and bring a bag because we pay in cash.

I described that in the context of a company called Custer Battles. Two guys who had virtually no contracting experience in a very short time got many millions of dollars worth of contracts. And they were then found to have defrauded the Coalition Provisional Authority.

I came to the floor a week or two ago and said the New York Times did some enterprising reporting—good for them, and I say to those reporters: You did some great work, work that probably could have and should have been done by the Congress in the recent past.

I showed a picture of a man named Ephraim, 22 years old, and his 25-year-old vice president who was a massage therapist—a 22-year-old CEO of a company and a 25-year-old massage therapist as the vice president. They ran a company that was a shell corporation set up by the 22-year-old's dad some years ago out of an unmarked office in

Miami Beach. They got \$300 million in contracts from the U.S. Department of the Army to provide munitions and weapons to the Afghan army and police.

What ended up in Afghanistan was, in many cases, ammunition from the mid-1960s, manufactured by the Chinese in boxes that were taped and coming apart. This was a company that got over \$300 million.

Should somebody ask the U.S. Department of the Army and the Sustainment Command of the Department of the Army in Illinois how on Earth did this happen? How did you think you would get by with this? How are you going to explain this to the American taxpayers?

We desperately need to establish a Truman committee to investigate this issue. The American taxpayers deserve no less, in my judgment.

MEDIA MARKET CONCENTRATION

Mr. DORGAN. Mr. President, I wish to mention, this morning out of the Senate Commerce Committee, thanks to Senator INOUYE's and Senator STEVENS' support of my legislation, we passed legislation that will veto a rule that was passed by the Federal Communications Commission that allows for more consolidation in America's media.

The Federal Communications Commission decided they want more concentration in the media, despite the fact that most of what Americans hear, see, and read every single day is directed by about five or six major corporations in America. They think we need more concentration. So they passed a rule that says it is going to be OK to allow newspapers to buy television stations in the same city.

We have had a prohibition against that action for a while. It is called cross-ownership. They did their rule. The Chairman of the Federal Communications Commission was very anxious to get this rule done and serve whatever master he was serving. They did their rule, but today we passed a veto resolution out of the Commerce Committee, a disapproval of the rule by the Federal Communications Commission that would allow greater concentration in the media.

The last thing we need is more concentration in the media. We have all these supporters that come to the Senate floor who say: What are you talking about? We have all these new outlets. Go to the Internet. See how many sites there are. Go to cable television. See how many channels there are. I say: Yes, a lot of new choices but from the same ventriloquist, the same source.

One guy testified before the Commerce Committee and said, for example, on cable television in my office, 48 channels are on basic tier and 42 of those channels belong to the same five or six major companies. That bill will come to the floor of the Senate because

it is a privileged piece of legislation. My resolution of disapproval, passed by the Commerce Committee today, will come to the Senate as a privileged resolution. It will be on the calendar now. I am going to consult with Senator REID, and I will visit with the minority, and find a time to bring it up and have a vote to disapprove the rule that was enacted by the Federal Communications Commission, which, in my judgment, stands logic on its head.

OIL MARKET SPECULATION

Mr. DORGAN. Mr. President, the final matter I want to talk about today is this issue of the price of oil and the price of gasoline and excessive speculation. There has been some discussion today about this, and I want to make this point.

We have seen a dramatic runup in the price of oil and, therefore, the price of gasoline. There is no justification with respect to the fundamentals of oil and supply and demand for that. There is no justification for it at all, but something has changed in this country. What has changed is the futures market has become an orgy of speculation.

Let me quote a man named Mr. Fadel Gheit, a top analyst from Oppenheimer and Co. He has been in this business for 30 years. He said this a couple of months ago.

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. I call it the world's largest gambling hall. It's open 24/7. It's totally unregulated. This is like a highway with no cops and no speed limit and everybody's going 120 miles per hour."

This is happening in the futures market. You need a futures market to hedge. You need it for liquidity. I understand that. What has happened to the futures market is pretty bizarre. We now see on the futures market 20 times the amount of oil bought and sold every day than is used every day. Twenty times more is bought and sold than is used. For the first time, we see hedge funds up to their neck in the futures market. Is it because hedge funds love oil? No, they don't know anything about oil. Do they want oil delivered to their offices? Do they want oil delivered to their homes? No. They never want to own any oil. They want to buy things they will never get from people who never had it. That is the way the futures market works. These people are speculating. Hedge funds are neck deep speculating in oil futures, and for the first time investment banks have joined them. So you now have big investment banks and big hedge funds with a presence in the futures market like never before. They have all these commodity corners in their company now, and they are hiring more, and they are speculating at an unbelievable rate.

I am told, and I have read, that investment banks for the first time are

even buying oil storage capability to buy oil and take it off the market. Why? To wait until it increases. So now we have oil upwards to \$120 a barrel because we have so much rampant speculation or outright gambling in these markets.

What does that mean for the folks driving a Chevrolet down the road, getting low on gas and trying to figure out how to get to a gas pump, and how to pay the bill when they get there? Well, the folks in the hedge funds, these folks in the investment banks on these commodity markets that are engaged in the 24/7 casinos, are going to the bank. Man, they are going to the bank big time. I am talking billions and billions of dollars. It is pretty unbelievable. When you have a person drive up to the gas pump and fill that car with gas, a portion of that money now goes to this carnival of speculation in the futures market to reward the speculators. A portion of it, of course, goes to the OPEC cartel too. These are folks who sit around in a closed room with a locked door and make decisions about price and about production.

I might add, while I am at it, that Saudi Arabia, by the way, has 800,000 barrels a day less production on the market than they did 2 years ago—800,000 barrels a day, every day. That means a lot in terms of what might happen in that market.

So we have a lot of things going on here. What should we do about it? Well, in addition to all of that, the Bush administration is deciding they want to stick, and they are sticking, 60,000 to 70,000 barrels of oil underground every single day in something called the Strategic Petroleum Reserve. We have an SPR to save for a national emergency. Well, they are buying oil at \$118 a barrel coming off the Gulf of Mexico as a royalty in kind transfers. They are taking \$118-a-barrel oil and putting it in the ground, 60,000 to 70,000 barrels a day.

With oil at record highs, it is Byzantine to see this administration saying we have to do more to fill the SPR. This is at a time when the Strategic Reserve is 97 percent filled. So they take oil out of the supply, which puts upward pressure on oil and gas.

When the supplemental appropriations bill comes to the floor of the Senate, I intend to offer that amendment as well, to stop putting oil underground in SPR when oil is above \$75 a barrel. I mean, this doesn't take a reservoir of common sense. It just takes a few grains of common sense from somebody who might actually help to fix this problem.

What I also want to do is to increase the margin requirements on the exchange. If you buy stock on margin, you pay a 50-percent margin requirement to buy stock. If you want to control oil by going into the futures market for oil, you pay 5 to 7 percent. You pay a 50-percent margin for stock, but 5 to 7 percent for oil. If you want to control \$100,000 worth of oil, it will cost

you \$5,000 to \$7,000. That doesn't make any sense.

That encourages speculation. That encourages the speculation that pushes the runup of these prices. I believe the margin requirement ought to be at least 25 percent at this point, during this period of aggressive speculation. So I am putting together a piece of legislation on that as well.

You know, I want this country to develop an energy policy that makes us much less dependent on foreign sources of oil, engages in much more conservation, and much more efficiency. We should produce more. I am one of the four Senators who helped pass the legislation finally that opened up Lease 181 in the Gulf of Mexico in 2006. So I believe in additional production. I believe we ought to conserve more. I believe we need more efficiency, and I believe we need to pay much more attention to renewable energy.

All those things are important. All of them are important. But right at the moment we have a circumstance where we have an administration sticking oil under the ground at the wrong time, which puts upward pressure on oil and gas. We also have hedge funds and investment banks hip deep in the futures market speculating and making billions of dollars on speculating. At the same time, they are driving up the price of oil and gas for American families and doing great damage to this country's economy.

It is not just the family, and it is not just the business. It is not just the truckers and not just the airlines that are hurt. This country is experiencing significant economic damage as a result of the runup in these prices. I think there are reasons for us to come to the floor on an urgent basis and take obvious steps to deal with it. I have mentioned several, and there are more. But I only want to make the point that this is not some passing fancy that is going to be a magnet for a lot of discussion. This is a very serious, real problem that is doing significant damage to this country's economy.

There is a lot to do next week and the week after, and I will be introducing some additional legislation. I will be anxiously awaiting the appropriations supplemental legislation. When the emergency supplemental appropriations bill comes to this floor, either in the Appropriations Committee or on this floor, we must be given the opportunity—and will be given the opportunity—to offer the kind of amendments I have suggested. This will include an amendment that stops the putting of oil underground in the SPR at a time when oil is priced at \$118 a barrel. This is just one of the obvious things we can do to stop penalizing American consumers and damaging this country's economy.

Mr. President, with that, I yield the floor, and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. NELSON of Florida. Mr. President, I ask unanimous consent the quorum call be rescinded.

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

FLORIDA PRESIDENTIAL PRIMARY

Mr. NELSON of Florida. Mr. President, I want to address the Senate on two subjects. I will be brief.

The task has fallen to this Senator from Florida to continue to try to press the chairman of my party and its executive committee, in the form of the Democratic National Committee, to recognize the votes of 1.75 million Florida Democrats who went to the polls on January 29, a turnout of twice any previous turnout in a Presidential primary, to express their preference for the nominee of our party. They did so in those huge numbers, they did so in a duly called election by Florida law, which caused all of the rhubarb in the first place because the legislature of the State of Florida moved ahead of the date set by the two parties after which they would then be punished by the party rules.

Both party rules provided that the two parties would be punished if they moved earlier than the date of February 5 for their primary. The party rules in both parties said that half of the delegates would be taken away. Indeed, that is what the Republican National Committee did. But not so the Democratic National Committee, for they decided to take a full pound of flesh and take away all the delegates and say the election didn't count.

There are some people who are thinking, even though they felt passionately about it at the time, the way all this worked out, since we don't have a nominee yet at an early day like the Republican nominee, I think some people are thinking maybe this should have been worked out a long time ago, such as last summer, before this ever came to a head.

But it is what it is, and all the attempts at finding a compromise that can seat the Florida delegation at the convention have all come to naught because of the inability of the two candidates to come to a conclusion as to what they would be able to accept.

The bottom line is that seating Florida, whether you seat them according to the DNC rules, taking away half the delegates, or seating the whole delegation, advantages one candidacy and it disadvantages the other candidacy. As a practical matter, I think it is going to be difficult to get an accommodation and agreement to do it.

But I want everybody to understand that the Democratic National Committee can take away delegates—they have that authority. But the Democratic National Committee cannot deny the certification of a legal election by Florida voters. You can't deny that. It is a fact. It is a certified election under Florida law. That was a