

lender reduce the amount they are asking for and settle on a fixed-rate cost that the borrower can afford. Therefore, the lender does not lose everything. It costs them in order to take this arrangement, but the borrower also gets to stay in their home, and they end up paying that insurance and also contributing back to the cost of the program.

The Congressional Budget Office has examined this idea which is temporary, voluntary; you don't have to be in it if you don't want to. We are trying to create a structure to allow people to end up with a mortgage they can afford and, for lenders who worry about losing everything, an opportunity to get something back out of this rather than losing all their resources. It is estimated by the Congressional Budget Office that this program could actually save American taxpayers \$250 million. That is their estimate of what we may actually have coming back as a result of this effort.

This has been a bipartisan proposal—a bicameral one, for that matter. The House has adopted a very similar program in their bill. There was an effort to strip this program out of the bill yesterday. Our colleagues voted 77 to 11 to reject such an effort. We don't get votes like that often, but I commend my colleagues, Democrats and Republicans, for sticking with an idea that was recommended to us by a broad consensus on the political spectrum. So it was very important. We had strong votes yesterday for the regulatory reform for GSEs. The effort to strip out the affordable housing program was soundly defeated as well. The amendment relative to the HOPE for Homeowners Act was also resoundingly defeated.

We are on the brink of adopting the most comprehensive piece of housing legislation in a long time, and it is not coming any too soon either. As I have reported, when you have more than 8,000 people every day slipping into foreclosure, with already a million and a half, and some estimates are those numbers will explode in the coming weeks and months, it is a timely decision for Congress to do everything we can to restore confidence and optimism, to keep people in their homes, and to get our economy back on a sound footing. We will not do that in the absence of dealing with the housing crisis.

Again, I commend my colleague from Alabama. I thank him immensely for his work. I thank the leadership, principally our majority leader, for making it possible for us to get to this moment where we could adopt this legislation. My hope is that the other body, the House of Representatives, will consider what we have done, how difficult it is, and how precariously close we have come to having this matter blow up on us on at least several occasions in the last several days. We need to send this package to the President for his signature. He is threatening a veto. I hope

he doesn't do that. It would be a great tragedy to have the President decide to veto this legislation.

I am told the reason he wants to veto it is because we include money for the Community Development Block Grant Program, some \$3.9 billion. That is an emergency effort. The reason we have that is because our mayors, county supervisors, and Governors already have foreclosed properties, many of them in their communities. These moneys are exclusively to be used for the rehabilitation of these homes so they can be resold, to make them more attractive and available so we can revitalize neighborhoods that have been affected by foreclosure.

I have pointed out on many occasions in the past while debating these bills, if you end up with one foreclosure on a city block, the value of every other home on that block declines immediately by more than 1 percent. Crime rates go up by at least 2 percent in those neighborhoods. You start losing value in other homes, even if they are not on the market. We know today we have some 15 million homes where the debt exceeds the equity. Despite efforts over the years to increase that equity, to become part of retirement and deal with a family crisis, such as a higher education cost, many families now are living in homes where the debt on the mortgage exceeds the value of the house. That is an unhealthy situation. We need to do everything we can by cleaning up where foreclosed properties exist and getting them back on the market.

Let me commend Senator BAUCUS of Montana and Senator GRASSLEY of Iowa, chair and ranking member of the Finance Committee, the tax-writing committee. Part of this bill includes provisions to deal with mortgage revenue bonds, to deal with a tax incentive approach to take foreclosed properties and encourage homeowners who would move into them to buy them. We need to do everything we can to allow this market to get back on its feet and moving.

That is a quick brief of what this bill includes. Again, it is a very good piece of legislation. It is not perfect. If I were writing it myself, it would look different, as I am sure it would if each Member could write the bill. But we serve in a body of 100 Members. We must work with a body that has 435 Members down the hall. Of course, we must work with the White House. That is how our system works. You don't get to write these things on your own. You have to work with people with whom you may have fundamental disagreements in order to resolve those disagreements, to find common ground, and then craft ideas that can make a difference for the American people who depend upon us.

That is what we have done with this bill. It is a sound, reliable, strong piece of legislation that will make a difference for the American people and, particularly, families fearing they may

lose the most important and valuable asset they will ever have, the family home. What a difference it can make to a family to have that house in which to raise their family and feel secure that the home they are living in and raising their children in will be theirs and not be lost through foreclosure.

We are hopeful this legislation will be adopted in the early part of next week, and the President will sign it into law. What a greater gift on Independence Day, as we break for a week to go back to our respective States, than to have the President sign into law a piece of legislation that would allow the American people to enjoy a certain amount of independence as well in living in their homes without fear of foreclosure.

I urge my colleagues to continue to be supportive of this effort, and I thank those who have been responsible for bringing us to this point.

MORNING BUSINESS

Mr. DODD. I ask unanimous consent that the Senate proceed to a period of morning business with Senators permitted to speak for up to 10 minutes each.

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

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

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

OIL MARKET SPECULATORS

Mr. DORGAN. Mr. President, this morning, watching television as I was getting ready to come to work, I heard a news report about how much less Americans were driving. I believe they said 4.5 billion fewer miles driven in our country in April, although it may have been January through April. I am trying to get that. But the New York Times yesterday had the same thing. It says: "Driving Less: Americans Finally React to the Sting of Gas Prices." It described that in April of 2008, compared with the same month 1 year ago, Americans drove 1.8 percent fewer miles on public roads. So round it up. Americans drove 2 percent less in April, and presumably they used 2 percent less gasoline than 1 year ago.

If that is the case, that gas prices are up so Americans are driving less and using less gasoline—then demand is down, isn't it?

Well, demand is down—and we know that; it doesn't have to be confirmed by the New York Times yesterday. Demand is down. When gas goes to \$4, people are wondering how on Earth do I pull up to the gas pump and afford to fill the tank? I had a tribal chairman come to the Senate yesterday. He described a mother who was driving her

daughter, who had threatened to commit suicide, to see a doctor. But the mother didn't have money or enough gas in the car to get back home, so she came to see the tribal chairman of this particular Indian tribe to try to get some money to put some gas in the tank to be able to drive home after driving her daughter to the doctor.

We know these stories. A lot of people can't afford this, so they are driving less. So if demand is down, then why are gasoline prices staying up?

Four of the first 5 months of this year, we have seen increases in crude oil inventories. Let me say that again: Crude oil inventory supplies in this country have increased 4 of the last 5 months. So if supplies are up, and demand is down, what justifies a continued increase in the price of oil? It is not justified. It is unbelievable speculation in the commodities markets.

I want to talk about that for a moment today. But I want to also note that in the Washington Post this morning, Steven Pearlstein had an article. It says: "On Energy: Same-Old, Same-Old." And he is right about that. Same old thing, isn't it, on energy?

We can't live without energy. The fact is, we get up in the morning and flip a switch and the light goes on. We plug something in and our razor works. We get in the car, turn the key, and we can drive. We take energy completely for granted, and yet we are prodigious users of energy.

But we have a problem: Part of the problem is that divine providence, apparently, ended up putting most of the oil under the sands way on the other side of the planet and most of the demand is here. So we stick straws in this planet of ours and suck oil out every day. Eighty-five million barrels of oil every day we suck out of this Earth, and one-fourth is destined to be used in this little spot called the United States. We use a quarter of the oil every single day that is produced in this world.

That is pretty unbelievable when you think about it. So we have big problems. We use a quarter of the oil, and much of it is produced elsewhere—Saudi Arabia, Kuwait, Iraq, and Venezuela—in troubled parts of the world. We need to be less dependent on finding oil from off our shores, which means we need to be more diligent in finding ways to produce more here.

But it is not just producing oil, however. There are a lot of ways to produce energy. My colleagues on the other side, who have spent the last several days in this Chamber saying we have to drill here and drill there; that the only way you produce is to drill a hole someplace. Well, I know people like this. They are the dig-and-drill type. I call them "yesterday forever." Digging and drilling, that is the only way they think you can produce energy.

What about planting a crop in a farm field and producing ethanol? What about putting up a wind turbine and producing electricity by taking the en-

ergy from the air? What about solar? What about biomass? There is so much more we can and should do with respect to the production of energy.

I will talk about that some more, but I want to come back to this issue of speculation. Right now, the price of gas is killing us. We have, I think, 12 airlines that have gone bankrupt in recent weeks and months. We have a whole lot of trucking companies that are now out of business because they cannot afford to continue to operate by paying current diesel prices to fill their trucks. We have farmers who can't figure out how they are going to order a load of fuel for spring's work and summer's work because it costs too much. We have a lot of families driving up to a gas pump and putting in only five gallons because they can't possibly afford to fill the tank.

What is causing all that? Well, we have what is called a commodities market that has now been infested with hedge funds and investment banks. Investment banks, for the first time in history, and in recent years, are in this commodity market speculating. They have actually purchased storage capacity in order to take oil off the market. That is not a particularly good way to bring down prices, is it? But that is not the interest of some of these speculators. They think increasing the price is fine. It is exactly what they want.

Will Rogers described all this years ago. He described people who buy things they will never get from people who never had it, making money on both sides. It wouldn't matter so much if the speculation on a commodity isn't so essential to this country. There is unbelievable speculation on oil and gas prices in this country, particularly oil prices at this point, that is damaging our economy. It is damaging our country, it hurts American truckers, farmers, and others, and we need to do something about it.

Now, the question is, what? I am going to hold a hearing next week. I chair the subcommittee that funds the Department of Energy, among other things, and it funds the Energy Information Administration. That is the agency we pay in the Department of Energy to tell us what they know about energy. This is not a policy group, but we spend a lot of money on the EIA. If somebody is talking about energy and giving you some analysis about energy statistics, it is probably the Energy Information Administration, run by Mr. Caruso. Mr. Caruso is going to testify before my subcommittee this coming week.

But I want to show you this chart. I am not showing this to demonstrate that the EIA is incompetent. That is not my allegation here. However, I wanted to show you what the Energy Information Administration has estimated each month, because they estimate what the price of oil is going to be. Nobody knows, so EIA makes the best estimate they can, because they

have the best people and the experts. So here is what they have estimated.

By the way, this red line is the actual price, okay? Go back here in May 2007, and they estimated the price of gasoline was to be about here. In July 2007, they said here is where we think the price will be. In September of 2007, here is where we think the price is going to be. In November 2007, we think the price will go down, actually. In January 2008, the price is going to go down. March 2008, it is going to go down, and in April, it is going to go down.

Here is what actually happened. Oil prices went straight up, like a Roman candle. So the best people we have in the agency instructed to do this analysis say, here is our estimate of oil prices—and the fundamentals of the marketplace should reflect supply and demand. I assume they probably thought people were going to drive a little less as prices went up so that we would have more conservation. But they said, we think we are going to be okay on supply and have a little less demand and prices will moderate. Instead, prices went like this.

How can we be so wrong for so long? That is the question, I guess, for next week. But I have had a chance to ask the head of this agency at a previous hearing whether there is some speculation here. My notion is this is an unbelievable orgy of speculation, and that is what is happening to this market. The market is broken, doesn't work, it is full of speculators, and they are interested in driving up the price. They do not give a rip about the damage to the economy. But the answer from the EIA was, well, a little bit of speculation, but, you know, not very much. It was kind of a two-step shuffle with your hands in your pockets, ruminating. Wearing a gray sweater and smoking a pipe and ruminating: Well, maybe a little speculation.

You know what? I think the truth is—and this chart with these lines demonstrates how wrong we have been for so long—that there is a massive amount of speculation here. There are plenty of experts around who say this market is like a casino, open 24/7.

Now, what does it matter? Well, what matters is this is doing unbelievable damage to our economy and to our country. I would understand it—I wouldn't accept it, but I would understand it, if at least the supply and demand relationship here justified an increase in price, but it does not. Refineries in this country in recent months have actually cut back in their capacity because they have had too much inventory out there. Drivers are driving less, crude stocks in 4 of the first 5 months have been up, yet the price of oil continues to rise.

Now, the large oil companies that are going to the bank depositing our money have a permanent grin. They can't stop smiling. The Saudis and the OPEC countries can't stop smiling either because they are contributing

even more of our money to their bank accounts. This is not bad for everybody. This is good for some. It is just bad for most of the American people and bad for the economy of this country.

I believe that speculation is rampant and the regulatory authorities, the people who are supposed to wear the striped shirts and call the fouls, the Commodity Futures Trading Commission are largely doing nothing about it except for the last couple of weeks when someone has, apparently, lit their fuse or when the Chairman had some sort of epiphany overnight and said it looks as if we ought to start investigating this. The Chairman of the regulatory body has said repeatedly now, for many months: It is just the fundamentals, there are no problems here, the market is working fine, just fine. He said it last July, he said it in January, he said it in February, he said it in May, be happy, there is no problem here. The fundamentals of the oil markets are working just fine.

Then, all of a sudden, we had a kind of tipping point. The Chairman of the Commodity Futures Trading Commission said: There might be something wrong. We are going to look at it. And oh, by the way, we have been looking at it for 7 months.

It is a little confusing to me and I expect to the American people. Either the fundamentals were not right, or they were, back when he was assuring the American people everything was fine.

Having said all of that, it is pretty clear to me what is going on here. We have a dramatic amount of speculation, a bunch of big interests running up the price of oil on the commodities market—hedge funds, investment banks, and others—speculating, purely speculating in these oil markets.

I am going to introduce some legislation next week that addresses that subject. It will be the End Oil Speculation Act. It will require the Commodity Futures Trading Commission, which has largely been asleep at the switch, to use the authority it has to do what is necessary to separate legitimate trading for hedging purposes on the commodities market for oil from trading that is purely speculative. It will increase the margin requirement on trading that is purely speculative. It will do a number of other things that respond to the need to say: We believe this market should work. We think this market is necessary. But when a market is broken, the U.S. Congress has a responsibility to address it.

My legislation will have time requirements and will make certain that the Commodity Futures Trading Commission takes the action that is necessary to wring the speculation out of these markets. I will introduce that early next week.

I do want to say with respect to the Stephen Pearlstein article that I think he has it right—"same old, same old." He said: Somebody brings up offshore

drilling, and immediately some say "no," others say "yes," some say "there," others say "nowhere." Should we do some offshore drilling? Sure. I supported offshore drilling in the Gulf of Mexico. I was one of four Senators who constructed the legislation that is now law that opens what was called lease 181. Substantial oil and natural gas are there. We ought to open much more of that on the eastern Gulf of Mexico. That is where the highest potential of recoverable oil is, in the Gulf of Mexico. We can do that safely.

The fact is, you need to do much more. We are not going to drill our way out of this problem. We need much more renewable energy and more conservation. By far, the lowest hanging fruit in the energy issue would be to retrofit all buildings in America. The Mackenzie study says that is the quickest and easiest way to achieve substantial savings in energy. There is so much to do and so much available to us in renewable energy, in conservation, efficiency, and also the other elements that come together outside of just drilling and digging.

I support some drilling and I support some digging. But that is not a policy, it is just a chant to say: Let's keep doing what we have been doing. That has driven us into a ditch. We want to get out of the ditch. We don't want to make the ditch deeper.

I am going to be introducing legislation next week to address this problem of speculation. My hope is that all those who believe, as I do, that this market is not working right will support this effort. When you have an increase in supply of oil and you have a decrease in demand, you would expect that prices would begin going down, not continue to go up on a steep path. This market is broken, and I believe Congress has a responsibility to fix it. That is what I hope my colleagues and I will be able to do beginning next week.

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

The PRESIDING OFFICER (Mr. CASEY). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

SOLICITOR GENERAL PAUL CLEMENT

Mr. HATCH. Mr. President, I rise to pay tribute to the service of Paul Clement, who recently stepped down as our Nation's 43rd Solicitor General.

Paul served in that office for more than 7 years, first as Principal Deputy to Solicitor General Ted Olson, then as Acting Solicitor General, and for three years as Solicitor General. He is a good man and an excellent lawyer who was a great Solicitor General.

Before speaking about Paul, let me first say a few words about the office in which he served.

Congress created the Department of Justice and the position of Solicitor General in 1870. Since then, the Solicitor General is the only Federal Government officer actually required by statute to be "learned in the law."

As Paul put it during his confirmation hearing in April 2005, the Solicitor General sits literally at the crossroads of the separation of powers. He is an executive branch official who defends the actions of the executive and legislative branches before the judicial branch.

Today, the Solicitor General represents the United States before the Supreme Court and manages the United States' participation in thousands of lower court cases. That means he must make decisions in individual cases with reference to past positions taken by the United States and vigilance about how current positions may affect the future.

Such a constant, and constantly changing, set of factors makes the Solicitor General's job something like the courtroom version of multi-dimensional chess.

Because of his special relationship with the Supreme Court, the Solicitor General is often referred to as the Tenth Justice. Because of its astounding breadth and depth of experience and expertise, the Solicitor General's office has been called the best law firm in America.

Paul Clement stands in a line of Solicitors General that includes some of the true giants in the law and in the service of our country.

They include many who also served on the federal bench such as Supreme Court Chief Justices William Howard Taft and Charles Evans Hughes; Associate Justices Stanley Reed, Robert Jackson, and Thurgood Marshall; and Circuit Judges Kenneth Starr, Wade McCree, and Walter Cummings.

They include some of America's most distinguished legal academics such as Walter Dellinger, the Maggs Professor of Law at Duke; the late Erwin Griswold, dean of Harvard Law School for 31 years; and the late Rex Lee, from my own State of Utah, who was the founding dean of the J. Reuben Clark School of Law at Brigham Young University.

Past Solicitors General also include those who would distinguish themselves in both the academic and judicial worlds such as Charles Fried, who has taught at Harvard Law School since 1961 and served on the Supreme Judicial Court of Massachusetts; and Robert Bork, who was the Bickel Professor of Public Law at Yale and served on the U.S. Court of Appeals for the D.C. Circuit.

Like Paul Clement, current Chief Justice John Roberts served as Principal Deputy Solicitor General.

Paul deserves to stand among such legends.

A native of Cedarburg, WI, Paul graduated from the Cedarburg public schools and went on to receive a bachelor's degree summa cum laude from