$275 billion fly out of the Federal Treasury to pay for inputs in Afghanistan. It's long past time when we can expect to see results, or outputs.

But, tragically, there will be no meaningful outputs until we make a U-turn and reverse the strategy 180 degrees. The outputs will come when, and only when, our Afghanistan policy actually adheres to the core principles offered in the administration's National Security Strategy.

So my urgent plea to the White House is to embrace its own advice. If they are serious about a new approach to defending and protecting America, let's not wait until July 2011. Bring our troops home now.

REPORT ON RESOLUTION PROVIDING FOR FURTHER CONSIDERATION OF H.R. 5297, SMALL BUSINESS JOBS AND CREDIT ACT OF 2010

Mr. ARCURI, from the Committee on Rules, submitted a privileged report (Rept. No. 111–508) on the resolution (H. Res. 1448) providing for further consideration of the bill (H.R. 5297) to create the Small Business Lending Fund Program to direct the Secretary of the Treasury to make capital investments in eligible institutions in order to increase the availability of credit for small businesses, and for other purposes, which was referred to the House Calendar and ordered to be printed.

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.)

SECOND DISASTER IN THE GULF

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

Mr. POE of Texas. Madam Speaker, when the Deepwater Horizon oil rig exploded in the Gulf of Mexico, there was no plan to handle that disaster. The Federal Government was missing in action. Now the Feds have a moratorium on deepwater offshore drilling.

The administration plan, based upon President Obama's speech last night, can be summed up quite well in the Los Angeles Times, and I quote, ''Obama's speech: There is a pipe spewing a gazillion gobs of oil into the gulf, so let's build more windmills.'' Yes, Madam Speaker, that seems to be the plan of the administration: Close down deepwater drilling and maybe build windmills.

Why would we shut down this industry in the Gulf of Mexico? And what is the purpose of this plan? The moratorium is preventing drilling in the Gulf of Mexico for the next 6 months or even longer. When we have a plane crash, Madam Speaker, when people die, and that's a horrible thing, we don't close down the entire airline industry for 6 months. That wouldn't make sense.

But shutting down the offshore drilling for 6 months or more is going to be the second disaster in the Gulf of Mexico. And it's expanding the economic destruction caused by this explosion and this oil spill. It will put 50,000 people or more out of work in the entire gulf region. It affects my State of Texas and Louisiana and Mississippi the most.

□ 1715

It's interesting. Although the oil spill affects Louisiana and Mississippi, Alabama, these are the States, along with Texas, who want to continue deepwater drilling because they know it's necessary for jobs, the economy, and making sure that America is independent of foreign oil.

What is the reason for putting these workers out of business? Why has the Federal Government seen fit to eliminate these jobs? Actions have consequences, and in this case, inaction also has its consequences.

Seventeen percent of the Nation's domestic crude oil comes from deepwater drilling in the Gulf of Mexico. Now where is the country to obtain energy for the loss of this oil? There is no plan, no answer from the administration about this question. A 6-month moratorium will in effect send these expensive rigs to Brazil and Indonesia. It costs about $500,000 a day to operate one of these deepwater offshore drilling rigs.

These rigs are not going to sit there and wait for the Federal Government to make a decision, and just like what happened in the 1970s and 1980s with the American manufacturing industry, when it left America, it has never returned. And these oil rigs in the deepwater, when they leave American waters, they will not return ever. They will find some other safe haven to drill for crude oil.

The loss of our domestic source of oil in the Gulf of Mexico will make us further dependent on foreign oil. It means the United States will now have to import more oil from countries that don't like us, like the Middle East, like those good friends in Venezuela. It will increase the cost to all Americans, and that will increase tanker traffic bringing oil through the Gulf of Mexico. There is a greater risk from leakage of oil tankers than there is from any leakage from an offshore rig, but we will have to bring in at least 300 more tankers just to make up the 17 percent difference, and those tankers, of course, will bring foreign oil, not American oil, to the United States. We need to tap our own domestic sources of oil.

It took 37 days for there to be an attempt to have the top-kill procedure. Why did it take so long to make this decision? We're still looking for the answer to that question.

The majority of the pollution, Madam Speaker, is not the result of the explosion itself but the delay in handling the explosion and the containment thereof. In other words, there was no plan to contain the oil for at least 37 days, and then it was too late to try to contain the oil near the rig.

Now the government is overreacting by saying our solution to the explosion, to the containment, to the pollution is: stop deepwater drilling, kill American jobs, kill the American energy industry. And that will have a disastrous effect on our country.

We do need a plan for future disasters to include, who is in charge of this leak? Who is in charge of the containment? Who is in charge of the cleanup? And the only plan we have today is to shut down deepwater drilling, and now the administration is using this as a political ploy to implement more taxes on the American energy industry which will be called the cap-and-trade national energy tax. Of course, that is passed on to the American citizens.

So a new crippling natural energy tax will result in regulations on carbon dioxide emissions, the very substance we as humans exhale, and it's unfortunate that the moratorium on the drilling has already caused devastating economy losses in the Gulf of Mexico, especially in my State.

So we would ask that the Federal Government rescind its ban and allow deepwater drilling in a safe manner.

And that's just the way it is.

UPDATE ON GOLDMAN SACHS

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Ohio (Ms. KAPTUR) is recognized for 5 minutes.

Ms. KAPTUR. Madam Speaker, please allow me to update my colleagues and citizens across the country on some recent news about Goldman Sachs, one of the white shoe Wall Street outfits that got bailed out by the American taxpayer 2 years ago. We've learned that the Securities and Exchange Commission and Department of Justice are looking into Goldman Sachs, but there is more you should know.

Today, it was revealed that this privileged firm also wholly owned a mortgage servicing company back from 2007. So it claims it had no knowledge of the housing meltdown, but in fact, it owned a loan servicing company.

Back in 2007, Goldman Sachs scooped up Litton Loan Servicing in Houston, Texas. Litton specialized in collecting money from borrowers in California and Florida. Goldman now services around 320,000 loans worth around $50 billion according to the Financial Times.

Litton does not seem to be quite on the up-and-up. In fact, it was just recently forced to settle a class-action lawsuit in Los Angeles for over half a million dollars, and the Financial Times reports that the Better Business

Bureau has listed almost 800 complaints on Litton. Worse, Litton has only put up about 29 percent of their loans into permanent modifications, leaving the rest of the consumers who tried to get one trying to find money to make up the difference they immediately owe Litton, and oh, of course, then they will owe the accrued late fees.

Goldman Sachs says little about this, of course. This is business as usual for them, but bad business as usual it appears.

However, the customers of Litton are not the only ones receiving poor services from Goldman Sachs. The Financial Crisis Inquiry Commission created by Congress is getting similar treatment. Despite saying that they will cooperate fully, Goldman Sachs is not cooperating fully with the Financial Crisis Inquiry Commission. In fact, a subpoena had to be issued last week to get documents from Goldman Sachs.

The New York Times quotes the chairman of the commission, Mr. Phil Angelides of California, as saying the following: ''Goldman Sachs has not, in our view, been cooperative with our requests for information or forthcoming with respect to documents, information, or interviews.''

Should that surprise any of us? It certainly shows that Goldman Sachs does not respect the law, nor the Congress, nor the executive branch, nor the American citizens, whose hard-earned dollars have poured into Goldman leading it to record profits, huge bonuses, and no results for ordinary people.

Worse, it makes one wonder what Goldman Sachs has to hide. Otherwise, why send irrelevant information to the commission and withhold other information? Yet Goldman continues to drag its feet in responding, and the commission had to subpoena.

Goldman Sachs could and should do better. They could lead Wall Street in corporate citizenship. We now know that Goldman Sachs could easily reduce the principal on every loan at Litton, write off all the late fees, and give 320,000 citizens some relief from the housing crisis that Goldman, along with the rest of Wall Street's biggest investment banks—or I should say speculators—had in creating.

How much do you want to bet that they won't? Anyone want to hedge a bet with a credit default swap or a synthetic collateralized debt obligation? I bet Goldman would be willing to sell you one, but you know, what they're really doing is they're trying to send their lobbyists to try to meet with members of the commission that Mr. Angelides heads.

The New York Times reports that, ''Lobbyists representing Goldman in Washington tried to arrange one-on-one meetings with a handful of those commissioners, including Mr. Angelides, but he declined to meet with them.''

Congratulations, Mr. Angelides. Guess what, they do the same thing to the Members of Congress. They wait for us in the hallways. They get on the elevators with us if we refuse to meet with them. They pay their lobbyists here lots of money.

So you keep doing what you're doing, Mr. Angelides. You keep digging. I'm glad you declined to meet with them.

And you know, according to the people who spoke with the New York Times, many of them said they spoke on the condition of anonymity because they were not authorized to discuss the commission's inner workings. So I'm glad to see that there are some Americans out there who are trying to get to the truth, trying to get to the heart of the matter, trying to get justice for the American people in the housing market where the deck is so strongly stacked against ordinary citizens who should hold one piece of paper they call their mortgage, and yet the note for that is locked up somewhere upstream, held on Wall Street or one of its subsidiaries. And most Americans who are getting thrown out of their houses across this country and being forcibly removed don't even have enough legal advice to know that they should be asking the judge to produce the original note in those proceedings, not a Xeroxed copy.

The American people: get yourself legal assistance back home from your fair housing agencies, your counseling agencies. You have a right to your own mortgage, and no one should take it away from you if you have a leg to stand on. And the judge should be on your side if you ask for that original note.

[From FT.com, June 16, 2010]

U.S CONSUMERS RAGE AGAINST GOLDMAN UNIT

(By Suzanne Kapner and Francesco Guerrera)

As ever-darker clouds have gathered over Goldman Sachs in recent months, its executives have relied on a consistent line of defence.

As regulators, congressional investigators and activist shareholders have accused Wall Street's most successful investment bank of putting its interests ahead of those of its clients, Goldman's response has been: we deal with sophisticated investors who ought to know how to look after themselves, not powerless individuals.

''We don't have banking branches . . . we provide very few mortgages and don't issue credit cards or loans to consumers,'' is how Lloyd Blankfein, Goldman's chief executive, summarised the bank's modus operandi in a recent appearance before a U.S. Senate subcommittee.

Yet, in one small corner of its domain, Goldman interacts directly with ordinary Americans. Through its wholly owned subsidiary Litton Loan Servicing, which is facing a wave of complaints from consumers, Goldman collects payments on 320,000 loans, mainly in California and Florida, with an unpaid principal balance of $50bn.

When Goldman acquired Litton in December 2007 for $430m, the deal attracted little attention. Compared with Goldman's $45bn in annual revenue, Litton is tiny. Goldman says Litton services half of 1 per cent of U.S. mortgages.

The high-risk mortgages serviced by Litton were like the many loans Goldman—and its rivals—packaged into complex securities that plunged in value once the housing bubble burst, leading to huge losses among investors.

Goldman's knowledge of the perilous state of the U.S. property market, and its alleged reluctance to share it with investors, is at the centre of civil fraud charges filed by the Securities and Exchange Commission—which the bank denies—and were the focus of an 11-hour grilling of Goldman executives by Senate investigators in April.

Founded in 1988 by Larry Litton Sr in Houston after the Texas real estate bust, Litton developed expertise in collecting payments on high-risk mortgages that were near default. The company was purchased in 1996 by Credit-Based Asset Servicing and Securitization (C-Bass), which bought troubled loans from banks and used Litton to restructure them.

Because of its focus on distressed borrowers, Litton was one of the first companies to experiment with reducing interest payments for customers who had fallen behind to keep them from losing their homes. Such ''loan modifications'' have become common practice.

Litton's focus on modifying loans, coupled with its relationship with C-Bass, gave it an edge over rival servicers.

Because C-Bass bought bonds that were backed by pools of mortgages, Litton had the right to modify those loans once they soured.

According to Moody's Investors Service, Litton has retained the right to modify loans in 95 percent of the securities backed by loans it services. In contrast, other servicers have been blocked and even sued by investors, who claim loan modifications violate the original contract terms.

''Litton has been more aggressive than some of the other servicers,'' said Alan White, an assistant professor at the Valparaiso University School of Law. ''It's part of their culture.''

That approach has at times incurred the wrath of consumers. Concerned about rising complaints against the company, the Houston chapter of the Better Business Bureau conducted an investigation in 2005. ''They were arrogant,'' said Dan Parsons, president of the Houston chapter. ''It was all about how much money they could make.''

The bureau voted to revoke the company's membership but Litton resigned before it could act.

Larry Litton Jr, current chief executive of the servicer, told the Financial Times the resignation was prompted by a failure of the bureau to fully grasp its business strategy.

He added that Litton had long been an advocate of restructuring consumer debt.

''We do it because it's a good financial decision for investors, but also because it's a good outcome for consumers,'' Mr Litton said.

When C-Bass ran into financial trouble in 2007, Goldman snapped up Litton. Goldman said it has extensive procedures in place to ensure that information from Litton is not used inappropriately.

A person familiar with the situation said Mr Litton did not report directly to Mr Blankfein or Goldman's senior management, but interacted with lower-level mortgage executives.

After buying Litton, Goldman took pains to operate the company separately from its trading and advisory business and does not use Goldman branding on Litton's marketing materials. Such distance is in keeping with Goldman's desire to be seen as a Wall Street firm that deals with high finance only.

Many Litton customers did not realise the mortgage servicer was owned by Goldman. Marla Vasquez, a disgruntled customer in

California, said she learnt about the SEC investigation from a radio broadcast. ''It surprised me Goldman owns a company like this,'' she said.

[From FT.com, June 16, 2010]

SUBPRIME CONSUMERS HIT AT GOLDMAN

(By Suzanne Kapner)

Goldman Sachs is facing a wave of complaints from consumers over the business practices of its mortgage servicing unit, a subsidiary that collects payments on hundreds of thousands of loans worth tens of billions of dollars.

Goldman bought Litton Loan Servicing—a Houston, Texas, specialist in collecting money from high-risk borrowers—in December 2007, a year after the bank decided to reduce its exposure to the U.S. housing market.

The deal gave Goldman a new way to earn fees from subprime borrowers and provided it with a street-level view of conditions in the U.S. housing market as the financial crisis deepened.

It also put the Wall Street bank in the unusual position of facing hundreds of complaints from mainstream consumers, who allege that Litton unfairly charged them money. Without admitting wrongdoing, Litton agreed last year to pay $532,000 to settle a class-action lawsuit in Los Angeles, accusing it of charging late fees during a 60-day grace period on loans it acquired from other servicers.

''Litton saw a great opportunity to make a lot of money by collecting servicing fees on troubled loans,'' said Dan Parsons, president of the Houston chapter of the Better Business Bureau, a non-profit group that promotes responsible business practices. ''But when Litton takes over a loan, the borrower tends to be worse off.''

Larry Litton Jr, chief executive of the Goldman unit, declined to comment on specific complaints and said any fees resulted from normal procedures. He added that it was ''inevitable'' Litton would face complaints as it deals mainly with distressed borrowers. ''Do I wish complaint levels were lower?'' he said. ''Absolutely, we take complaints very seriously.''

The Better Business Bureau lists nearly 800 complaints in the U.S. against Litton during the past three years, more than have been filed against most similar-sized servicers. In Houston, only three companies—Comcast, Telecheck and Continental Airlines—received more complaints Mr Parsons said.

Consumer Affairs, a website that tracks consumer problems, said it had received 390 complaints against Litton in the past year, a 60 percent rise over the prior 12 months, and more than triple the number logged against some similar-sized competitors. Many complaints against Litton come from consumers who say they entered into ''trial'' mortgage modification programmes that reduced their payments, only to find out later that they had been denied a permanent modification and owed more money than they would have if they had not entered the programme.

Litton's loan modification application states borrowers are liable for past due amounts, including unpaid interest, if they are denied a permanent modification. Late fees are supposed to be waived if permanent modifications are granted. According to government data through April, Litton's rate for converting loans from trial to permanent modifications was 29 percent, compared with rates of more than 80 percent for some competitors.

[From the New York Times, June 7, 2010]

FINANCIAL PANEL ISSUES A SUBPOENA TO GOLDMAN SACHS

(By Sewell Chan and Gretchen Morgenson)

Washington.—The commission investigating the causes of the financial crisis said on Monday that it had subpoenaed Goldman Sachs and harshly accused the investment bank of trying to delay and disrupt its inquiry.

''Goldman Sachs has not, in our view, been cooperative with our requests for information, or forthcoming with respect to documents, information or interviews,'' Phil Angelides, the chairman of the Financial Crisis Inquiry Commission, told reporters on a conference call.

The deputy chairman, Bill Thomas, accused Goldman of stonewalling, and said, ''They may have more to cover up than either we thought or than they told us.''

But even as Goldman appeared to be uncooperative, it tried over the last month to set up personal meetings with members of the commission, two people briefed on the discussions said.

Lobbyists representing Goldman in Washington tried to arrange one-on-one meetings with a handful of commissioners, including Mr. Angelides, but he declined to meet with them, according to the people, who spoke on the condition of anonymity because they were not authorized to discuss the commission's inner workings.

Mr. Angelides and Mr. Thomas both said that Goldman had inundated the panel with data—about five terabytes, equivalent to several billion printed pages—and dragged its feet on answering detailed questions about derivatives, securitization and other business activities.

In particular, the commission sought records on collateralized debt obligations based on mortgage-backed securities, and the names of Goldman's customers in transactions of derivatives. In a chronology it provided, the commission also indicated that it was interested in Goldman's dealings with the American International Group, the insurance giant that collapsed in 2008, and in the bank's so-called Abacus transactions, which are at the heart of a civil fraud suit brought by the Securities and Exchange Commission.

The commission's unusual public criticism—it has issued 12 subpoenas, none accompanied by stinging accusations of obstruction—underscored the anger in Washington at the outsize profits and influence of Goldman, which had emerged nearly unscathed from the financial crisis. It also reflected the fallout from Goldman's unyielding strategy of standing its ground in the face of inquiries and attacks.

A spokesman for Goldman, Michael DuVally, said, ''We have been and continue to be committed to providing the F.C.I.C. with the information they have requested.''

The lashing by the commission further complicated Goldman's public image. In April, the bank was accused of securities fraud in a civil suit filed by the S.E.C., which contended that it created and sold a mortgage investment that was secretly devised to fail.

That investment and others like it were the subject of a Senate investigation that also exposed Goldman to withering criticism. And federal prosecutors in Manhattan have begun looking into the mortgage practices of banks, including Goldman.

The commission, created by Congress, is required to deliver a report by December, but with only $8 million and some 50 employees to draw on, it has at times seemed outmatched by the targets of its inquiries.

''I suspect they're spending more on their lawyers than our whole budget,'' Mr. Thomas conceded.

Lloyd C. Blankfein, Goldman's chairman and chief executive, testified at the commission's first public hearing in January, with the top bankers Jamie Dimon of JPMorgan Chase, John J. Mack of Morgan Stanley and Brian T. Moynihan of Bank of America.

After the hearing, the commission sent written questions for Mr. Blankfein and made requests for records in April and May.

Mr. Thomas, a California Republican who served 28 years in the House, said the requests to Goldman were ''not inordinate'' compared with similar queries sent to a half-dozen other banks. All of the other institutions complied, he said.

In contrast, Mr. Thomas said, Goldman gave a ''basically incomplete'' response, even as it deluged the commission with so much irrelevant information that it amounted to ''mischief-making'' that was both ''deliberate and disruptive.''

Mr. Angelides, a former California treasurer and candidate for governor, said, ''We did not ask them to pull up a dump truck to our offices and dump a bunch of rubbish.'' He added, ''This has been a very deliberate effort over time to run out the clock.''

The two men also seemed to acknowledge that the sheer volume of data was beyond the commission's capacity to analyze. ''We should not be forced to play Where's Waldo? on behalf of the American people,'' Mr. Angelides said. ''This is not right.''

Mr. Thomas, turning to the proverb about looking for a needle in a haystack, said, ''We expect them to provide us with the needle.''

The two men said that after the subpoena was issued on Friday, Goldman had moved to schedule interviews with several executives, including Mr. Blankfein; David A. Viniar, the chief financial officer; Gary D. Cohn, the president and chief operating officer; and Craig W. Broderick, the chief risk officer.

The 10-member commission was slow to get started. It recently replaced its executive director, B. Thomas Greene, with Wendy M. Edelberg, an economist on loan from the Federal Reserve, who had been the research director. Mr. Greene, a former chief assistant attorney general for California, remains on the commission's staff as senior counsel.

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.)

THE OIL SPILL

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

Mr. BURTON of Indiana. Madam Speaker, my good friend Congressman POE of Texas just a few minutes ago talked about the oil spill down in the Gulf and referred to the action or inaction of the administration in dealing with it. He quoted something from the L.A. Times that I thought was kind of interesting and a little humorous that my colleagues might like to hear again, and it quotes the LA Times as saying: ''Obama's speech: There's a pipe spewing a gazillion gobs of oil into the Gulf, so let's build more windmills.''

Now, I know that sounds a little humorous, Madam Speaker, but that