

EXPRESSING SUPPORT FOR MIDWEST FLOOD AND TORNADO VICTIMS AND APPRECIATION TO THOSE WHO HAVE HELPED

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

Mr. LOEBSACK. Mr. Speaker, I rise today to express my sincere sympathy for individuals and families in my district, people across Iowa and throughout the Midwest who have experienced and in some cases are still experiencing severe flooding, record-setting water levels and other threatening weather conditions, including the tornadoes that swept through Northeast and Western Iowa. My thoughts are also with those individuals and families who are beginning the difficult task of assessing the extreme damage to their homes and businesses and just now starting the recovery process.

To date, the Governor of Iowa has issued emergency declarations for 86 of 99 Iowa counties and the President has declared 78 of those counties major disaster areas. Despite these dire circumstances, just days ago when back in my district, I saw home and business owners who saw their life's work washed away come together to rebuild a stronger and a better community. I was especially moved by a business owner whose company had been damaged. He was in tears talking about the situation, but his only concern was for his employees, their families and their homes.

The storms have devastated much of the Midwest, but Iowans and other Midwesterners have not lost their enduring spirit. I am extremely thankful to the thousands of volunteers who have sacrificed their free time to help their neighbors in these difficult times. I have spent time myself helping with the flood fighting and cleanup efforts and have been touched by the intensity and the commitment of the residents and volunteers, despite the circumstances. I commend them for their perseverance.

I am also extremely thankful for the hard work of Iowa's Governor's Office, local city officials, first responders, Iowa Homeland Security, the Departments of Human Services, Agriculture, Natural Resources, Public Health and Transportation, the Incident Management Team and the Iowa Insurance Division.

The U.S. Army Corps of Engineers Rock Island Division has also been an integral partner in the flood response efforts, as well as the Federal Emergency Management Agency, the Small Business Administration and the Red Cross in their response and assistance.

The Iowa National Guard deserves special attention. Many of these servicemembers had already served their country overseas in Iraq or Afghanistan in combat roles. Now they were called upon to perform their domestic function of helping tens of thousands of Iowans battle the raging floodwaters.

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These men and women deserve our gratitude and respect. Through the cooperation and bipartisan work of the House and Senate, the delegations of the affected States, the Appropriations Committees, and the party leaderships, we were able to provide a meaningful down payment of Federal assistance for the victims of this immense natural disaster. I want to thank all of you for your support so far, especially those colleagues who have offered their sympathy and assistance to me and my district personally. We have only just begun to assess the magnitude of damage in Iowa and across the Midwest.

As the recovery process continues, I hope the House and Senate will continue to work together in a bipartisan fashion to address the needs of individuals, families, communities, and businesses in all the affected States. I remain committed to working together to necessary Federal support to my fellow Iowans.

The road to recovery for Iowa and other Midwestern States will be long and difficult, but the commitment of local, State, and Federal Governments, combined with the steadfast resiliency of our Midwest families, will enable our communities to rebuild, move forward, and thrive once again.

HIGH ENERGY PRICES

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

Mr. STUPAK. Mr. Speaker, the price of crude oil has doubled over the past year. Oil is now at \$136 a barrel, gasoline is at \$4.11 a gallon, diesel prices are at \$4.73 a gallon. As a result, citizens and industries across Northern Michigan and our great country are hurting. Airlines are eliminating service to 100 cities, laying off thousands of workers, and projecting up to \$13 billion in losses due to jet fuel price increases that cannot be passed on to consumers. Truck drivers are going out of business, and many more are just parking their trucks because they actually end up losing money after paying so much money for diesel. Loggers and farmers face increased costs at all stages of their operations, from planting and harvesting, to transporting their product to market. As a result, high energy prices have caused significant increases in the cost of food.

There is no way to justify the doubling of oil prices based simply on supply and demand. And despite the false promises by the minority party here in Congress, Democrats in Congress are addressing the energy issues. We are looking for more areas to begin immediately drilling for oil, conservation of energy, passing gas price gouging legislation, and ending excessive speculation in the energy futures trading market.

The Government Accountability Office found that the volume of trading

in energy commodities has skyrocketed, specifically after the Enron loophole was enacted in 2000. The Government Accountability Office also found that, while trading has doubled since 2002, the number of Commodity Futures Trading Commission staff monitoring these markets has actually declined.

Between September 30, 2003 and May 6, 2008, traders holding crude oil contracts jumped from 714,000 contracts to more than 3 million contracts. This is a 425 percent increase in trading of oil futures in less than 5 years. Since 2003, commodity index speculation has increased 1,900 percent, from an estimated \$13 billion to \$260 billion. The 1,900 percent increase in commodity index speculation has inflated the price of crude oil by approximately \$37 a barrel. Other experts estimate it could be even more.

On June 23, 2008, the Oversight and Investigations Subcommittee that I chair held a hearing on the effects speculators have on energy prices. This was the sixth hearing that the Energy and Commerce Committee has held on gas prices over the past 2 years. Fadel Gheit, managing director and senior oil analyst at Oppenheimer & Company, testified that, "I firmly believe that the current record oil price in excess of \$135 per barrel is inflated. I believe, based on supply and demand fundamentals, crude oil prices should not be above \$60 a barrel."

In 2000, physical hedgers, businesses like airlines that need to hedge to ensure a stable price for fuel in future months, accounted for 63 percent of the oil futures market. Speculators accounted for 37 percent. By April of 2008, physical hedgers only controlled 29 percent of the market. What we now know is that approximately 71 percent of this market has been taken over by swap dealers and speculators, a considerable majority of whom have no physical stake in the market. Over the past 8 years, there has been a dramatic shift as physical hedgers continually represent a smaller and smaller portion of the market.

The New York Mercantile Exchange, NYMEX, has granted 117 hedging exemptions since 2006 for West Texas Intermediate crude oil, many of which are for swap dealers without physical hedging positions. This excessive speculation is a significant factor in the price Americans are paying for gasoline, diesel, and home heating oil.

In May 2008, the International Monetary Fund compared crude oil over the past 30 years to the price of gold. Gold prices are not dependent on supply and demand, and have been viewed as a highly speculative commodity. The IMF analysis shows that crude oil prices track increases in gold prices.

What this means is that oil has been transformed from an energy source into a financial asset like gold, where much of the buying and selling is driven by speculators instead of producers and consumers. Oil has morphed from a