

Here is the reason. The agricultural commodity markets are historically very small. As investor money flows into index funds—this is a kind of package of investments in commodities that the big institutional investors put money in—that include agricultural components, there is a significant risk that the speculative activity will actually overwhelm the agricultural commodity markets to the great detriment of farmers and American consumers as well. We put our proposed legislation on the Homeland Security Committee's Web site. We got wonderful responses from people, one very poignant one from actually an agricultural food broker in the Midwest—I believe Iowa—complaining about the unbelievable impact on farmers of this excessive speculation coming into the food commodity markets. As he said, even though the farmers I deal with are making more money because food prices are going up, they know this is going in a bad direction because prices are going up for no good reason. They are going up for speculation.

There are those who will object to the bill because they think that government should never interfere in free markets. The father of capitalism, Adam Smith, noted in "The Wealth of Nations," the great classic text on capitalism, that even in a free market, there needs to be some limits. He wrote:

Those exertions of the natural liberty of a few individuals which may endanger the security of the whole society are and ought to be restrained by the laws of all governments.

I forgot who said it, but somebody else said, probably a little less elegantly, that the world has never seen anything like a free market system to create wealth. It is a magnificent means of creating wealth. But inherently the free market system has no conscience, and there are simply occasions when, to maximize gain, people will be downright greedy without regard to the consequences on society as a whole.

We honor wealth creation in America. People are not against wealthy people in America. Everybody wants to be wealthy in America. But when there are no, essentially, policemen on the economic beat, then people who have a lot of money begin to take advantage of people who are on the other end.

That is why we have a whole system of regulation. I daresay it is part of the reason failure to regulate adequately, which has been noted by people in both parties—Secretary Paulson and others have talked about it—failure to regulate financial markets, to adequately create accountability in the extension of home mortgages—a banker gives a mortgage to somebody who is not able to pay it over the long term, but the banker has no accountability because the banker puts it in a package, sells it to somebody up the chain, and the next thing you know somebody is buying a bond based on those mortgages who lives in Norway, as somebody gave me a real-life example.

That is beginning to happen in a different way in speculation in commodity markets, which is why I think we have to extend the original law to cover the reality of our day, to protect the American consumer and, in fact, to protect the American economy.

So I know there is what has become a characteristic classic Senate moment where there is a potential gridlock over this bill because of disagreements on what amendments will be allowed. I surely hope we can overcome that because the American people need the relief this bill will offer. I hope we can figure out a way to come to a lot of the other ideas that colleagues want to put on as amendments because the American people need the relief those amendments will offer as well.

I know people comment on and joke about the fact that in recent polling, the people who have a favorable impression of Congress has dropped below 10 percent to 9 percent. My friend, the Senator from Arizona, Mr. McCAIN, says when you get down to 9 percent favorability for Congress, you are down to family and staff. I want to thank my family and my staff, all of you who are here.

But it is not a laughing matter, and the public is not happy with us for good reason. We are not getting anything done to solve their problems that they worry about, that they face every day: the cost of energy, the cost of health care, the security of their jobs, et cetera, et cetera, et cetera, the price of energy.

This bill is one way to bring some help. So I hope we will figure out a way to get beyond the gridlock and get this done.

ORDER OF PROCEDURE

Mr. LIEBERMAN. Madam President, I ask unanimous consent that the Senate now recess until 5 p.m. today for the briefing from National Security Advisor Stephen Hadley; further, that the time in recess count postclosure, and following the recess, the time from 5 to 5:50 p.m. be equally divided between the two leaders or their designees.

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

Mr. LIEBERMAN. I thank the Chair.

RECESS

The PRESIDING OFFICER. Under the previous order, the Senate stands in recess until 5 p.m.

Thereupon, the Senate, at 4:03 p.m., recessed until 5 p.m. and reassembled when called to order by the Presiding Officer (Mr. PRYOR).

STOP EXCESSIVE ENERGY SPECULATION ACT OF 2008—MOTION TO PROCEED—Continued

The PRESIDING OFFICER. The Senator from Idaho is recognized.

Mr. CRAIG. Mr. President, the Senate has engaged over the last day and a half or two in probably one of the most important debates and, I hope, series of votes and actions this Congress can take this year. For the future years ahead, it may be precedent setting as to whether this country will return to its ability to produce not only traditional forms of energy but will grow to expand into new and alternative sources of energy so we can become increasingly less dependent upon foreign sources.

Great nations—and ours is a great nation—do not depend, in a way that they become dangerously at risk, on other nations' resources for their strength and their vitality. The great strength of our country has always been we could feed our people during a time of war and emergency, that we could take care of our own because we had an abundance of resource. It was also true of energy—all forms from energy—from the day we discovered the use and the effective use of whale oil as a form to light our houses and illuminate our worlds, to a progression from there to petroleum products, coal and then kerosene and then diesel and now, of course, gas and diesel and a myriad of products that flow from the hydrocarbons our Nation so abundantly produced.

I came to this Congress in 1980. At that time, we were about 35 percent dependent for our hydrocarbon needs on foreign nations. The rest of it we produced ourselves. As a result of that, we had flexibility and we had little to no liability, and, therefore, little risk, that we could be held hostage or that our economy and, therefore, our people and their will could be shaped by a foreign power. That time has changed because, over the last two decades, we made a concerted decision—a political decision—to stop producing. We began to put vast known oil reserves off-limits in the name of the environment, and we began to increasingly buy from foreign production and foreign-producing powers. Today, we stand at a near 70-percent dependency, and for any great nation to be 70 percent dependent on someone else other than themselves, that great nation is a nation at risk.

Today, the United States of America is at risk because we don't control our energy destiny. We have to react to it. We send our President to foreign countries with hat in hand, asking them to produce because we have grown so rich and so arrogant we refuse to produce ourselves. That game plan or that scheme, while it wasn't working, at least was reasonably well accepted, until other consumers began to enter that world market of oil: China and India and other developing nations. They began to consume from that finite pool of resource from which we were the large takers. The price began to change.

I remember a few years ago I thought: Well, gee, at \$2, that is a