

Deep Concern Remains Over Unregulated Commodities Markets

With all the capital fleeing Wall Street, there is fear it will flock into commodities, further driving energy and food prices beyond their already unreasonable levels. The markets witnessed some of that last week. The futures markets are severely unregulated, many trades are opaque and the markets lack sufficient position limits and other measures to deter excessive speculation and manipulation.

Therefore, various anti-speculation coalitions are trying to get the Anti-Excessive Speculation bill (H.R.6604/S.3268) attached as part of the Wall Street bailout package. As of 2:00 PM today (Thursday 09-24-08) news reports out of Washington suggest that deal on the so-called bailout package has been reached in principal by key members of Congress from both parties who will now proceed to the White House for conference with President Bush. Details of any agreement have yet to emerge, so the attempts to secure control over speculation remain as valid as ever.

Please see the attached letter to President Bush (pgs. 2-3) issued by a worldwide coalition of over sixty social justice organizations.

(More)

Remove excessive speculation from food and energy commodities

September 23, 2008

Dear President Bush and Members of Congress:

We are writing to you today to draw your attention to a deeply disturbing phenomenon in the commodities futures markets and to enlist your aid in solving this grave crisis.

Many experts at recent Congressional hearings have testified that institutional investors have poured hundreds of billions of dollars into the commodities futures markets, driving up food and energy prices to historic levels.

Half of all the people in the world (more than three billion souls) subsist on less than \$2 a day. In normal times, they are forced to spend half of that amount to feed themselves and their children. Today, the actions of institutional investors have contributed to a doubling or tripling of food prices. As a result, many of the world's poor can no longer afford the food that they need to survive. The lives of millions of people have been endangered and Wall Street is partially to blame.

Commodity futures prices have come down in recent weeks. Nevertheless, the regulatory loopholes that undermine the intent of the Commodity Exchange Act remain open, ready to re-introduce extreme market volatility, political instability and much human suffering, while primarily benefitting a few dozen corporations and investment banks who "win" whether prices rise or fall.

The World Food Programme estimates that 100 million people will face starvation as a result of the recent jump in food prices. *This is a global crisis of unprecedented proportions.*

Many of our organizations are working hard, here in the U.S. and around the world, to help those who are poor and malnourished. The number of people who are suffering the impacts of this crisis is growing exponentially. We have worked with these people for years to find ways for them to improve their lives and livelihoods. Sadly, because of skyrocketing food prices, the steady progress they have made is being wiped out. It is agonizing for our organizations to witness this dire situation in which their need increasingly exceeds our ability to help. Our donors are also hurting financially as a result of the dramatic increases in food and energy prices. Our financial resources simply cannot keep pace with the critical shortage of food supplies in an ever-increasing number of communities worldwide.

We are not asking for financial support. We are asking for justice.

Food is not a speculative investment. The artificial demand that has been created by investors' rampant speculation in commodities futures has put tremendous upward price pressure on food and energy commodities. Never before have institutional investors made allocations of this magnitude to commodity indices. How has this happened? The Commodities Futures Trading Commission (CFTC), which is responsible for regulating agricultural commodities and enforcing speculative position limits, has opened the door for Wall Street banks to speculate in agricultural futures contracts in essentially unlimited quantities.

Every day, in the U.S. and around the world, we see the faces of millions who are suffering, even starving, as a result of these investors' actions. Will you **please help them by compelling the CFTC to close trading loopholes and enforce speculative position limits in energy AND food commodities markets?**

The actions of Wall Street should not be allowed to trample human rights and dignity.

Signed:

ActionAid USA	Nicaragua Network
Africa-Europe Faith & Justice Network (AEFJN)	Oklahoma Black Historical Research Project
Afrika-Europa Netwerk, Netherlands	Office of Peace and Justice, Sisters of Charity of New York
Agribusiness Accountability Initiative	Organic Consumers Association
Agricultural Missions, Inc.	Partners In Health
Bay Area Community Services	Pax Christi International
Biblical Formation by the Missionaries of Africa in Jerusalem	Pax Christi USA
Caney Fork Headwaters Association	PaxWorks
Center of Concern	Quixote Center
Claretian Missionaries	Red África Europa Fe – Justicia (Africa Europe Faith and Justice Network)
Columban Central JPIC coordinator	Red Ambiental Loreana - Peruvian Amazon
Columban Justice, Peace, and Integrity of Creation Office	Religious of the Sacred Heart of Mary
Cumberland Countians for Peace & Justice	Rural Advancement Fund
Daughters of the Sacred Heart	Rural Coalition
Farmworker Association of Florida	Federation of Southern Cooperatives/Land Assistance Fund
Fellowship of Reconciliation-USA	SHARE Foundation: Building a New El Salvador Today
Food First/Institute for Food and Development Policy	Sisters of Charity Federation
Food & Water Watch	Sisters of Notre Dame de Namur Justice and Peace Network
Foreign Policy in Focus	Small Planet Institute
Global Exchange	Society of Missionaries of Africa
Greater Grand Rapids Food Systems Council	Southeastern North Carolina Food Systems Program
Heifer International	Staff 8th Day Center for Justice
Institute of the Blessed Virgin Mary	Sustainable Agriculture of Louisville
Justice, Peace and Integrity of Creation	The Congregation of Holy Cross
Commission of the Union of Superiors General of men and women religious congregations (USG/UISG)	The International Presentation Association of the Sisters of the Presentation
Justice, Peace and the Integrity of Creation Committee, Eastern Province USA of the Claretian Missionaries	The Oakland Institute
Labor Council for Latin American Advancement (LCLAA)	The Order of the Servants of the Sick (Camillians)
Maryknoll Office for Global Concerns	UNANIMA International
National Catholic Rural Life Conference	United Methodist Church, General Board of Church and Society
Network for Environmental & Economic Responsibility, United Church of Christ	Washington Fair Trade Coalition
	World Hunger Year