



Dr Wolfgang Schäuble
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Berlin, 29 October 2012

Open Letter to the EU Economic and Financial Affairs Council on curbing food speculation

Dear Dr Schäuble,

The deregulation of financial markets has plunged the global economy into a deep crisis under which we all still suffer today. The excesses of unrestrained financial markets include speculation on the commodity futures exchanges. It has been a long time since these exchanges served only to safeguard prices for commodity traders and determine pricing. The commodity futures markets are now dominated by hedge funds, banks, investment funds and insurance companies that bet on the price of wheat, soybeans and corn on these markets in a completely new way. The consequences are fatal – there is abundant evidence that this excessive speculation generates extreme swings on the exchanges, destabilises markets, and causes fluctuations in food prices to soar to record levels, thereby exacerbating hunger crises affecting the poorest of the poor.

In coming weeks, the European Union's Economic and Financial Affairs Council will decide whether commodity markets can be regulated so effectively that such speculative price increases and fluctuations, together with their disastrous effects, can be curbed. One of the most important measures for achieving this goal is to enforce position limits that effectively limit the number of contracts individual traders and trader groups can conclude at the exchanges.

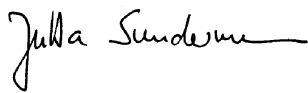
The Council's current proposal however contains dangerous weaknesses. An especially critical weak point is that the proposed limits do not – as has already been enacted in the United States – include over-the-counter (OTC) trading, the shadow transactions. The financial industry is fiercely resisting such limits. What matters now is that the EU's Economic and Financial Affairs Council implements an effective regulation. The voice of Germany's finance minister carries special weight in this context!

Dear Dr Schäuble – you recently said about the deregulation of the financial markets that: "Everyone took part in this madness, myself included." We ask you to put an end to this madness now! Please make use of your influence as Germany's minister of finance. Do not concede again to the interests of the financial lobby!

Please commit yourself strongly to obligatory position limits that curb excessive speculation. These limits must apply to individual traders and trader groups during all months of trading and for all kinds of contracts, including over-the-counter (OTC) transactions.

Your commitment to effective regulation of the commodity futures markets is decisive for the life and health of human beings.

Sincerely yours,



Jutta Sundermann
Member of Coordina-
tion Group, Attac



Christoph Bautz
Executive Director
Campact



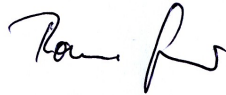
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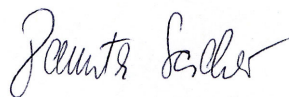
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