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Vigil calls for end to 'gambling on hunger'

Alice Popovici | Jul. 5, 2011

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Protesters gather in front of the Irish Hunger Memorial June 28. (Taken from the stopgamblingonhunger.org Web site)

NEW YORK -- About 15 members of faith-based groups held a vigil in front of the New York Mercantile Exchange June 28, calling on the U.S. Commodity Futures Trading Commission to immediately rein in speculation in food and energy markets, which they say is driving up the price of gas and contributing to worldwide hunger.

The group stood in front of the adjacent Irish Hunger Memorial, a quarter-acre patch of grass on which sit the ruins of a cottage, built in the middle of Battery Park City to commemorate the Great Irish Famine of 1845-52. They held signs that read ?Stop gambling on hunger? and ?NYMEX: Where Wall Street gambles with our food and gas.? Vigil organizers said they chose the memorial for its proximity to the Mercantile Exchange, but also for the ironic juxtaposition it presents.

The 19th-century famine in Ireland was driven by natural causes, but also by bad public policy, said David Kane of the Maryknoll Office for Global Concerns, drawing a comparison to the situation today. He said the main problem is overspeculation in commodity markets, which amounts to placing a bet.

?All they do is bet that the prices will go up, they never bet that the prices will go down,? Kane said. ?The [Commodity Futures Trading Commission] just has to act now. Every day that they delay means another day of hunger and suffering.?

When traders speculate that the prices of food and gas will go up, Kane said, the prices do go up, which destabilizes the markets and hurts farms and other businesses. In the U.S., the effect is felt through the rising cost of gas, but in developing nations, a higher price on wholesale rice or wheat means people go hungry -- and this is when overspeculation becomes a human rights issue.

The Dodd-Frank Wall Street Reform and Consumer Protection Act, passed last year, includes financial regulations designed to limit speculation, but the Commodity Futures Trading Commission, which regulates trading, has not yet implemented them, despite a deadline that has come and gone.

Steve Adamske, a spokesman for the commission, said there is no definite timeline for implementation. ?We?ve received about 12,000 public comments; that takes a while to go through,? he said.

Meanwhile, vigil organizers have been reaching out to pension funds in an effort to dissuade them from investing in commodities markets.

Dominican Sr. Patricia Daly, executive director of the Tri-State Coalition for Responsible Investment, which is

made up of 40 Roman Catholic religious orders and dioceses and is part of the Interfaith Center on Corporate Responsibility, said she has been approaching manufacturers, pension funds and other businesses with the argument that investing in commodities doesn?t create jobs or products.

?Overspeculation jacks up prices,? Daly said, adding, ?When investors make millions, millions go hungry.?

So far Daly and Kane said they were able to persuade the California State Teachers? Retirement System to limit its investment in commodities markets. Details of this deal are published on a Web site run by Kane, www.stopgamblingonhunger.org.

Kane said the vigil, part of a ?national day of mobilization? around the issue of commodity speculations, was planned to coincide with the release of a University of Massachusetts report arguing that speculative trading is to blame for the soaring cost of gas.

In that report, titled ?How Wall Street Speculation Is Driving Up Gasoline Prices Today,? Robert Pollin and James Heintz estimate that, ?without the influence of large-scale speculative trading on oil in the commodities futures market, the average price of gasoline at the pump in May would have been $3.13 rather than $3.96.? They write that ?each [average two-car] family spent $82 more in May than necessary for gasoline, and most of this $82 will have made its way into the pockets of large-scale investors.?

Events protesting the high cost of gas were planned in several cities across the country, according to Kane, but it is unclear how many took place.

In New York, the vigil ended with prayer and the following words, sung to the tune of ?When the Saints Go Marching In?:

Let?s get Wall Street
Out of our food
Let?s get Wall Street
Out of our food
Oh how I want to live
  in that country
Where Wall Street
  can?t buy up our food.

[Alice Popovici is an *NCR* contributor who writes from New York City.]

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