

Ryan has been very active with his troop, participating in many scout activities. Over the many years Ryan has been involved with scouting, he has not only earned numerous merit badges, but also the respect of his family, peers, and community.

Madam Speaker, I proudly ask you to join me in commending Ryan Donaldson for his accomplishments with the Boy Scouts of America and for his efforts put forth in achieving the highest distinction of Eagle Scout.

COMMODITY MARKETS TRANSPARENCY AND ACCOUNTABILITY ACT OF 2008

SPEECH OF

HON. BART STUPAK

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 18, 2008

Mr. STUPAK. Mr. Speaker, I rise in support of H.R. 6604, the Commodity Markets Transparency and Accountability Act.

As chairman of the Oversight and Investigations Subcommittee of the House Energy and Commerce Committee, I have held two hearings on excessive speculation and its effect on energy prices.

We learned that in 2000, physical hedgers—businesses like trucking companies, airlines, and other industries that need to hedge to ensure a stable price for fuel in future months—accounted for 63 percent of the oil futures market.

Today, physical hedgers only control 19 percent of the market. Approximately 81 percent of the market has been taken over by swap dealers and speculators, a considerable majority of whom have no physical stake in the market.

Since the Enron loophole became law in 2000, there has been a dramatic shift as physical hedgers continually represent a smaller portion of the market. This excessive speculation is a significant factor in the price Americans are paying for gasoline, diesel, and home heating oil.

Just yesterday, JP Morgan's global chief investment officer, Michael Cembalest, wrote: "there was an enormous amount of speculation pent up in energy markets * * * and it wasn't just the supply-demand equation. Oil will rise again, and we need solutions to energy supplies, but \$140 in July 2008 was ridiculous." Even the speculators admit they're inflating energy prices.

Last week, the Commodity Futures Trading Commission, CFTC, released a report that it claims shows that speculators are not affecting prices.

However, CFTC even admits in its own report: "This preliminary survey is not able to accurately answer and quantify the amount of speculative trading occurring in the futures markets."

How can the CFTC tell Congress that speculation is not a problem if they can't even tell us how much speculation is occurring? This is a study that made its conclusions before it had the facts to back them up.

I encourage Members and those watching at home to go to the website: accidentalhuntbrothers.com. On this website is a report by Michael Masters, 1 of 11 witnesses who testified at our June 2008 O&I hearing.

This report shows what my colleagues and I have been saying for a long time. The price of oil has become completely detached from supply and demand fundamentals.

As the report shows, it's very simple: When index speculators pour large amounts of money into commodities markets, prices go up. When these same speculators pull their money out, prices go down.

As you can see in this chart, from January through May 2008, index speculators poured more than \$60 billion into commodities, causing crude oil prices to increase \$33 a barrel.

Then, starting on July 15, 2008, index speculators reduced their investments by \$39 billion, causing prices to decrease by about \$29 a barrel.

Even more startling, index speculators completely ignored supply and demand signals.

During the first 3 months of 2008, index speculators bet on high energy prices when the Energy Information Agency, EIA, forecast increasing supply, which should mean lower prices.

In July, when EIA forecast that demand would exceed supply, a sign that oil prices should go up, index speculators began to pull \$39 billion out of the market.

Today, we face hurricanes in the Gulf of Mexico, civil war in Nigeria, OPEC considering production cuts, the situation in Georgia, and continuing violence in the Middle East. In the past, each of these events would have sent crude oil prices through the roof.

However, because speculators have been pulling their money out of the market, crude oil is at \$91.49 a barrel. This is \$53.67 lower than it was just 2 months ago.

If there is anyone that can show me any reason, other than speculators pulling out of these markets, that the price of crude oil should drop \$53 in 2 months, I'd like to see it.

While the Peterson bill may not have everything that I've called for in my legislation, the Prevent Unfair Manipulation of Prices, PUMP, Act, it does take significant steps to rein in excessive speculation.

The bill would strengthen position limits on regulated markets, and establish an advisory board to set position limits while still protecting physical hedgers. It addresses the foreign boards of trade loophole, and properly limits the bona fide hedging exemption to physical hedgers.

The legislation would improve the information available to the Commodity Futures Trading Commission, significantly improving CFTC's ability to monitor energy markets. And, should the CFTC find excessive speculation on unregulated markets as a result, CFTC can take the steps necessary to correct it.

I was proud to support this legislation in July, when it should have passed. Unfortunately, 16 of my Republican colleagues decided to change their vote, playing politics instead of providing relief to Americans facing high energy prices.

While it has not been the only factor, speculators have seen that Congress is serious about acting to curb excessive speculation, and the markets are responding accordingly.

I urge members to continue their support for H.R. 6604, so we can continue to show speculators that Congress is serious about protecting American consumers.

I thank Chairman PETERSON and his staff for working with me and my colleagues to produce this legislation. I urge my colleagues

to vote for H.R. 6604, the Commodity Markets Transparency and Accountability Act, to rein in excessive speculation and provide your constituents with relief from high gas prices.

HUMAN RIGHTS, DEMOCRACY, AND CORRUPTION IN KAZAKHSTAN

HON. JAMES P. MORAN

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, September 22, 2008

Mr. MORAN of Virginia. Madam Speaker, I rise before you today to voice my concern over the current situation in Kazakhstan in spite of the Kazakhstan government's pledge to reform in areas of human rights, democracy and corruption. Kazakhstan was selected to hold the Chairmanship of the Organization for Security and Co-operation in Europe (OSCE) in 2010, and thus it is required to uphold the standards of this organization in the fields stated above. So far, Kazakhstan has failed to do so.

Kazakhstan's government ratified the International Covenant on Civil and Political Rights (ICCPR) in 2006; it signed the Optional Protocol to ICCPR and the Optional Protocol to the U.N. Convention Against Torture (CAT) in 2007, and it has introduced some reform to the criminal justice system. In this, Kazakhstan should be applauded. However, the government has made almost no concrete progress toward implementing these pledges. As Human Rights Watch argued, "Kazakhstan is not a country with frequent or dramatic government crackdown on freedoms and human rights. One finds rather an atmosphere of quiet, subtle repression."

This "subtle repression" can be seen by the government's failure to heed the concerns of local human rights groups that have been advocating for reforms such as the review of legislation on freedom of assembly, improvements in the prison system, abolition of the death penalty, reform of the judicial system and legislation to guarantee an independent judiciary, and ensuring accountability for torture. While Kazakhstan's government is about to chair OSCE, it has resisted implementing meaningful reforms in these areas. As Dr. Andrea Berg, a Central Asia Researcher, testified to Human Rights Watch: "The government [of Kazakhstan] has certainly created a difficult environment for the exercise and promotion of human rights that is out of line with the OSCE standards and far less than what one would expect of the leadership of an organization grounded in human right principles."

Kazakhstan's president, Nursultan Nazarbayev, has been in power since 1989. He has never been elected in a vote judged free and fair by the OSCE. Ironically, last year the OSCE described a Kazakh parliamentary poll, in which a presidential party won all the seats in the lower house, as being below the required standards. While Nazarbayev is credited for bringing stability to Kazakhstan, it has come at a price, with a weak and fragmented opposition that has called on the government to reform the election and media laws and to ease restriction on public meetings. During the most recent elections, in August 2007, opposition candidates did not win a single seat.

There is a reason for the weakness of any political opposition in Kazakhstan: Since 2002,