



PRESS RELEASE

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About IATP

Institute for Agriculture and Trade Policy works locally and globally at the intersection of policy and practice to ensure fair and sustainable food, farm and trade systems. IATP is headquartered in Minneapolis, Minnesota with an office in Washington D.C.

Congressional spending deal rewards Wall Street over Main Street

Bailout guarantee blocks financial reform effort for fair, transparent markets

MINNEAPOLIS – The Institute for Agriculture and Trade Policy (IATP) today urged the U.S. House of Representatives to vote against a midnight amendment that would protect Wall Street’s riskiest trading by granting it Federal Deposit Insurance Corporation (FDIC) guarantees against losses. House Republicans placed the FDIC protection for Wall Street into the omnibus spending bill that must be passed by Congress in a scheduled Thursday vote to prevent another government shutdown.

Citigroup, the recipient of at least \$2.8 trillion in Federal Reserve Bank emergency loans, authored the policy rider that the Republican leadership attached to the omnibus bill. The rider, slipped into the approximately 1,600 page plus bill, prevents implementation of the Dodd Frank reform legislation prohibition against granting derivatives trades FDIC guarantees.

“Wall Street likes to present itself as the partner of Main Street in trading commodity derivatives to manage agricultural and non-agricultural price risks,” said IATP president Juliette Majot. “This policy rider shows that Wall Street again is seeking taxpayer funded guarantees for the kind of bets that triggered the Great Recession in 2008. It’s outrageous that Wall Street wants bailout guarantees again, and even more outrageous that the bailout rider is attached to a must-pass spending bill.”

IATP urged House members to strip the bailout rider from the omnibus spending bill in a recorded vote, so that the public would know which representatives were siding with Wall Street and which were siding with the Dodd Frank reforms to make Wall Street trading fair and transparent.

“Attaching protection for risky financial bets to a must pass bill holds spending for a broad array of government services hostage to Wall Street’s greed and recklessness. The U.S. government should not negotiate with such budget hostage takers,” said IATP senior policy analyst Steve Suppan. “If the omnibus bill passes, Wall Street lobbyists and their Congressional allies will be emboldened to attach more anti-Main Street amendments to budget bills, and then try to hide the fact that they are doing so.”

IATP has worked with Americans for Financial Reform and the Commodity Markets Oversight Coalition to support fair and transparent derivatives markets through the Dodd Frank legislation and its regulatory implementation and enforcement.