

HARTFORD – **Congressman John B. Larson (CT-01)** applauded a vote today by the Commodities Futures Trading Commission (CFTC) to begin cracking down on oil speculation by commodity traders who seek to drive the price of oil up to make a profit at the expense of American consumers.

The move aims to limit the non-commercial market participants, who in many cases have no intention of delivering the commodities they buy, but instead, make money by artificially driving up the price in the market.

Many industry experts believe this process causes excessive and abusive speculation, which has been identified as a key cause of rising gas and food prices.

Since the beginning of the 112th Congress, Republicans in the House of Representatives have attempted to delay and defund the CFTC.

“Today’s vote by the CFTC is a significant first step in cracking down on the excessive and abusive speculation practices that are driving up the costs of every day goods at a time when the American people can least afford to pay for them,” Congressman Larson said. “I strongly urge my colleagues in Congress to continue to allow the CFTC to do its job and implement the rules mandated by the Wall Street Reform and Consumer Protection Act that will crack down on the practices that are causing Americans so much pain at the pump.”

According to an April 2011 analysis by Goldman Sachs, unregulated speculation adds over \$20 per barrel to the price of oil. Since 1990 the number of oil speculators has more than doubled and their percentage of the market has risen from 30 to nearly 70 percent.

Last spring during a Senate hearing on tax subsidies, Exxon CEO Rex Tillerson admitted that the actual price of a barrel of oil should be \$60-\$70 based only on supply and demand.

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