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Guilford: 'Oil Speculators have overtaken energy markets'

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WASHINGTON – Yesterday afternoon **Congressman John B. Larson (CT-01)** introduced **Gene Guilford, President of the Independent Connecticut Petroleum Association**, during a hearing of the Democratic Steering and Policy Committee on excessive and abusive oil speculation.

Guilford, who served in **Former President Ronald Reagan's** Department of Energy, was invited to the hearing by Congressman Larson and **Congresswoman Rosa DeLauro (CT-03)**.

During the hearing Guilford testified on the impact that excessive and abusive oil speculation is having on high gas prices and the need for Republicans in Congress to allow the Commodities Futures Trading Commission (CFTC) to do its job and rein in Wall Street speculators.

Below is an excerpt from Mr. Guilford's remarks. To watch his remarks in their entirety, [please click here](#)

. For a video of Congressman Larson's introduction of Mr. Guilford, [please click here](#)

“Where we are today with respect to connecting the dots between Wall Street and the gas pump is, for us, very clear and I’d like to illustrate that for you in the material that I’ve handed out to you.

“The Wall Street/NYIMEX gasoline contract has increased 86 cents-per-gallon in the last 90 days. Since mid-December, 86 cents more per gallon means our state of Connecticut pays \$3.6 million more per day, every day more for gasoline. That is \$25 million more per week that the citizens of Connecticut pay more for Gasoline than they did in the middle of December. To put that in context with the charts we provided for you, and now we’re up to 92 cents by virtue of the fact we had a 6.2 cent increase just the other night after I had prepared these charts for you today, at 11 billion gallons a month that Americans consume in gasoline, Americans today are paying \$10 billion more for gasoline than they were paying in mid-December.

“So in the context of Professor Greenberger’s statements with regard to how much we should be arguing funding an agency of the federal government for the purpose of overseeing these markets, if it’s costing the American people this much money just within the scope of 90 days, it’s extraordinary.

“Now what could possibly have happened in the last 90 days to cause this problem? Did Hurricanes come through the Gulf of Mexico? Was there a massive shutdown of refineries around the world? Did Israel attack Iran? In the absence of anything that anyone can point to, a tax on the American public of \$10 billion per month has been enacted as the result of what has gone on in Wall Street just since the middle of December. With due respect to anyone who chooses to blame this on India and China, we didn’t just discover India and China the week before Christmas.

“That is what has happened just since the middle of December. Our contention is that financial industry speculators have overtaken over the commodity markets. Ten years ago actual producers and users of energy and agricultural commodities made up 70-80 percent of the markets with only 20-30 percent of the markets made up of speculators. Now this has flipped

and 70-80 percent of the markets are made up of speculators and only 20-30 percent of the markets are made up of actual producers and consumers of commodities.”

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