



Financial speculators are gambling on oil the same way they gambled on the housing market a few years ago — a frightening prospect for the fragile economy, a Democratic congressional committee was told Wednesday.

"It is similar to the gambling Wall Street did on whether or not people would pay their subprime (below-market rate) mortgages in the mortgage meltdown," said Michael Greenberger, a law professor at the University of Maryland and a former federal regulator of financial markets. "Now they are betting on the upward direction of the price of oil."

The housing industry collapse helped trigger the deep recession that began in late 2007 and whose effects are still felt today.

The economy is slowly recovering, Greenberger said, but it could come to a halt unless oil prices come down. Gene Guilford, president of the Independent Connecticut Petroleum Association, told lawmakers that the recent oil price run-up has cost consumers an additional \$10 billion a month since mid-December.

[More...](#)