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Deliberately Making Americans Poorer

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Obama's energy policies hit hardest below the poverty belt

The Obama administration's policies are causing Americans to pay far more for gasoline and other fuels than necessary. America is awash in fossil-fuel energy sources with almost 30 percent of the world's coal and 80 percent of the world's oil shale - which contains an estimated three times the recoverable oil reserves of Saudi Arabia. Canada, with its oil sands, has the world's third-highest oil reserves, after the United States and Saudi Arabia. New technologies that enable low-cost natural gas production from shale mean that many countries, including the United States, will have gas for centuries at current production rates.

	FOSSIL FUEL ENERGY SUPPLY		
	% of world reserves held by		
	U.S.	Canada	U.S. plus Canada
Oil including sands	1.4%	13.4%	14.8%
Oil in shale	78.8%	0.5%	79.3%
Gas	3.8%	0.9%	4.7%
Coal	29.0%	0.8%	29.8%

Sources: US Energy Information Administration; National Mining Association; Institute for Energy Research; American Petroleum Institute

Fossil fuels at some prices are interchangeable. Coal, gas and oil can all fuel electric power plants. Liquid motor fuels can be made easily from natural gas, and, in fact, many auto, truck and bus fleets already use natural gas. For more than 70 years, the technology has been available to turn coal into liquid motor fuel.

Natural gas now sells in the United States for a British thermal unit (BTU) equivalent of \$30 a barrel of oil, and coal sells at roughly half that price. Much of the Canadian oil sands, U.S. domestic oil shale and offshore oil in the Gulf of Mexico can be produced at prices well below \$75 per barrel. The United States should be an energy exporter; Canada already is and is the single biggest source of oil for the U.S.

Most countries try to produce oil, gas and coal and sell it on the global market as a way of increasing the real incomes of their citizens, but not the United States. The Obama administration has a hatred of fossil fuels and is determined to reduce their use despite the economic damage. So-called green energy often is not very green and cannot possibly serve as a substitute for most fossil fuels. Windmills and solar panels are far more expensive than coal and gas; their production is intermittent, unreliable and largely unstorable. Because of the physics of the electrical grid, wind and solar can never produce more than about 18 percent of electrical production - at least not until low-cost storage devices are developed. Many biofuels, and in particular corn-based ethanol, are not only more expensive than the natural fuels but have a bigger total carbon footprint.

The Obamaites believe carbon dioxide (CO₂) is evil because they think more of it will cause global warming. They ignore the facts:

- Earth has been at times in the past both cooler and warmer with higher concentrations of CO₂.
- Other factors, such as sunspot activity, are more important than CO₂ in determining Earth's temperature.
- Scientists are in the process of finding new commercial uses for CO₂ and are experimenting with the use of biological agents to turn CO₂ back into a useful fuel.
- CO₂ always has been part of our atmosphere and is necessary for plants to grow.

Just think for a moment of all the scientific advances that have been made during the past century. There is every reason to think that long before fossil fuels become truly scarce - meaning that their extraction cost begins to rise rapidly - mankind will have come up with cheaper and better energy sources and will have figured out what to do with excess CO₂ if it really does prove to be a problem. For at least 100 years, "experts" have been saying we will soon run out of oil, but we are still finding more oil and gas than we have been producing in recent years. It makes no sense for the United States to hobble itself with less and more costly energy while much of the rest of the world is greatly increasing its use of fossil fuels. Both India and China have found huge new deposits of natural gas in recent weeks. Are they going to say to their still-poor populations, "We will not use this gas to better your lives"? Of course not. The Brazilians are about to enter the ranks of major oil producers. Are their leaders going to say to the people, "You may not have the benefits of these new oil discoveries"? Of course not.

Meanwhile, the Obama administration has stopped the new oil-production process in the Gulf of Mexico, even in the face of a court order requiring it to issue permits. The administration, through executive orders, has denied oil and gas producers access to millions of acres where large deposits of oil and gas are known to exist. The administration also is holding up permits for many new power plants, pipelines and industrial plants, all of which are costing Americans jobs and driving businesses to other countries.

It is not unnoticed that the president is demanding that businesses create more jobs while at the same time denying them the ability to do so because of his environmental, energy and regulatory policies. It also is not unnoticed that the bureaucrats and officials in Washington who are so keen on killing job opportunities for those in the productive sector keep theirs. And, it is not unnoticed that people within the Obama administration and Congress are deliberately and unnecessarily making millions of the lowest-income Americans even poorer.

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