

Even Obama's meddling could not stop this oil boom

Michael Costello/Lewiston Tribune

For the second consecutive State of the Union address, Barack Obama has claimed credit for falling gasoline prices.

Among the many ironies attending this boast is its contrast with his 2008 promise to force energy prices to "skyrocket." Obama believed that artificially driving up energy prices was an essential first step toward saving the planet from global warming, or climate change, or whatever qualifies as the politically correct term of the day.

During an interview with the San Francisco Chronicle in early 2008, Obama sketched out his plans to inflate prices using a carbon cap and trade scheme. The Chronicle appreciated that voters would not react well to a candidate who had as a central plank in his campaign platform a plan make their lives more miserable. As such, the editors kept it under wraps until the election was secure.

Obama never got his cap and trade scheme through Congress, but he did do his best to raise energy prices by impeding fossil fuel development. He limited exploration on federal lands and recently banned future coal mining. He slowed and, in some areas stopped, issuing oil and natural gas drilling permits on federal lands.

When Obama took office on Jan. 20, 2009, the national average price for a gallon of regular was \$1.85. Two years later, the price was hovering around \$4 per gallon. When asked about these soaring prices, Obama argued that it a good sign. He claimed that the economy was in terrible condition when he took office, and there was little demand for fuel. And now that the economy had rebounded, thanks to his awesome stimulus plan, the renewed demand for gasoline was driving prices upward.

The flaw with this reasoning was that household income was significantly lower after two years of Obamanomics than it was before he fixed things. Unemployment was also higher. Gasoline prices were not reacting to increased demand. Four dollar per gallon gasoline reflected tight supplies.

In 2011, Obama argued that "if we're serious about addressing our energy problems, we're going to have to do more than drill." He did attempt to do more than drill. He wasted billions on alternative energy programs that failed miserably.

Not content with parading his economic ignorance, he went on to show the depth and breadth of his geological ignorance by claiming that all of the "easily accessible oil has already been sucked up out of the ground."

By 2012, high gasoline prices had become an issue for the presidential campaign. A defensive Obama whined that "there are no quick fixes to this problem, and you know we can't just drill our way to lower gas prices."

Who knew that? Thankfully, energy companies didn't know that. They knew better.

We did drill our way to lower gas prices. High oil prices made unconventional drilling and recovery technologies economically feasible. Hydraulic fracturing (fracking) and steam injection dramatically increased oil production in the U.S. and contributed to the current flood of oil that has driven down oil prices. We are on our way to an energy independence that was inconceivable just a few years ago.

Contrast that with Obama's insistence that "even if we drilled every square inch of this country right now, we're going to be relying on other countries for oil."

Obama's ignorance is one that he has been nurturing for a long time. In 2006, Obama, then a cub senator from Illinois, argued against increased oil exploration in the Gulf of Mexico, saying that it would, "lull the American people into thinking that we can drill our way out of our energy problems."

During the 2008 presidential campaign, candidate Obama mocked John McCain's insistence that we "drill here, drill now," claiming that "this is one emergency we can't drill our way out of."

This miracle of low gasoline prices came about because Obama has no authority over drilling on private land. The federal government owns only 1.43 percent of Texas. That means that the other 98.57 percent is beyond Obama's reach.

North Dakota is nearly as free, with only 3.11 percent of its land under Obama's thumb. And those two states have become synonymous with the U.S. oil boom. And, not coincidentally, those two states accounted for most of the economic growth since the end of the recession.

It's no coincidence that we owe both low gasoline prices and what little economic growth we've seen to areas where Obama has little influence.

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