



Top Dems Urge Biden To Nationalize Oil & Gas Industry

Description

USA: The energy crisis is worsening. The U.S. has fewer than 30 days of diesel and other distillate fuels, the lowest level since 1945. Supplies are so low that there will be shortages and price spikes within six months unless the U.S. enters recession, experts warn. In response, the Biden administration is releasing more oil from the Strategic Petroleum Reserve. But the reserves are of crude oil, not refined oil products such as diesel. And the releases are stifling investment in future oil production. “People are depleting their emergency stocks,” warned Saudi Arabia’s energy minister earlier this week. “Losing emergency stocks may become painful in the months to come.”

In response, influential Democrats, including a leading U.S. Senate candidate, a former Department of Energy official, and an influential energy expert, are urging the U.S. government to socialize America’s oil and gas firms.

At a Houston conference last week, Jason Bordoff, Dean of Columbia University’s Climate School, called for the “nationalization” of oil and gas companies. “Government must take an active role in owning assets that will become stranded,” he said, “and *plan* to strand those assets.”

On Twitter, Bordoff said, “I’ve never stated support for the nationalization of oil and gas companies. What I have said is govts may need to play a role facilitating short-term oil & gas asset investment (that need to be retired way before normal ROI time horizons to meet climate goals) so we can meet energy needs now as we transition faster to clean energy.”

But to “strand” assets means to “make financially worthless.” Bordoff made the point at least twice during the conference. Bordoff’s call shocked many in the audience. “Jason is smart, well-informed, and well-connected to the Biden Administration,” said someone who was at the conference, “so these comments are scary.”

The calls come on the heels of two other Democrat-led efforts to expand U.S. government control over oil and gas production. One is a piece of legislation called “NOPEC,” which passed the Senate Judiciary Committee in May. The bill would change U.S. antitrust law to revoke a policy of sovereign

immunity, which protects OPEC+ members from lawsuits. If NOPEC became law, the U.S. attorney general could sue Saudi Arabia and other OPEC members in court. The result could be a disruption of global supplies of oil and other commodities if nations retaliated against the U.S.

The other is an effort led by Treasury Secretary Janet Yellen to cap the price of Russian oil sold on global markets, which I and many other experts have warned since June is unworkable, because China and India have said they would circumvent it, and could backfire, resulting in far higher oil prices. Last week, analysts with Rapidan Energy told the same Houston conference that the December 5 implementation of the Russian price cap could reduce global supplies of oil by 1.5 million barrels per day. Such an amount would create an oil price shock.

Earlier this month, Bordoff told the World Economic Forum, which has called for a “Great Reset” to quickly move from fossil fuels to renewables, that climate change required a “massive transition” that is “going to be messy, it’s going to be disruptive.” Said Bordoff, “I think part of the broader macro environment that’s happening now is one of more disruptive change because of climate impacts, but also more disruptive change because of geopolitics coming out of the pandemic, coming out of this conflict, completely rethinking what the World Economic Forum is all about.”

Bordoff then sounded an even darker note.

by Michael Shellenberger

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