

Oil Prices Are Fueling Inflation While Our Politicians Do Nothing To Drive That Price Down

March 4, 2022 - The price of a barrel of crude oil is one of the biggest factors in controlling inflation. And it's easy to understand why. Crude oil is the basis for gas and diesel prices, and virtually everything sold worldwide requires oil, gas or diesel to move it to market. In January, 2021, the price of a barrel of crude oil was just over \$49. This week, it's been as high as \$110. If you are wondering why the price has increased so much in just over a year, you need look no further than the White House and the policies that the Biden administration began to implement on the same day the president was inaugurated. And so far, he has shown no inclination to do anything to reverse this trend.

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At the end of 2020, the United States was a net exporter of petroleum. For the first time in nearly 80 years, the country was energy independent and the benefits of that were huge. It reduced our trade deficit substantially, and it meant that the United States didn't need to rely on other countries... many of which are not friendly to us... for imported energy. But it also meant low gas prices; something which affects the lifestyle of every man, woman and child in the country.

All of that has changed now. The Biden administration cancelled the Keystone XL pipeline project on its first day. Then it began cancelling and restricting oil drilling leases on federal lands. The country is now dependent on foreign oil and the administration has been begging OPEC to increase its production to drive down prices. All of this is unnecessary. But it is all a part of what has been called the Green New Deal; a hair-brained plan to do away with fossil fuels entirely.

While the idea of a completely fossil fuel free environment may sound great on paper, it isn't at all practical. Wind and solar aren't reliable sources of energy, and you need power to recharge all of those electric cars that the government seems determined to force us into. That means you either need fossil fuel for power plants, or you need to go all in on nuclear power. The Green New Deal is nothing less than an exercise in futility.

But the president appears determined to force it upon us, regardless of the costs. And have no doubt, you and I are the ones that will pay those costs in the form of higher prices for just about everything, and a lower standard of living as a result.

All of this pain is completely needless. It wouldn't take too much to turn things around. Re-authorize the Keystone pipeline and open up drilling again. Encourage American energy production and independence. That would start to drive

prices down, and impact everyone positively. But those changes require leadership. And that's something that seems to be in very short supply in Washington, DC right now.

by Jim Malmberg

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