DEMOCRAT'S *War on Energy*

Oil and gas are the engines that drive America, not just in gasoline but with heating, appliances, and so much more.

The U.S. could be the world's largest oil and gas producer, yet the Biden administration has been at war with oil and gas.

The following articles help describe why this war on gas doesn't make sense.

The second part of this **Special Report** shows how you could actually have the potential to invest in a company that's taking advantage of the regulatory chaos.

So, whether Biden gets reelected or Trump becomes president, investment newsletter writer Tim Collins of ***Streetlight Confidential*** says this company has great potential for success.

The Media and Politicians Say the Economy Has Turned Around, and Everything is Okay… Here Are 6 Reality Checks that Show Just the Opposite

The government and the Federal Reserve's Modern Monetary Theory (MMT) is flawed.

There are several key problems that they keep doubling down on, exacerbating the problems instead of fixing them.

The problems are:

- Unlimited spending doesn't solve all economic problems… It makes it worse.

- The government and Federal Reserve’s leeway to print money as needed. This devalues the dollar, causes inflation, and kills jobs and the economy.

The Federal Reserve has raised interest rates 11 times (from 2022 to 2023) in a row, bringing them from a historic low of 0.08% to the current 5.33%, the highest rate in over 20 years.

The Fed is using an ideologically driven Modern Monetary Theory (MMT), which has proven to be a failure.

They really don’t know what they are doing, and they are only guessing.

They are guessing wrong.

The U.S. Fed and the central banks around the world have let inflation get out of control, and they really don’t know what to do.

Central planning doesn’t work.

As they ignore the laws of economics and pursue fantasy economics based on socialist ideology, our economy suffers.

A recession and inflation are producing stagflation, despite victory declarations.

Inflation is not dead, and a recession will probably get deeper.

Here is a brief Reality Check on facts you should be aware of.

Reality Check #1: Jobs

Politicians, Deep State bureaucrats, and the media are spreading lies. Here’s an example:

Claim: President Biden created 13 million new jobs since taking office

Reality: Most of those "new" jobs were jobs that became vacant due to COVID lockdowns. Many companies and manufacturing were closed during COVID lockdowns putting people out of work. But when companies and manufacturing started operating again, laid-off workers were called back to work.

It was from COVID recovery, not economic growth creating new jobs.

Here are the stats:

160.7 million jobs in 2023

159.6 million jobs in 2020

1.1 million more jobs than pre-COVID, mostly added by government and medical jobs.

The Biden Administration's economic policies have destroyed the middle class, killed savings, and lost over $70 trillion in market cap. Fed rate hikes have created a business, real estate slowdown, and banking crisis.

It's because of bad policies, such as:

Reality Check #2: Unnecessary Regulations Killing Jobs, income and Opportunity

The "unintended consequences" of regulations harm everyone, especially the poor, because they drive up the cost of doing business.

Businesses have to spend more to comply with state and federal government regulations, which results in higher prices.

Unfortunately, the goods and services to which the middle class and poor need, such as energy and food, are also the most heavily regulated.

When you Compare the growth rate of prices versus the growth rate of regulations over time, the data show that a 10% increase in total regulations leads to a 0.687% increase in consumer prices.

Add on inflation caused by government overspending, putting a tremendous burden on consumers.

When I was on Neil Cavuto's Fox News show, he asked me what the greatest job killer for businesses was… He expected me to say taxes, but I surprised him by saying it was regulations.

Reality Check #3: Inflation

There has been 14.9% (Real inflation) since Biden took office.

The consumer price index shows that prices are up more than 19.4% since Biden took office in 2021.

It's not just the price of goods and services you buy… Inflation is affecting income.

People's real incomes are falling—you have roughly lost $2,000 to $3,000 a year as prices have risen.

Real wages have fallen by a negative 3.2%. In fact, they have been down for 26 straight months, and everyone is becoming poorer every month.

Mortgage payments are 94% higher than a year ago.

Inflation has risen so quickly that prices will never come down.

But according to Biden and Treasury Secretary Yellen, everything is great.

They told us as trillions of dollars were pumped into the economy by federal overspending:

- There's no inflation
- Then they said inflation was transitory
- Then they said inflation was short-term
- Then they said inflation was Under control

But the one key factor for inflation is government spending. The more the government spends, the more it devalues the dollar.

Reality Check #4: President Biden said that there was "nothing inevitable about a recession." However, many economists believe the U.S. is already in a mild recession.

The Commerce Department reported that the Gross Domestic product (GDP) decreased at an annual rate of 1.5% in the first quarter of 2024.

And economist Steve Moore says, "The first six months of the year have been negative for growth."

Reality Check #5: Gas and energy are still hurting you and the economy

In the last 6 months, the price of oil has fallen by 7.7%. In the past year, it's fallen by 37%… this has lowered consumer price inflation to around 4%.

The Biden Administration's policy of "no drilling" or reduced oil production has put us in a very dangerous situation… We must rely on OPEC, which has already cut its oil production by more than a million barrels a day… And Saudi Arabia is following.

That’s why oil prices fell, but as demand increases, the prices will go up. The other reason that oil prices fell was that demand in Europe fell because they were also falling into a recession.

However, Russia has been flooding the market with oil, as they are ramping up oil production to fill the void Biden created when he slashed American oil production… So, Russia is getting richer, and their economy is booming, while we are getting poorer, and our economy is headed for a recession.

And although energy prices have fallen by 3.6%, the demand for energy will ease prices back up, especially during summer months, when people travel. When energy prices rise, core inflation is estimated to rise above 5%.

Reality Check #5: Interest Rates have crushed jobs and growth

In one year, interest rates have risen more than the past 15 years combined.

In fact, the Fed hiked rates 11 times:

- March 2022: 25 basis points
- May 2022: 50 basis points
- June 2022: 75 basis points
- July 2022: 75 basis points
- September 2022: 75 basis points
- November 2022: 75 basis points
- December 2022: 50 basis points
- February 2023: 25 basis points
- March 2023: 25 basis points
- May 2023: 25 basis points
- July 2023: 25 basis points

Reality Check #6: The National Debt

The national debt is over $34.7 trillion.

The national debt has increased by roughly $4.3 trillion under the Biden administration.

Year-on-year, the debt has never decreased since 1957.

In order to address the debt crisis, Congress passed, and the president signed the "bi-partisan" Fiscal Responsibility Act—

However, the bill raises the debt limit and doesn't cut or limit entitlement spending, which is the biggest slice of our spending pie.

It does cut some federal spending, including cuts to some of Biden's health and climate programs… but not much to move the needle downward.

The Fiscal Responsibility Act is more like the fiscal irresponsibility act.

Governor Newsom: Dissecting His Lies and Distortions

Gavin Newsom is one of the most well-polished, slickest politicians around. He knows how to manipulate and disport the truth to win debates.

Even when an opponent knows all of the facts and data, Newsom has a way of making his opponent sound like he/she doesn't know what he's talking about.

He knows how to work an audience... It doesn't matter if he's talking to union workers, minorities, libertarians, and, yes, even conservatives and Christians, Newsom comes across as likable, sympathetic, and on your side, so you don't even know that you're being lied to.

He's a fast-talking snake oil salesman who never truly answers a question, making it hard to challenge him.

For example, recently, Newsom did an interview with conservative Fox News host Sean Hannity. Hannity slammed the Governor for California having the highest gas prices in the country.

Newsom smiled at Hannity and blamed the "greedy" oil companies– as if the oil companies charge more in California ($6.05 dollars a gallon) than they do in Florida ($3.64).

When Hannity pointed out that it wasn't the "greedy" oil companies, it was the high state gas taxes, Newsome quickly retorted, "Our state gas tax is only .80 cents."

Either Newsom lied, or he's completely out of touch—or both.

California state gas tax makes up 39% of the taxes at the pump.

Here's a breakdown:

- .051 State excise tax
- .18 Federal tax
- .22 Low carbon fuel tax
- .25 Cap-and-trade tax
- .12 State and local sales tax
- .02 State underground storage tax

Tax total = $1.30 per gallon

High gas prices are due to Gov. Newsom's high state taxes, radical green policies (no fracking or drilling in California), and bad policies altogether (mandating all EVs by 2035), not the "greedy" oil companies.

The Socialist War on Gasoline Dirty Little Secret: How California Leads the Nation in Dramatically Spiking Prices and Creating Economic Pain and Suffering.

California is at war with the oil industry.

Not because the oil industry has done anything bad, but because it's a popular myth that the socialist Democrats spread that the oil companies are making excessive profits at the expense of the average person, and they need to be punished and stopped.

Even though there's no evidence, and it's not true, simply by saying it over and over, they're making the general public think it's true.

Just like the Russia hoax, the Hunter Biden laptop denials, and the FBI/Twitter deception.

What both the federal government and the California state government aren't telling you is why gas prices are so much higher in California and some other states than in others.

And nobody is telling you how much of the cost of each gallon of gas you buy is going to the federal and state governments.

Let's face it — high gasoline prices and car registration fees hurt us all…

The poor and middle class suffer the most.

Even those who ride public transportation face higher fares due to increased fuel costs.

But fuel price increases also impact every business and every consumer… as the increasing costs of transportation — which add to the cost of production — are passed on to consumers in the form of higher prices for everything you buy.

The dirty little secret is how much you pay to the government for each gallon of gas you buy.

The federal government's gas tax is 18.4 cents per gallon for gasoline and 24.4 cents per gallon for diesel fuel.

But that's just the beginning…

Each state plus the District of Columbia adds its own taxes — ranging from 14.4 cents per gallon in Alaska to 58.7 cents per gallon in Pennsylvania… and some counties and cities add additional taxes on top of the state taxes.

California's state gasoline taxes and fees — totaling $1.03 for every gallon of gas you buy — are by far the highest in the nation. But this outrageous amount doesn't include the 18.4 cents per gallon federal tax or the state sales tax on the price of gasoline at the pump — which includes sales tax on the federal, state and local taxes!

Currently the sales tax is about 14.4 cents per gallon for gasoline purchased in California.

In addition, California's switch to summer blend adds 10 — 15 cents per gallon due to the higher cost of refining and production.

Here's the breakdown of gasoline taxes and fees per gallon in California:

- The excessive taxes on gas
- 18.4 cents – federal excise tax
- 54.1 cents – state gas tax
- 25 cents – Cap and Trade fee (estimate)
- 22 cents – Low Carbon Fuel Standard fee (estimate)
- 2 cents – underground storage fee
- 14.4 cents – state sales tax (varies with price of gas at the pump)
- 10 – 15 cents – summer blend price add-on between April 1 and October 1

Prices fluctuate weekly. You can check the latest information on **state and national average prices and trends.**

California has the highest gasoline prices in the nation for several reasons:

- California does not allow drilling or fracking for oil.
- California refuses to allow the construction of new refineries. In fact, the state is closing down existing refineries.
- California is a net importer of oil — even though it has more oil than any other state.
- The state legislature requires that only a special blend of low-emission gasoline is sold in California between April 1 and October 1 every year.

On November 1st, 2017, California's then-Governor Jerry Brown — supported by Lieutenant Governor Gavin Newsom — signed Senate Bill 1, which substantially increased vehicle registration fees as well as state taxes on gasoline and diesel fuel.

SB1 also includes a provision to automatically increase state taxes on gasoline and diesel fuel every year on July 1st based on the inflation rate on that date.

In 2017, 14.86 million automobiles were registered in California — more than 6.5 million ***more*** than in Texas (8.177 million) or Florida (7.778 million).

The number of fees included when registering a car in California is mind-boggling.

Here are just a few of them:

- Registration Fee
- California Highway Patrol (CHP) Fees
- Transportation Improvement Fee (TIF)
- Vehicle License Fee (VLF) – 0.65% of car's value
- Miscellaneous Registration and Service Fees

Then there are County/District Fees that vary based on where you live:

- Service Authority for Freeway Emergencies Fee (SAFE)
- Air Quality Fee
- Auto Theft Deterrence/DUI Fee
- Abandoned Vehicle Abatement Fee
- Fingerprint ID Fee
- County Transportation Project Fee (CTPF)

These are all hidden fees collected by the California DMV that don't show up on a registration renewal notice.

No wonder California total vehicle registration costs are the highest in the nation!

One other note: The Transportation Improvement Fee (TIF) is used to repair infrastructure and provide road maintenance. The state also receives billions of dollars annually for road maintenance and infrastructure from:

- The 18.4-cent federal excise tax on every gallon of gasoline sold in the state
- The highway funds portion of California property taxes

Here is where the roughly $16 billion in California gas taxes and vehicle fees supposedly goes:

- Highway repairs, maintenance and public transit (buses and trains) – 59%
- Enforcement and regulation (DMV, California Highway Patrol) – 22%
- Local law enforcement, General Fund, Dept. of Food and Agriculture, Dept of Parks and Recreation – 7%
- Debt service – 7.5%
- Administration (includes costs of collecting, distributing and auditing gas taxes and fees) — 3%
- Environmental mitigation, bike path and pedestrian amenities, transportation-related research and workforce development – 1.3%

Some of these categories are too broad to maintain accountability…

For example, there's no breakdown showing how much of the 59% — representing $9.5 billion — goes toward highway and bridge repair versus public government transit — including the ill-conceived and incredibly wasteful high-speed bullet train project between Bakersfield and Merced.

No wonder California has some of the worst maintained freeways and state highways in the nation…

Gov. Newsom and the Democrat-dominated state legislature are playing a form of bait-and-switch with California taxpayers. They are trying to keep taxpayers focused on evil Big Oil price gouging while they are the real price gougers — collecting billions of dollars in taxes and fees so they can push their "green" agenda which involves banning the sale of gas-powered vehicles in the state in just 13 years and replacing them with electric vehicles.

The very rich don't care or notice.

But for everyone else, the government is making them poorer and just living more costly and harder.

Biden's War on Gas-- 6 Things You Should Know

President Joe Biden's energy policy has hurt our economy, especially with his war on gas. His stringent regulations targeting the nation's oil and gas sectors have increased oil and gas prices and contributed to the increase in inflation.

Since taking office, his administration has overturned numerous pro-drilling policies of his predecessor, President Trump, significantly crippling domestic energy production and putting us at the mercy of our enemies, including Russia, Iran, and Venezuela.

Here are 6 critical things you should know about Biden's War on Gas…

1) Biden's Impact on Production and Pricing:

Despite oil prices soaring to 50% higher than in 2019, U.S. oil production remains stunted compared to pre-Biden forecasts.

The Energy Information Administration projected 2023 oil output at 14 million barrels per day before Biden's policies intervened, resulting in actual production falling short by 1.1 million barrels per day.

Key policy actions include:

- Canceling the Keystone XL pipeline, which could supply over 830,000 barrels of oil from Canada to U.S. refineries.

- Halting new federal land permits and lease sales
- Slashing lease approvals by over 90% from historical averages

Estimates are that the United States has foregone between 1.2 and 3.5 billion barrels of oil due to Biden's policies.

Biden has made it costlier to develop domestic oil while reducing costs on heavily subsidized renewable energy and coddling countries like Venezuela and Saudi Arabia to get increased oil supplies.

From 2001 through 2020, under both Democrat and Republican administrations, the Department of the Interior averaged nearly 2,000 new leases totaling 2.3 million acres annually.

During Biden's first year as president, new leases plunged to 120, covering only 75,000 acres.

2) Regulatory Assault on American Energy:

Since assuming office, President Biden has initiated an unprecedented regulatory campaign against the fuels that constitute the backbone of America's energy infrastructure. These fuels traditionally account for four-fifths of the nation's energy supply.

A study estimates that if not for the reversal of Trump-era policies favoring oil and gas drilling, the United States could have produced between 1.2 to 3.5 billion additional barrels of oil.

This production increase could have neutralized the 1.3 million barrels per day output cuts voluntarily undertaken by OPEC and Russia, potentially mitigating rising oil prices. The economic impact of reduced drilling and lost oil production due to Biden's policies ranges from $104 billion to $396 billion.

3) Restrictions on Leasing and Offshore Development:

Under the Biden administration, the issuance of new leases for onshore drilling has reached its lowest levels since World War II, severely limiting access to federal lands for energy development.

The administration canceled three lease offshore sales in 2022 and proposed a five-year leasing plan with historically low sale volumes for 2025-2029.

These actions have compounded the challenges for U.S. oil production, which heavily relies on federal offshore areas.

4) Global Energy Dependency and Strategic Reserves:

Biden's policies have increased America's reliance on foreign energy sources, strengthening adversarial nations like Russia, China, and Iran while driving up costs for consumers and producers.

The administration's decision to release significant volumes from the Strategic Petroleum Reserve (SPR) to alleviate domestic fuel prices also drew scrutiny, especially regarding the destinations of exported oil and the involvement of entities connected to the president's family.

Over 5 million barrels from the SPR were shipped to Europe and Asia. Among the beneficiaries was a subsidiary of a Chinese state-owned gas company in which Hunter Biden’s private equity firm held a $1.7 billion stake, which purchased one million barrels from the U.S.

Biden has depleted the U.S. Strategic Petroleum Reserve (SPR) of 260 million barrels of oil, placing it at a 40-year low.

5) Impact on Natural Gas and Energy Infrastructure:

The Biden administration's policies have also hurt natural gas production, where regulatory barriers and delayed permit approvals have stifled pipeline expansions and new projects.

The Energy Information Administration (EIA) reported that interstate natural gas pipeline capacity additions reached a record low in 2022 based on data collected over 27 years.

Here's what Biden has done in just the last year:

- Suspended quarterly lease sales
- Delayed Drilling Permits. He's slowed approval processes and stalled new projects.
- Access to federal lands for development has been restricted.
- New regulations and costs burden energy producers, driving up prices for everyone.
- In August 2023, the Bureau of Land Management (BLM) banned new oil leasing on 1.6 million acres in Colorado, designating nine zones as "areas of critical environmental concern."
- Restricted oil and gas leasing across 11 million acres in the Gulf of Mexico
- In September 2023, The Department of the Interior (DOI) announced the smallest number of oil and gas lease sales in history, focusing instead on offshore wind development under the Inflation Reduction Act (IRA).
- In April 2024, The Biden administration banned drilling on 13.3 million acres in Alaska's National Petroleum Reserve, citing a

> commitment to conservation and addressing the climate crisis. This decision affects nearly half of the Reserve's 23 million acres, further limiting new oil and gas leasing. The decision was part of his administration's push to "meet the urgency of the climate crisis."

Actions such as the ban on future liquified natural gas (LNG) export terminal permits have further limited America's energy export capabilities, impacting relationships with international allies dependent on U.S. energy supplies.

And it's forced Europe to buy LNG from Russia.

6) The Private Sector's Response and the Economic Consequences of Biden's bad policies

In response to federal restrictions, more oil and gas production is shifting to private and state lands, with fewer regulatory hurdles.

In 2005, about 68 percent of our oil and 62 percent of our gas came from private and state lands.

It has risen to roughly 75% and 90%, respectively. It's also no accident that most of this production occurs in Republican-led states, including Wyoming.

The president's foolish actions will lock in his climate zealotry. OPEC and Russia will gain market leverage and geopolitical strength.

Biden's Environmental Protection Agency has proposed tailpipe emission standards that would force the sale of electric vehicles, which will reach two-thirds of the market in 2032.

His Department of Transportation has proposed Corporate Average Fuel Efficiency Standards that would achieve the same result: effectively removing fuel choice from American car purchases.

To achieve those sales levels, automakers are already cutting back on sales of gas-powered vehicles as the standard requires increasing efficiency improvements over time. The results are stunning. Ford reported it is losing nearly $60,000 per electric vehicle it sells.

Biden has also proposed removing oil and gas tax deductions and raising royalty rates and fees on the oil and gas industry — even as he is spending over $300 billion in tax money for his green energy transition, which some believe is over three times that amount–well over $1 trillion.

Biden is now conspiring with Iran and Venezuela to put more oil on the global market despite sanctions on both countries. He has even released $6 billion in frozen funds to Iran during his prisoner swap negotiations… money Iran is using to support terrorist groups throughout the Middle East, to develop their nuclear weapons program, and to boost their oil production.

President Biden's energy policies, characterized by stringent regulations, reduced leasing opportunities, and strategic reserve maneuvers, have fundamentally reshaped America's energy landscape.

While aiming to address environmental concerns and climate change imperatives, these policies have a devastating economic impact on global energy dynamics and the nation's long-term energy security.

Biden's War on Energy Independence: Draining America's Strategic Oil Reserves and Risking Our Future

The Biden administration’s assault on Big Oil and American energy independence is relentless.

It began with Biden:

- canceling the Keystone XL pipeline
- banning permits on federal land
- scrapping federal lease sales
- and hiking royalties for federal leases.

Meanwhile, his policies incentivize the purchase of Chinese-made batteries, solar panels, and wind turbines.

In a bid to curb global gas price hikes sparked by Biden’s Green New Deal policies, Biden ordered the daily release of one million barrels of oil from the U.S. Strategic Petroleum Reserve (SPR).

The SPR is meant for real energy or military crises when America truly needs oil.

Shockingly, over five million barrels from the SPR were shipped to Europe and Asia not to reduce gas prices. Among the beneficiaries was a subsidiary of a Chinese state-owned gas company, in which Hunter Biden’s private equity firm held a $1.7 billion stake, purchasing one million barrels from the U.S.

Biden’s Executive actions released 180 million barrels, slashing America’s emergency oil stockpile to its lowest level in nearly 40 years.

Despite selling off more than 40% of the SPR last year to combat rising fuel prices post-Ukraine invasion, Biden’s strategy isn’t lowering oil prices at the pump.

White House Press Secretary Karine Jean-Pierre defended these actions, stating:

“The Biden-Harris Administration is taking action to lower gas prices with the sale of one million barrels of gasoline from the Northeast Gasoline Supply Reserve. This builds on other actions by President Biden to lower gas and energy costs—including historic releases from the Strategic Petroleum Reserve.”

Oil prices continue to be high, hitting consumers hard at the pump. Biden’s solution? Tapping even more into the Strategic Oil Supplies, risking the nation’s energy security for short-term gain.

Biden’s draining of America’s Strategic Oil Supplies isn’t just a policy—it’s a gamble with our nation’s future.

Unpacking the Power of the Petrodollar: How This Important Financial System Shapes Oil Prices, Investments, and the Future of America’s Economy

The term "petrodollar" refers to the U.S. dollars oil-exporting countries use to price and trade their oil. This system has been a global finance and trade cornerstone since the mid-20th century.

Understanding the petrodollar's history, its influence on oil prices and investments, and the potential ramifications if countries moved away from this system provides valuable insights into global economics and geopolitics.

The concept of the petrodollar emerged in the early 1970s following the collapse of the Bretton Woods system, which had pegged the U.S. dollar to gold.

In 1971, President Richard Nixon ended the dollar's convertibility into gold, leading to the adoption of a fiat currency system.

In 1973, amidst the OPEC oil embargo, the United States and Saudi Arabia reached an agreement that would shape global economics for decades.

Saudi Arabia, the world's largest oil producer at the time, agreed to price its oil exclusively in U.S. dollars. In return, the U.S. provided the Kingdom with military protection and economic incentives. Over time, this arrangement extended to other OPEC countries, effectively cementing the U.S. dollar as the standard currency for global oil transactions.

The petrodollar’s Impact on Oil Prices…

The petrodollar system has significant implications for oil prices. Since oil is priced in dollars, fluctuations in the U.S. dollar's value directly affect oil prices.

A stronger dollar generally leads to lower oil prices, making oil more expensive in other currencies and reducing demand. Conversely, a weaker dollar tends to push oil prices higher, as it becomes cheaper for countries using other currencies to buy oil.

Additionally, the petrodollar system creates a high demand for U.S. dollars, as countries need to hold substantial reserves to purchase oil.

This demand stabilizes the dollar and, by extension, influences global oil prices.

What does this mean to investors investing in oil and gas?

Investing in oil and gas is closely tied to the dynamics of the petrodollar system. The stability of the U.S. dollar and its global dominance make the oil and gas sector a relatively safe investment.

The petrodollar ensures a steady demand for U.S. dollars, which supports the financial health of U.S. oil companies and, by extension, their stocks and bonds.

Furthermore, the relationship between the U.S. government and oil-producing nations often leads to favorable conditions for American investors regarding trade agreements and political stability in key oil-producing regions.

What would be the potential impact on the American economy if countries abandon the petrodollar?

The potential shift from the petrodollar system poses significant risks to the American economy.

If the Saudis decide to end their deal with the United States to trade with petrodollars, demanding payment for oil in their own currency, it could have devastating effects on our economy, especially if they join BRICS.

The BRICS alliance (Brazil, Russia, India, China, and South Africa) is growing and gaining other member countries, forming a strong coalition to counter the petrodollar.

China and India are already converting their domestic currency into Saudi currency (riyals), leaving America out in the cold.

If other major oil-producing countries begin pricing oil in other currencies, several key impacts could ensue, including:

- Decreased Demand for U.S. Dollars: Moving away from the petrodollar would reduce the global demand for U.S. dollars. This could lead to a dollar depreciation, making imports more expensive and potentially leading to inflation.
- Higher Borrowing Costs: The reduced demand for dollars would likely lead to higher interest rates as the U.S. government, and businesses would face increased borrowing costs. This could slow economic growth and increase the national debt burden.
- Financial Market Volatility: The stability provided by the petrodollar system to financial markets would be disrupted. Investors might seek safer assets, leading to increased volatility in stock and bond markets.
- Geopolitical Shifts: The strategic geopolitical influence that the U.S. wields through its control of the petrodollar could diminish. Other currencies, such as the euro or the Chinese yuan, might rise in prominence, leading to a shift in global economic power.
- Oil Prices: Pricing oil in multiple currencies could lead to greater volatility in oil prices, as fluctuations in currency exchange rates would directly affect oil prices globally.

The petrodollar system has been a pillar of the global economic order for decades, deeply influencing oil prices, investments, and the American economy.

A shift from this system would weaken America's geopolitical and economic dominance and spark an economic recession or even a depression—especially with our already shaky economy thanks to Biden’s disastrous economic policies, which have caused record-high inflation, high interest rates, a weaker dollar, and ballooned our national debt to over $35 trillion.

Currently, only 40% of the world's trade is in US dollars… and it’s shrinking.

The end of the petrodollar would be the end of America as the world’s economic and military superpower.

Crushing Energy Costs: How Biden’s Policies Are Driving Up Oil/Gas Prices

To paraphrase the great economist Milton Friedman, inflation is “too much money chasing too few goods, which leads to rising prices.

When the Federal Reserve prints excessive money, the dollar's value drops, making everything more expensive.

But it’s not just government spending causing inflation—gas and oil prices are soaring due to a dwindling supply caused by President Biden’s horrendous “Green New Deal” energy policies.

Biden’s policies perfectly illustrate Freidman’s theory: Less oil and gas production creates high pump prices.

The Biden Administration claims to be working on lowering gas and oil prices while simultaneously throttling back oil and gas production— It’s all part of the great deception. Biden promises to lower gas prices but institutes policies that raise them.

Right now, the oil industry is “treading water,” but as Biden calls for production to fall even more, America could be on the road to economic collapse.

Here’s what Biden has done in just the last year:

- Access Cut Off: Quarterly lease sales suspended, despite legal requirements.
- Drilling Permits Delayed: Slower approval processes are stalling new projects.
- Federal Lands Locked Up: Access to federal lands for development has been restricted.
- Producer Costs Increased: New regulations and costs burden energy producers, driving up prices for everyone.

Recent Actions and Their Impact

In August 2023, the Bureau of Land Management (BLM) banned new oil leasing on 1.6 million acres in Colorado, designating nine zones as "areas of critical environmental concern."

This move affects over 100,000 acres, hurting many Native American tribes that rely on revenue from mining and drilling.

In a settlement with green activists, the Biden administration restricted oil and gas leasing across 11 million acres in the Gulf of Mexico, aligning with Biden's campaign promise to end fossil fuels and achieve net-zero carbon emissions by 2050.

President Joe Biden campaigned on a promise to eliminate federal drilling projects on federal lands. Biden also delivered a “guarantee” as a candidate in 2019 that his administration would “end fossil fuels.”

Drilling Bans and Lease Reductions

- September 2023: The Department of the Interior (DOI) announced the smallest number of oil and gas lease sales in history, focusing instead on offshore wind development under the Inflation Reduction Act (IRA).
- April 2024: The Biden administration banned drilling on 13.3 million acres in Alaska's National Petroleum Reserve, citing a commitment to conservation and addressing the climate crisis. This decision affects nearly half of the Reserve's 23 million acres, further limiting new oil and gas leasing. The decision was part of his administration's push to "meet the urgency of the climate crisis."

These actions reflect a broader climate agenda to phase down offshore oil and gas in the Gulf of Mexico, which in 2021 accounted for about 15% of total U.S. crude oil output.

The Bureau of Land Management (BLM) is also withdrawing some 2.8 million acres of the Beaufort Sea, ensuring the entire US Arctic Ocean is off limits to new oil and gas leasing.

These decisions aligned with the Biden administration's sweeping climate agenda, which aims to achieve net-zero carbon dioxide emissions in the U.S. energy sector by 2035 and the entire U.S. economy by 2050.

Industry and Legislative Backlash

Critics argue that these policies exacerbate inflation and energy costs:

American Petroleum Institute (API): Senior VP Dustin Meyer labeled the Alaska drilling ban "another step in the wrong direction," stressing the need for American energy leadership.

“This misguided rule from the Biden Administration sharply limits future oil and natural gas development in Alaska’s National Petroleum Reserve, a region explicitly intended by Congress to bolster America’s energy security while generating important economic growth and revenue for local Alaskan communities,” Meyer said.

API President Mike Sommers called the restrictive offshore leasing program a move that undermines energy production and affordability.

“At a time when inflation runs rampant across the country, the Biden administration is choosing failed energy policies that are adding to the pain Americans are feeling at the pump,” American Petroleum Institute President and CEO Mike Sommers said of the schedule. “This restrictive offshore leasing program is the latest tactic in a coordinated strategy to reduce energy production, ultimately weakening America’s energy dominance, limiting consumers access to affordable, reliable energy and compromising our ability to lead on the global stage.”

House Committee on Natural Resources: Subcommittee Chairman Pete Stauber condemned Biden’s energy policies, highlighting the economic pain at the pump and advocating for restored American energy independence.

“From canceling the Keystone XL Pipeline on his first day in office to withdrawing millions of acres of land from oil and gas development in Alaska just two weeks ago, President Biden is crushing American energy production in every way he possibly can. As a result, the American people are paying the price at the pump. While the President and some of my colleagues on the left want to take traditional fuels off the table, the reality is that energy demand is only growing, and we need to embrace our vast energy wealth. Rather than remaining reliant on countries like Russia and Saudi Arabia, we must restore American energy independence by encouraging domestic oil and gas development. Today's subcommittee hearing produced a great discussion, and I was glad for the chance to highlight how this Administration's out of touch energy policies must change to meet the energy needs of the future."

The Bottom Line

The Biden Administration's concerted effort to reduce oil and gas supply drives up prices and strains American households.

As energy demand grows, Biden's restrictive policies make gas and oil unaffordable and jeopardize our nation's energy security.