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A free-market energy blog



Jimmy Carter Was Better than This! (Why can't Democrats embrace a free energy market?)

by R. Dobie Langenkamp

March 27, 2010

As a Democrat, I have asked myself how it is that the current administration could be so consistently wrong on energy policy. There was a time in the days of Bob Kerr, Lyndon Johnson, Sam Rayburn, and Bennett Johnson that energy policy was bipartisan. In fact, those Democratic wheel horses from the great Southwest made sure that the policy—particularly as regarded oil and gas—was somewhat rational.

Carter Was Pro-Drilling Compared to Obama

The last Democratic President to acknowledge the need for exploration was Jimmy Carter, under whom I served as Deputy Assistant Secretary for Oil and Gas. Carter pushed both an offshore 5-year leasing plan and production from the Naval Petroleum Reserves. I know—I was in charge of both.

So despite the Windfall Profits Tax and much hyperbolic rhetoric, President Carter had a foot, or at least a few toes, in the pro-production camp. And it was none other than Carter who set up the Arctic National Wildlife Refuge (ANWR) for drilling (after adequate study) as one of his last acts in office.

The 39th President also initiated both the decontrol of gas dating from the 1950's and the (phased) decontrol of crude oil and oil products that began with Richard Nixon in 1971 which Reagan simply accelerated with his famous decontrol executive order of January 1981.

Democrats vs. Drilling

But no more! Democrats today seem to want to fly in the face of reality by espousing phantom sources of energy and working at cross purposes with American interests:

Democrats today tend to:

- Believe in Peak Oil and the imminent end of the hydrocarbon age
- Accept Global Warming Alarmism unquestioningly
- Exaggerate the decline in the state of the environment when it is actually improving
- View hydrocarbons as a threat to modern civilization rather than its creator and preserver and to viscerally oppose oil and gas exploration
- Exaggerate the environmental impact of oil drilling both on and offshore

All this leads Democrats to support and subsidize trendy new sources of power (e.g. switchgrass!) without acknowledging how limited or how environmentally damaging they are when implemented on a large scale.

This has only a little to do with “free market” ideology. I assert that a centrist—or if you like a moderate liberal—who believes in moderate government intervention (securities regulation, social security, Medicare, single payer

health, etc.) can:

- Continue the intangible drilling cost deduction(In place during the last ten administrations)
- End ethanol subsidy(\$22/bbl)
- End wind subsidies(2 cents/kWh)
- Eliminate “green” power mandates
- Renew offshore drilling off the east and west coasts
- Drill the small proposed ANWR acreage
- Curtail the over-rated “green jobs” program
- Put a hydrocarbon realist in the Energy Department
- Treat the domestic oil and gas industry as one of the most successful drivers of the US economy. (Any bailouts for Chevron etc?)
- End petroleum related international sanctions except when absolutely necessary (keep Iran; end Syria and Sudan)
- Provide reasonable support abroad for domestic energy companies now locked in competition with state owned companies.

Democrats are willing to see a Goldman Sachs man in treasury, but you can imagine the howl if Rex Tillerson (Exxon CEO) was tapped to head the Department of Energy?

And all this anti-hydrocarbon cant has been going on since the 1980s—three decades now.

Where’s an Energy-realist Democrat to Turn?

So I find myself applauding institutions such as Cato, IER, and the American Petroleum Institute and wishing for the day when we could have some Democrats in the White House, Senate and House who understand how the real energy world works.

[R. Dobie Langenkamp](#) (BA, Stanford; JD, Harvard Law School) was Deputy Assistant Secretary for Oil and Gas, U.S. Department of Energy (1977–81) and deputy assistant secretary for Naval Petroleum Reserves, U.S. Department of Energy (1996–97).

He has consulted for the Department of Energy and the State Department on Iraqi energy law and policy and was Director of the National Energy-Environment Law and Policy Institute at Tulsa University Law School. He now practices and lectures on international energy law. His entire resume is [here](#).

8 comments

[1 UNRR](#) { 03.27.10 at 8:36 am }

This post has been linked for the HOT5 Daily 3/27/2010, at [The Unreligious Right](#)

[2 Kennedy Maize](#) { 03.27.10 at 10:03 am }

Well said! I agree completely. Our current energy secretary knows little about energy, and doesn’t even seem to know what he doesn’t know. Then, energy policy comes from the White House, where the policy chief is Carol Browner.

[3 Andrew](#) { 03.27.10 at 8:28 pm }

I one difference I have is that I don’t even see why we should have a department of energy 😊

[4 Major Mike](#) { 03.27.10 at 11:38 pm }

It’s amazing that when the government gets involved, only the dumbest ideas – wind, solar, biofuels – are supported. I wish Mr. Langenkamp had found room among his excellent proposals for nuclear, the most credible and practical long-term solution to our energy needs, and the one which has the greatest potential for technological advance and boundless growth.

[5 JD Will](#) { 03.28.10 at 8:16 am }

“Democract” ? (spell check)

- God forbid an energy friendly Republican (SP anyone?) should get in. Baby seals would go extinct and the Greenland ice cap would melt immediately, no doubt.

[6 Ron](#) { 03.29.10 at 12:03 am }

You should treat separate biofuels separately in your list. Government support for ethanol began under Carter and has been promoted by both parties (John McCain notwithstanding) ever since. Ethanol probably had no bigger cheerleader than that dyed-in-the-wool Republican, Dubya. But ethanol (and its younger sibling, biodiesel) has never been mainly about energy, except in the wet dreams of national-security hawks: it is all about transferring billions of dollars to America's agricultural heartland, and providing a means for Detroit (“Think Green, Go Yellow”) to pretend it is selling an environmentally friendly product.

[7 JavelinaTex](#) { 03.29.10 at 10:48 am }

The ethanol bio-fuels actually started at the (Farm) state level in the early 1970's (it actually had an even longer history back to the early 20th century). These states were dominated by Republicans.

Major Mike, you conveniently leave out Nuclear... The entire industry – cradle to grave – owes its existence to government initiatives. Most particularly under Eisenhower. The technology was developed by the DoD for submarines and aircraft carriers and virtually every early power generation demonstration plant was financed by the US Government.

Also, let's give Carter credit for several other things:

The Fuel Use Act forced the construction of Coal and Nuclear Base Load Power Plants (by outlawing the use of Oil and Nat Gas).

PURPA which forced utilities to buy co-generated electricity (which allowed Chemical Plants, Refineries, etc. to sell power.

Finally, he saw the error of his ways and signed the Natural Gas Act which very significantly raised the Price Control Level on most Natural Gas reserves types and totally decontrolled deep production (> 20,000) which sparked the prodigious “Deep Anadarko” drilling boom. The NGA represented a flip-flop for Carter. He initially ran in the primaries for decontrol of Natural Gas Prices. He named a Republican DoD Technocrat – James Schlessinger; his Energy Secretary – Schlessinger persuaded him that there was no new natural gas to be found and proposed de-control with a very high windfall tax rate. Congress (both houses controlled by the Dems) rebelled and a center right coalition of Southern Democrats and Republicans put together the NGA and Carter signed it (I doubt it passed by veto proof margins).

Unfortunately, I think Carter knew better than to keep price controls on Oil, but the politics dictated it. When the Iranian Revolution hit, we had gas lines again (much worse than a price spike). Carter finally an executive order well before the election that he would decontrol (after the election) Oil in September 1981. Reagan won, and one of his first acts as President was to accelerate the de-control of oil.

Unfortunately, Carter was very bitter over his loss, and I think he has been far more liberal on a lot of issues as an ex-President than he was as President. There was reason Teddy Kennedy challenged him in 1980 from the left. When he defeated that challenge John Anderson morphed into the left wing challenger as a third party candidate.

[8 JavelinaTex](#) { 03.29.10 at 1:01 pm }

Correction...

Meant to say Natural Gas Policy Act of 1978... the Natural Gas Act of course was passed in 1937 and provided for Federal Regulation of the Interstate Pipeline Industry... and was extended to Well Head Price controls by a Supreme Court Ruling in the early 1950's.

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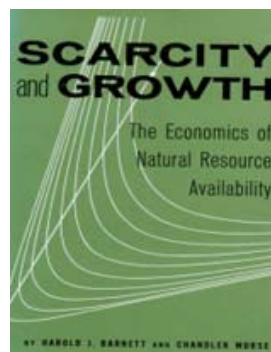
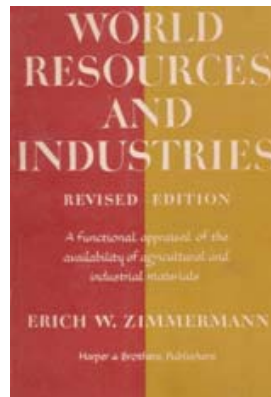
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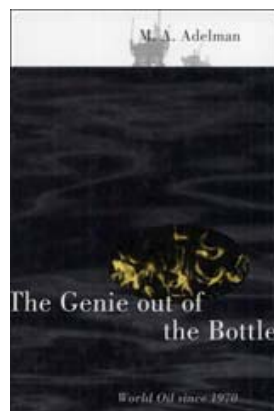
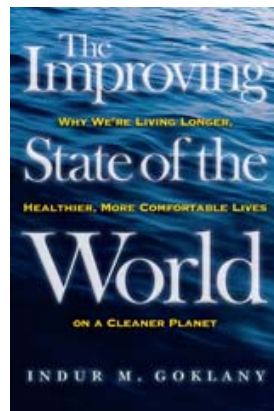
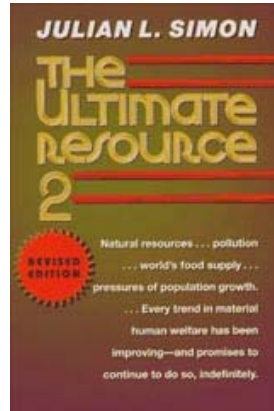
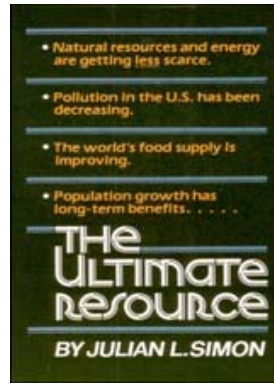
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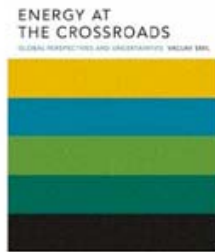
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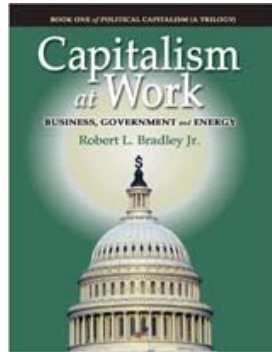
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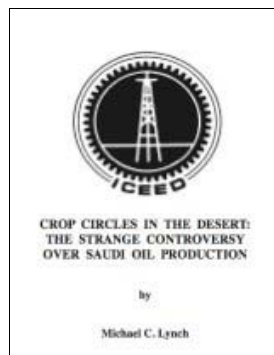




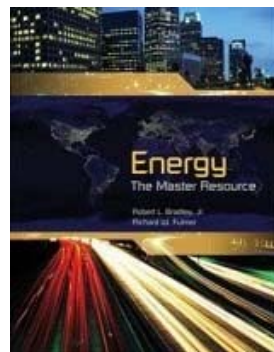
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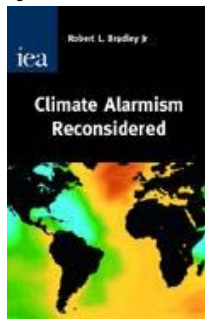
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