

July 18, 2017 – FRACKING

The left likes victims. That's why they dislike Israel so much because Israel refuses to be a victim. Domestically the left wants us to be weak and is happy to be at the mercy of the world's oil producers. Victor Davis Hanson writes on what we owe to the fracking industry because it keeps us from being victims.

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*Fracking has reduced oil prices and radically weakened America's rivals and enemies. Desperate oil exporters like Iran, Russia, and Venezuela are short about half the oil income that they enjoyed ten years ago.*

*The late Hugo Chávez's oil-fed socialist utopia in Venezuela is bankrupt.*

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**IBD Editors** celebrate our energy boom. It's great to have a president who wants our country to be strong and self-reliant.

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*But the truth is that the difference between Trump and President Obama on energy could hardly be more stark.*

*While Obama mouthed the words "all of the above" when describing his own energy policy, his administration did everything it could to thwart all sources of energy except unreliable and heavily subsidized wind and solar.*

*Obama canceled the Keystone XL pipeline; put vast tracts of land and offshore areas off-limits to oil and gas development; denied a permit for a liquefied natural gas export terminal in Oregon; endlessly pushed for huge tax hikes on energy companies; called oil the "energy of the past"; and tried to kill coal with his "Clean Power Plan." Nuclear power was at a standstill. Even hydropower production dropped 7% on his watch.*

*It is true that oil and natural gas production took off while Obama was in the White House, but this was despite Obama's best efforts, not because of them, since those production gains were on private lands. ...*

More bad news for petro states like Russia and Venezuela. [American Interest](#) posts on a major find in the Gulf of Mexico.

*An international consortium of oil companies has struck oil in shallow waters off the coast of Mexico in what could be one of the five largest discoveries in the past five years, and among the top fifteen in the last two decades. The find could be good for 1.4 to 2 billion barrels of light crude. ...*

*... This is a big win for Mexico, which two years ago decided to allow private companies to participate in energy projects. If this find turns out to be as significant as early indicators seem to have it, expect even more international companies to get interested.*

*It's also yet another reminder of just how off the "peak oil" prognosticators have been. This is a substantive find of easy to process light crude in shallow waters; no fracking or next-gen technological requirements will be necessary to exploit it. Greens may not love it, but the age of oil appears to not quite yet be over.*

"Useful Idiots" was the term Lenin used to describe Westerners who were willing to overlook his thuggery and their loyalty to their countries for the idea of a "greater" good. Lincoln Stephens quickly comes to mind. He visited the Soviet Union in 1919 and famously said, "I have seen the future, and it works." Stephens was not a 22 year-old know nothing. He was 53 years old in 1919 and had been a journalist since 1898. All of this is proof the media has been screwed up for a long long time and fake news is nothing new. Then there's the NY Times guy in Moscow, Walter Duranty, who lied about the existence of the Ukrainian Famine in the early 1930's. The Times was awarded a Pulitzer Prize for his reporting. And to its everlasting shame, the Times still touts that award. Another of the West's "useful idiots" was the playwright and journalist George Bernard Shaw. He met Stalin in 1931 and said Stalin was "a Georgian gentleman with no malice in him." This for the man who was responsible for the deaths of tens of millions.

**Daily Signal** tells how the Russians are helping finance and colluding with this generation's version of useful idiots - those who want to stop fracking. As always, the left liberals want our country to be weak.

*Forget about allegations of Russian interference in U.S. presidential elections for a moment, or even "collusion" between Russian officials and Trump campaign operatives.*

*The real action is in the European and U.S. energy markets, according to a letter from two Texas congressmen to Treasury Secretary Steven Mnuchin that details what they call "a covert anti-fracking campaign" with "little or no paper trail."*

*The Daily Signal obtained a copy of the June 29 letter to Mnuchin from Reps. Lamar Smith and Randy Weber, both Republicans who chair energy-related House panels. (See the full letter below.)*

*Smith and Weber quote sources saying the Russian government has been colluding with environmental groups to circulate "disinformation" and "propaganda" aimed at undermining hydraulic fracturing. Commonly called fracking, the process makes it possible to access natural gas deposits.*

*The sources include a former secretary-general of NATO, ...*

*... In their letter to the treasury secretary, Smith and Weber also say the Russians have been able to advance their strategy without "a paper trail."*

*They pass along reports that Russia apparently funnels the money through a Bermuda-based "shell company" known as Klein Ltd.*

*Tens of millions of dollars are moved from Russia through Klein "in the form of anonymous donations" to a U.S.-based nonprofit called the Sea Change Foundation.*

*The money, the congressmen write, then is moved in the form of grants to U.S. environmental organizations. ...*

For a reminder of the bullet we dodged last November, we have this quote from a **May 2016 Fortune Magazine**.

*... The front-runner for the Democratic party nomination (**H. Clinton**) used a debate in Flint, Michigan on Sunday night to oppose fracking anywhere local communities were against it, wherever it polluted air or water, and whenever companies refused to disclose what chemicals they use in the process.*

*"By the time we get through all of my conditions, I do not think there will be many places in America where fracking will continue to take place," she said. ...*

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## National Review

### The Fracking Industry Deserves Our Gratitude

*It has given America virtual energy independence, freeing it from the leverage of often hostile Middle East regimes.*

by Victor Davis Hanson

Less than ten years ago, America's energy future looked bleak.

World oil prices in 2008 had spiked to more than \$100 per barrel of crude.

"Peak oil" — the theory that the world had already extracted more crude oil than was still left in the ground — was America's supposed bleak fate. Ten years ago, rising gas prices, spiraling trade deficits, and ongoing war in the oil-rich Middle East only underscored America's precarious dependence on foreign sources of oil.

Despite news of a radically improved but relatively old technology called "fracking" — drilling into shale rock and injecting water, sand, and chemicals at high pressure to hydraulically "fracture" the rock and create seams from which petroleum and natural gas are released — few saw much hope.

In 2012, when gas prices were hitting \$4 a gallon in some areas, President Obama admonished the country that we "can't just drill our way to lower gas prices." That was a putdown of former Alaska governor and vice-presidential nominee Sarah Palin's refrain "Drill, baby, drill."

Obama barred new oil and gas permits on federal lands. Steven Chu, who would become secretary of energy in the Obama administration, had earlier mused that gas prices might ideally rise to European levels (about \$10 a gallon), thereby forcing Americans to turn to expensive subsidized alternative green fuels.

But over the last five years, frackers have refined their craft on private properties, finding ever cheaper and more efficient ways to extract huge amounts of crude oil and natural gas from shale rock.

In 2017, despite millions of square miles being off limits to drillers, America is close to reaching 10 million barrels of crude-oil production per day, the highest level in the nation's history. The U.S. may soon surpass Saudi Arabia as the world's largest petroleum producer.

When American natural gas (about 20 percent of the world total) and coal (the largest reserves in the world) are factored into the fossil-fuel equation, the U.S. is already the largest producer of energy in the world.

While environmentalists worry about polluting the water table and heightening seismic activity through hydraulic fracturing, fracking seems to become more environmentally sensitive each year.

When OPEC and other overseas producers tried to bankrupt frackers by flooding the world with their supposedly more cheaply produced oil, the effort backfired. American entrepreneurs learned to frack oil and natural gas even more cheaply and undercut the foreign gambit. The result is a windfall for all sectors of the American economy.

From 2014 to 2016, fracking helped cut the price of gasoline by \$1.50 a gallon, saving American drivers an average of more than \$1,000 per year.

Due to the fracking of natural gas, the United States has reduced its carbon emissions by about 12 percent over the last decade (according to the Energy Information Administration) — at a far greater rate than the environmentally conscious European Union.

Fracking and cheaper gas are allowing a critical breathing space for strapped American consumers, as alternative energy production and transportation slowly become more efficient and competitive.

Fracking has created a national savings of about 5 million barrels of imported oil per day over the last decade. That translates to roughly \$100 billion in annual savings by avoiding foreign oil.

Fracking has allowed the U.S. to enjoy some of the lowest electricity rates and gas prices in the industrial world. The result is that cheap energy costs are luring all sorts of energy-intensive industries — from aluminum to plastics to fertilizers — back to the United States, with the potential of creating millions of new, high-paying jobs.

Fracking has given America virtual energy independence, freeing it from the leverage of unstable and often hostile Middle East regimes. The result is less need to interfere in the chronic squabbling in the oil-rich but unstable Persian Gulf.

Fracking has reduced oil prices and radically weakened America's rivals and enemies. Desperate oil exporters like Iran, Russia, and Venezuela are short about half the oil income that they enjoyed ten years ago.

The late Hugo Chávez's oil-fed socialist utopia in Venezuela is bankrupt.

What so far constrains Russian president Vladimir Putin is as much a shortage of petrodollars as fear of NATO.

Until recently, the combination of sanctions (lifted by the Obama administration) and crashing oil prices had nearly bankrupted would-be nuclear power Iran.

The once-feared OPEC oil cartel, the longtime bane of the United States, is now nearly impotent.

Friends such as Israel have gained energy independence by fracking. In contrast, some European allies who have banned fracking out of environmental worries are more vulnerable to Russian, Iranian, and Middle Eastern pressure than ever before.

Fracking is not easy. It requires legally protected property and mineral rights, a natural entrepreneurial spirit, environmental concern, and a free-market. In other words, it is an American way of doing business.

## Investor's Business Daily - Editorial

### Trump Launched An Energy Revolution While Everyone Was Obsessing On His Tweets

**Natural Resources:** Last week President Trump announced plans to make the U.S. not just energy independent, but a global energy powerhouse. Too bad everyone was hyperfocused on his tweets.

On Thursday, Trump said he was ushering in a new energy policy that marked an end to decades of fretting about an alleged "energy crisis" brought on by supposed limited domestic supplies and an insatiable demand for fossil fuels.

"We now know that was all a big, beautiful myth," Trump said in remarks at the Department of Energy. "The truth is that we have near-limitless supplies of energy in our country."

Trump had already taken several steps toward unleashing domestic energy supplies, but he announced six more that he plans to take, including reviving nuclear energy, lifting barriers to building coal plants overseas, building more energy pipelines — including one into Mexico — increased natural gas exports, and creating a new offshore-leasing program.

"The golden era of American energy is now underway," he said.

If that sounds overly dramatic, it isn't. Recent developments in drilling technology have made vast domestic supplies of oil and natural gas available for production. That, combined with the country's abundance of coal, means the U.S. could be a net energy exporter in nine years.

The impact of this on the economy — new jobs, lower energy costs — and on international relations — ending dependence on energy supplies from unstable and unfriendly regions — cannot be underestimated.

Administration critics, naturally, are determined to downplay this announcement by saying — as both [Reuters](#) and [CNBC](#) put it, using *exactly the same words* — that Trump had simply "re-branded efforts ... set in motion during the previous presidential administration."

But the truth is that the difference between Trump and President Obama on energy could hardly be more stark.

While Obama mouthed the words "all of the above" when describing his own energy policy, his administration did everything it could to thwart all sources of energy except unreliable and heavily subsidized wind and solar.

Obama canceled the Keystone XL pipeline; put vast tracts of land and offshore areas off-limits to oil and gas development; denied a permit for a liquefied natural gas export terminal in Oregon; endlessly pushed for huge tax hikes on energy companies; called oil the "energy of the past"; and tried to kill coal with his "Clean Power Plan." Nuclear power was at a standstill. Even hydropower production dropped 7% on his watch.

It is true that oil and natural gas production took off while Obama was in the White House, but this was *despite* Obama's best efforts, not because of them, since those production gains were on private lands.

Trump's "make American energy great again" approach is a nightmare to environmentalists, who endlessly preach global-warming doom and fantasize about a world powered by windmills and solar panels.

America is truly blessed with an incredible abundance of natural resources, and Trump is right to put the fortunes of today's Americans ahead of supposed climate change threats that won't materialize — if they do at all — for another 100 years.

Getting the government out of the way of these resources is the best energy policy anyone could hope for, and it's the one Trump is pushing. If only the public, and the news media, would take notice.

## **The American Interest**

### **Significant Oil Discovery off Coast of Mexico**

An international consortium of oil companies has struck oil in shallow waters off the coast of Mexico in what could be one of the five largest discoveries in the past five years, and among the top fifteen in the last two decades. The find could be good for 1.4 to 2 billion barrels of light crude.

The [\*Financial Times\*](#):

“What really makes this unique is that this is truly an exploration project,” Tim Duncan, president and chief executive of Talos, the block’s operator, told the Financial Times. It was what the industry terms a “wild cat” drill — in an area that had never before been explored. The nearest well drilled was 20km away and had come up dry. [...]

Zama is twice as big as Trion, a deepwater field in the north of the Gulf that BHP Billiton partnered with Pemex to develop, in the first joint venture in the Mexican company’s 79-year history.

Investment in Trion is estimated at more than \$11bn, and Zama is expected to cost “a fraction” of that because it is in easier-to-access shallow waters. “It’s a win-win to have something this big,” said Mr Duncan. Once the block enters production, the government will take a 68.99 per cent share of the profit from each barrel produced.

This is a big win for Mexico, which two years ago decided to allow private companies to participate in energy projects. If this find turns out to be as significant as early indicators seem to have it, expect even more international companies to get interested.

It’s also yet another reminder of just how off the “peak oil” prognosticators have been. This is a substantive find of easy to process light crude in shallow waters; no fracking or next-gen technological requirements will be necessary to exploit it. Greens may not love it, but the age of oil appears to not quite yet be over.

## Daily Signal

### Lawmakers Cite Evidence Russia 'Colludes' With US Green Groups to Block Fracking

by Kevin Mooney



*Russian President Vladimir Putin, left, and Gazprom Chief Executive Alexei Miller inspect work June 23 on the Turkish Stream gas pipeline project aboard the Pioneering Spirit, a pipeline-laying ship, in the Black Sea near Anapa, Russia.*

Forget about allegations of Russian interference in U.S. presidential elections for a moment, or even “collusion” between Russian officials and Trump campaign operatives.

The real action is in the European and U.S. energy markets, according to a letter from two Texas congressmen to Treasury Secretary Steven Mnuchin that details what they call “a covert anti-fracking campaign” with “little or no paper trail.”

The Daily Signal obtained a copy of the [June 29 letter](#) to Mnuchin from Reps. Lamar Smith and Randy Weber, both Republicans who chair energy-related House panels. (See the full letter below.)

Smith and Weber quote sources saying the Russian government has been colluding with environmental groups to circulate “disinformation” and “propaganda” aimed at undermining hydraulic fracturing. Commonly called fracking, the process makes it possible to access natural gas deposits.

The sources include a former secretary-general of NATO, who is quoted by the GOP congressmen as saying:

*“Russia, as part of their sophisticated information and disinformation operations, engaged actively with so-called nongovernmental organizations—environmental organizations working against shale gas—to maintain dependence on imported Russian gas.”*

This anti-fracking campaign seizes upon environmental issues and health concerns that could be used to constrain U.S. drilling and fracking exercises, the letter explains.

Gazprom, a large Russian oil company, stands to benefit if Russian-funded environmental activism results in reduced levels of fracking and natural gas production in the United States, Smith and Weber tell Mnuchin. They write:

*"It is easy to see the benefit to Russia and Gazprom that would result from a reduction in the U.S. level of drilling and fracking—a position advocated for by numerous environmental groups in the U.S."*

Smith, chairman of the House Committee on Science, Space, and Technology, joined Weber, chairman of that panel's energy subcommittee, in calling on the treasury secretary to investigate whether Russia works with American environmental activists to prevent the U.S. from developing its natural gas resources.

Top U.S. government officials who have acknowledged the connection between Russian and environmental groups include former Secretary of State Hillary Clinton, the Democratic nominee for president in 2016.

In 2014, Clinton delivered a "private speech" in which she discussed Russia's financial support for environmental groups, the letter says. The speech was included in documents released by WikiLeaks, it says.

An Oct. 10, 2016, report in The Washington Times [quoted](#) Clinton as saying:

"We [the State Department and the U.S. government] were up against Russia pushing oligarchs and others to buy media. We were even up against phony environmental groups, and I'm a big environmentalist, but these were funded by the Russians to stand up against any effort, 'Oh that pipeline, that fracking, that whatever will be a problem for you,' and a lot of that money supporting that effort was coming from Russia."

Contrary to what Russia's propaganda machine and its environmental allies have told news consumers in Europe and America, fracking is safe, effective, and enormously beneficial, Nick Loris, an economist and energy policy analyst with The Heritage Foundation, said in an email to The Daily Signal.

"If successful, an anti-fracking campaign is depriving Americans of good-paying jobs and affordable, dependable energy," Loris said. "Despite smears and outright lies from environmental activists, smart drilling and energy extraction technologies have been proven to be safe."

"It feels like every week a new study is published, confirming what we already know," he said. "Hydraulic fracturing does not contaminate drinking water. The facts and history of hydraulic fracturing, a history that dates back more than half a century and over 1 million fracked wells, indicate that many of the fears associated with the process are grossly exaggerated or flat-out unsubstantiated."

Loris added:

*"The good news, however, is that the anti-fracking campaign really hasn't been all that successful in 'keeping it in the ground.' The U.S. is the world's largest petroleum and natural gas producer, and we can thank fracking and American energy companies for it."*

*The result is that money is going back into bank accounts of hardworking families through lower energy bills, and American businesses are more competitive because of lower input costs. And we're in a position to supply our allies with power, significantly reducing the ability of any one nation's ability to manipulate energy markets for political gain."*

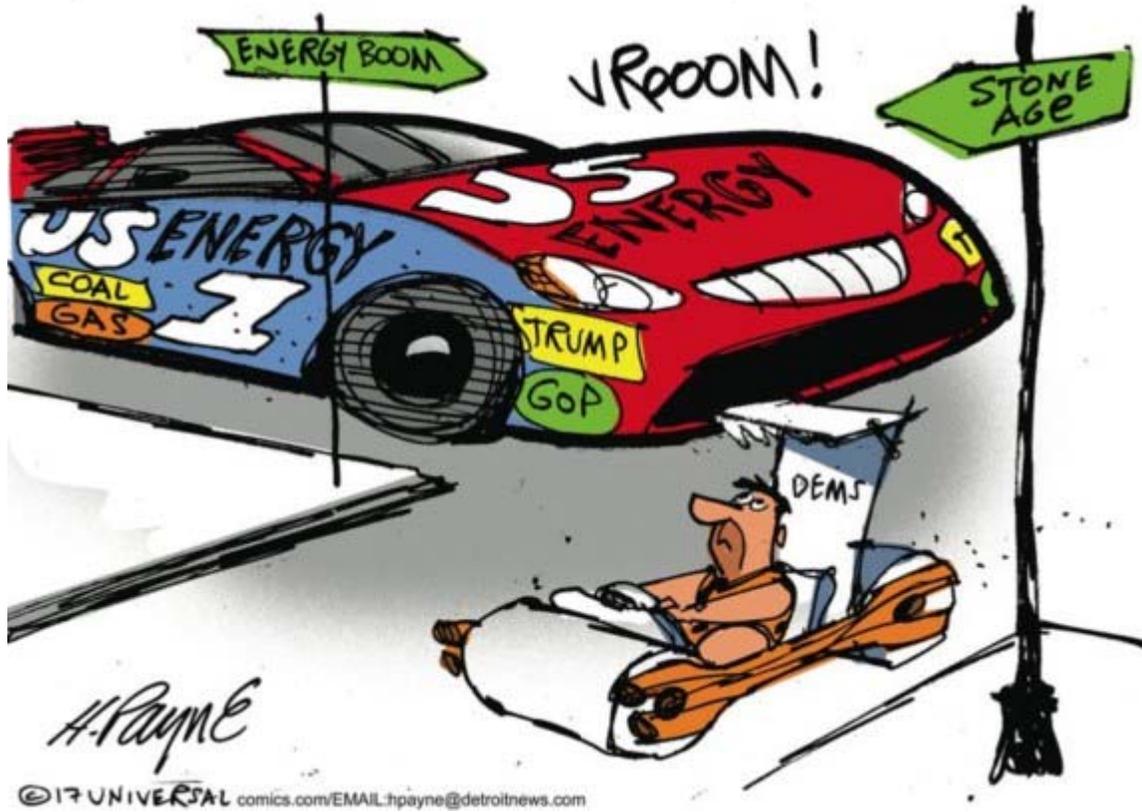
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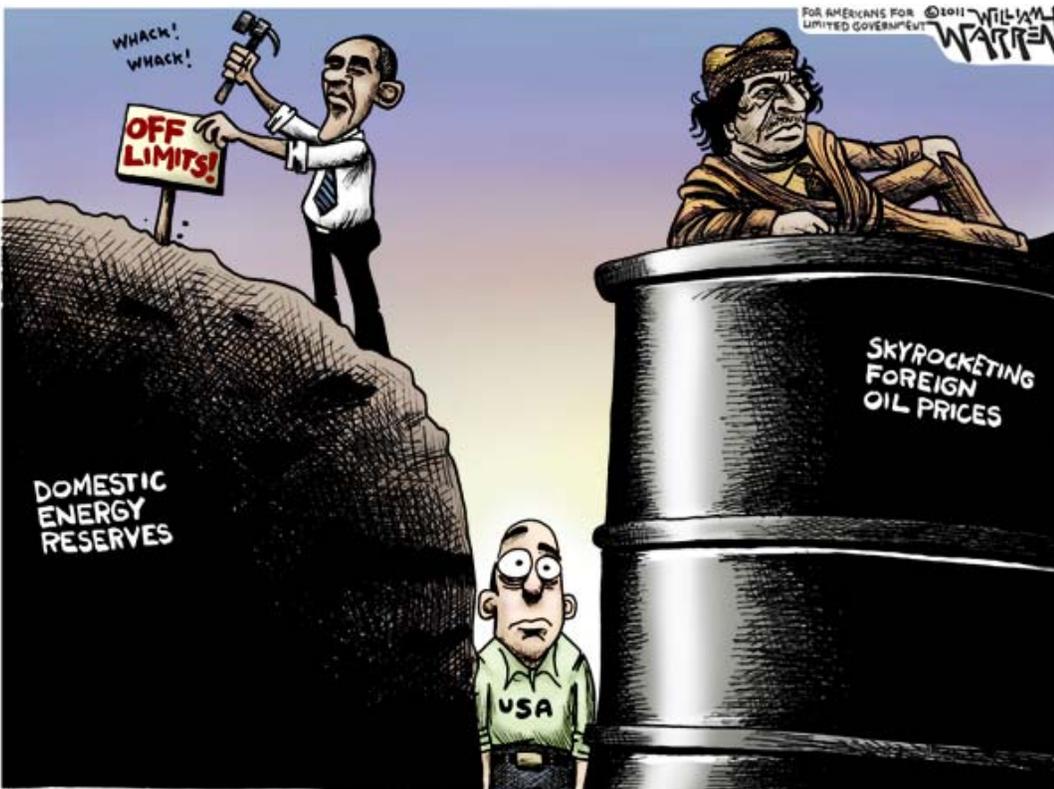
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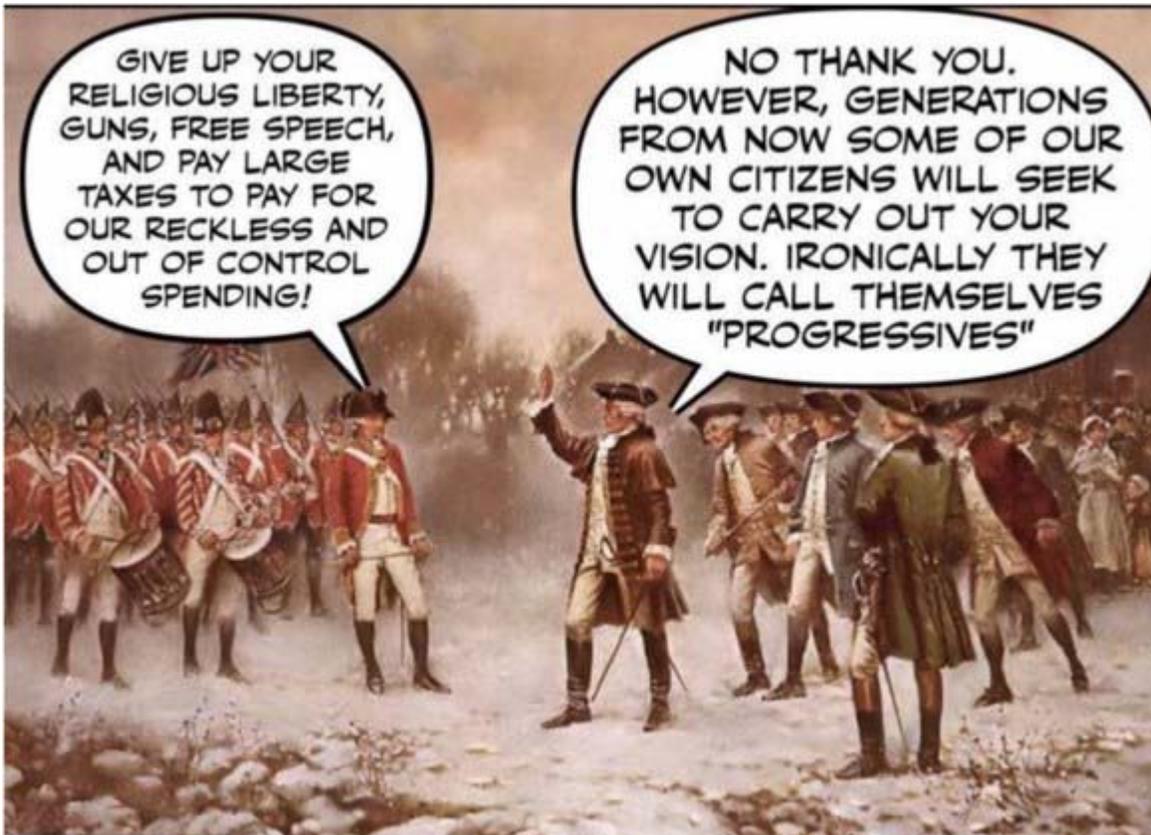
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BETWEEN **BARACK** AND A **HARD PLACE**.

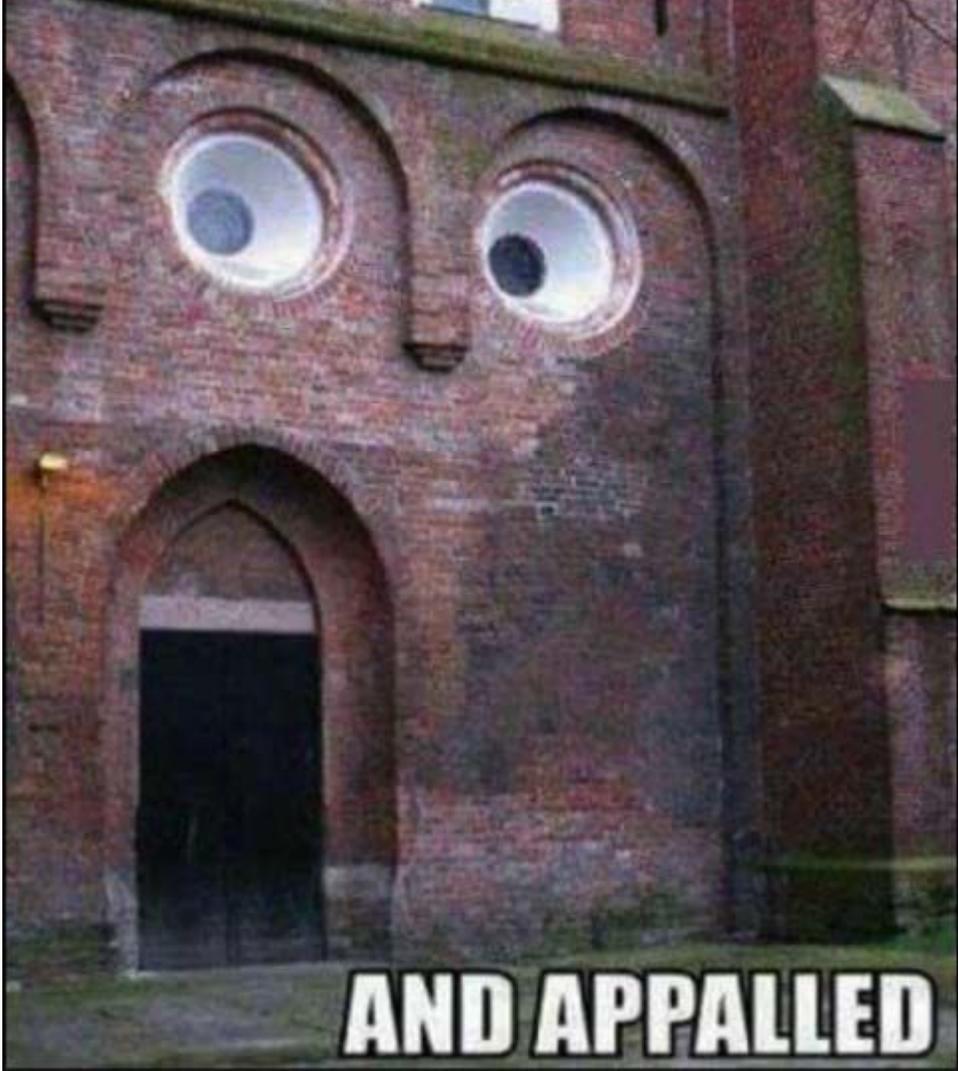




Another great actor who wasted his life on drugs and alcohol.



**I AM SHOCKED**



**AND APPALLED**