

Obama to Tap Political Petroleum Reserve

Contributed by Tom McGregor
Thu, Aug 30, 2012, 07:02 PM

President Barack Obama contends that rising gasoline prices could cause him to lose his \$1 billion White House re-election bid. So, he pledges to tap the Strategic Petroleum Reserve before November. According to the Houston Chronicle, "tapping the reserve has been on the table since the European Union imposed a ban on Iranian oil earlier this year. Oil prices jumped in the past week amid fears that Israel will launch a military strike against Iran's nuclear program. Meanwhile, the United Nations has basically thrown in the towel on Syria, which could have broad geo-political implications in the oil-rich Middle East." Oil markets had been in turmoil for much of the year due to political uncertainties. Although a mid-summer rise is not unusual, Obama's larger concern is the election in November. As reported by the Houston Chronicle, "the current administration released oil from the reserves last year in response to the Arab Spring uprisings in Libya. And now, a year later, it's talking about it again. Maybe that provides a political solution, but it ignores the purpose of the reserve. It isn't really a "strategic" reserve if releases become a routine of summer. The reserve exists to offset major disruptions in supply, not to provide a political hedge against unpopular prices." Besides, tapping the Political Petroleum Reserve only causes gas prices to drop briefly before rising even further. To read the entire article from the Houston Chronicle, link here: tmcgregordallas@yahoo.com