OPINION

REVIEW & OUTLOOK

Obama's Oil Crisis Politics

Democrats want to change the subject from the Gulf spill to cap and tax. BP approves.

Not too many weeks ago it looked as if President Obama's cap-and-tax program for energy was dead for this year. But with the political and media left whacking the President for his handling of the worst spill in U.S. history, Democrats have suddenly decided that this is one more crisis that shouldn't go to waste.

Consult Mr. Obama's remarks last Wednesday about "the future we must seize" at Pittsburgh's Carnegie Mellon. "The time has come, once and for all, for this nation to fully embrace a clean energy future," he said. "I want you to know, the votes may not be there now, but I intend to find them in the coming months."

Nancy Pelosi forced House Democrats to walk the cap-and-tax plank last July, and the White House now plans a summer push in the Senate, where Midwest and coal-state Democrats are still leery of imposing huge new energy costs on their constituents. But Democrats won't stop merely because cap and tax is unpopular and destructive. ObamaCare was too.

As with health care, the strategy is to ram the thing through by any means necessary. Amid a revolt against government excess, and a rising liberal panic about November losses, Democrats understand that the political window for their green ambitions is closing. Without any policy concessions to the public mood, they've simply decided that they haven't done enough to convince voters how great their plans are.

Wednesday's speech was a preview of this new rhetorical campaign: The Gulf crisis will replace the artist formerly known as the climate bill. "The next generation will not be held hostage to energy sources from the last century," Mr. Obama said, throwing in some banalities about GOP narrow-mindedness and dependence on foreign oil at no extra charge. BP will play the political foil, like the insurer WellPoint did during the health-care debate.

As policy, this is a non sequitor. Cap and trade will do little or nothing to end U.S. oil dependence. It will merely make a globally traded commodity more expensive domestically. Oil consumption will naturally decline somewhat, but the reality is that there isn't a viable oil substitute—especially for the transportation that accounts for about 70% of U.S. consumption. Electric cars are years if not decades away from commercial viability, while ethanol isn't energy-dense enough to get a jet off the tarmac. Maybe hot air balloons?

Mr. Obama conceded as much in March when he bid for Republican support for a car- [...] nomic growth and produce jobs, and to keep our businesses competitive," he said, "we are going to need to harness traditional sources of fuel even as we ramp up production of new sources of renewable, homegrown energy." He noted only days before the BP rig exploded that "It turns out, by the way, that oil rigs today generally don't cause spills."

Er, about those spills. Even if Mr. Obama's current drilling moratorium is extended ad infinitum, the U.S. will simply import more from Canada and Mexico (the main sources of "foreign oil") as well as the rest of the world, most of it with more lenient environmental regulations. At any rate, the emphasis of the Senate bill rolled out last month by John Kerry and Joe Lieberman is on emissions from coal-fired electricity. Utilities will mostly fuel-switch to natural gas, which is produced by . . . drilling.

As for the idea that cap and tax is the best way to punish BP and Big Oil, it'd be more convincing if Kerry-Lieberman hadn't been written in concert with ConocoPhillips, Royal Dutch Shell and—bad-timing department—BP. "Ironically, we've been working very closely with some of these oil companies in the last months," Mr. Kerry said in early May.

The Senator from Nantucket added that "they've acted in good faith and they've worked hard with us to try to find a way to get us to a solution that meets all of our needs." Lobbyists for the three oil majors were regular visitors to Mr. Kerry's closed-door negotiations.

Democrats have also co-opted other should-be opponents, and not only in the oil industry. Corporate cap-and-tax enthusiasts include Duke Energy and most of the other utilities, as well as Honeywell, DuPont and other large corporations on the Business Roundtable. General Electric CEO Jeff Immelt captured this mentality best, as he so often does. "National policy—including an effective price on carbon and a strong, nationwide clean energy standard—is needed to drive increased investment, which in turn creates new technologies and jobs," he wrote in endorsing Kerry-Lieberman.

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Like the medical-industrial complex, these businesses will soon come to rue their concessions for a seat at the table and some momentary corporate welfare. But everyone else should understand the stakes. Democrats know this is their last opportunity to control another huge chunk of the economy. Facing diminished majorities next year if not an outright loss of power on Capitol Hill, liberals are going to make one more bloody-minded charge to do for energy what they've already

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