

As fuel prices surge, now is the time to go green

By *Sonali Kolhatkar*

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With fuel prices soaring as a result of Russia's war against Ukraine, there has never been a better time to end our reliance on fossil fuels, writes [Sonali Kolhatkar](#).

LONG USED TO cheap gas at the pump, Americans are experiencing serious sticker shock these days as gas prices rise to \$6 or even \$7 (AU\$8.47/\$9.62) a gallon (3.8 litres). News [headlines](#) are linking this sharp increase to Russia's war on Ukraine. [Guilt-inducing memes](#) are cropping up on social media shaming people for complaining about the high gas prices in the face of Ukrainian suffering.

Such logic is based on the idea that oil companies have no control over the price of oil and that high prices are stemming, almost "naturally", from an imminent scarcity of oil as a result of a ban on Russian energy imports.

Whether or not this is true, an economy based

on a source of energy that is so fickle will always be vulnerable. So where are the calls for ending our dependence on oil and gas?

[Collin Rees](#), senior campaigner with [Oil Change International](#), told me in a recent [interview](#) that there is "a complex interplay" of forces that determine prices and in fact, "the U.S. doesn't actually import that much Russian oil and gas". Only about [8 per cent](#) of all oil and gas imported into the United States comes from Russia. When accounting for domestic oil and gas production, the Russian contribution to American fossil fuel use is a paltry 2 per cent.

Rees explains that if Russia's war on Ukraine had any effect, it was that "increased fear among investors [has] driven up prices". So, no, the Russian war on Ukraine has little direct connection to the hike in gas prices at the pump. Rather, it is investor fear of losing out on current and future profits that is pushing prices up.

Still, it is important to point out that oil has become a [convenient ransom note](#) in the war. The West threatens to stop importing Russian oil, while Russia threatens to cut off oil supplies to the West. "It's a complex issue with a lot of leverage on both sides," says Rees.

In the meantime, for those Americans struggling to make sense of what they're seeing at the pump, prices actually [began rising in 2021](#) as pandemic-related quarantines eased and Americans resumed commuting and travel.

According to the U.S. [Energy Information Administration](#), last year:

'Rising crude oil prices and increased gasoline demand contributed to... the highest average nominal price since 2014.'

The average price for retail gasoline increased by more than \$1.00/gal between the start and the end of 2021.'

Rees said:

"The oil industry is a boom-bust industry. This is an extremely volatile industry that goes through price spikes and price dips, and for that reason, it's not something that we want our economies to be hooked to in the future."

But the fossil fuel industry is already using the price spike to make the case for generating more oil and gas and to demand the sale of more [oil and gas drilling leases](#). If the logic of Russian oil scarcity as the reason for price increases is to be believed, then conversely, it's easy to make the case that increasing supplies will bring down prices.

The idea that supply and demand drives prices is an elegant one that fits well with the myths we have all been fed about capitalism.

Ever the opportunist to ensure corporate profiteering, Tesla CEO Elon Musk [tweeted](#):

'Hate to say it, but we need to increase oil and gas output immediately. Extraordinary times demand extraordinary measures.'

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— Elon Musk (@elonmusk) [March 5, 2022](#)

But it's not just Musk. Energy Secretary [Jennifer Granholm](#) said recently:

"In this moment of crisis, we need more supply... right now, we need oil and gas production to rise to meet current demand."

In other words, Americans are being told we have to accept that the price of isolating Russia for its war on Ukraine is more expensive gas and the price for ensuring cheaper gas is to increase reliance on fossil fuels.

Only a few months ago, [Granholm](#) admitted that *"the energy industry is making enormous profits. They're back up... above where they were before the pandemic started"*. Rees concurs, [saying](#) the industry is *"raking in massive profits"* amounting to *"obscene amounts of money"*. In fact, the top 24 oil and gas companies in the world made [\\$174 billion](#) (AU\$239.3 billion) in profits in the first nine months of 2021.

The organisation [Earthjustice](#) points out that with the windfall:

'...oil companies are buying back their own shares, funnelling dividends to their shareholders and paying lobbyists to demand cheap new federal leases so they can stockpile them for future profit.'

It's easy to mock Americans for paying more attention to the [price of oil](#) than the price of milk. But decades of

artificially low oil prices, combined with out-of-reach electric vehicles, have created a dependence that is not the fault of ordinary people. Oil profiteers and their allies in Washington DC are to blame for ensuring that our economy remains wholly reliant on a product that also threatens the survival of our species through resulting climate change.

President Joe Biden, during his 1 March [State of the Union address](#), could have used high oil prices to boldly tout his climate justice agenda. He could have linked the volatility of oil prices to the need for less reliance on oil. But he did neither.

Instead, he assured Americans that there would be plenty of oil, saying the United States was “*releasing 30 million barrels from our own Strategic Petroleum Reserve*,” adding, “*we stand ready to do more if necessary*”.

Biden, who ran for President on an ambitious [climate justice platform](#) and who appointed the first Native American Interior Secretary, [Deb Haaland](#), known for her climate activism, has betrayed his own agenda. The [Washington Post](#) in January pointed out how ‘*Biden has outpaced*’ his pro-oil predecessor, Donald Trump, on issuing oil and gas drilling leases on public lands.

What’s bizarre is that our continued reliance on oil and gas is no longer financially sensible even by the logic of capitalism.

Leading environmental activist and founder of [350.org](#), [Bill McKibben](#), wrote in [The Guardian](#):

‘...scientists and engineers have

dropped the cost of solar and wind power by an order of magnitude, to the point where it is some of the cheapest power on Earth.’

“Big oil and gas [have] bought out our politicians,” [explains](#) Rees about why there remains such a continued dependence on a destructive and dwindling resource, whose prices are volatile and whose sources are politically fraught.

Just as the fossil fuel industry and its political allies are using Russia’s war on Ukraine and resulting high prices to justify increased dependence on the resource, now is the time for advocates of sanity and safety to use this moment to instead pivot as far away from petroleum as fast as possible.

Rees concludes:

"It's more critical than ever in these moments to recognise that this is a chance to free ourselves from that dependency, to free ourselves from that cycle of conflict and fossil-fueled harm and pain and death, and to build a better world, hopefully."

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