

# Two Big Republican Lies -- What You Need to Know

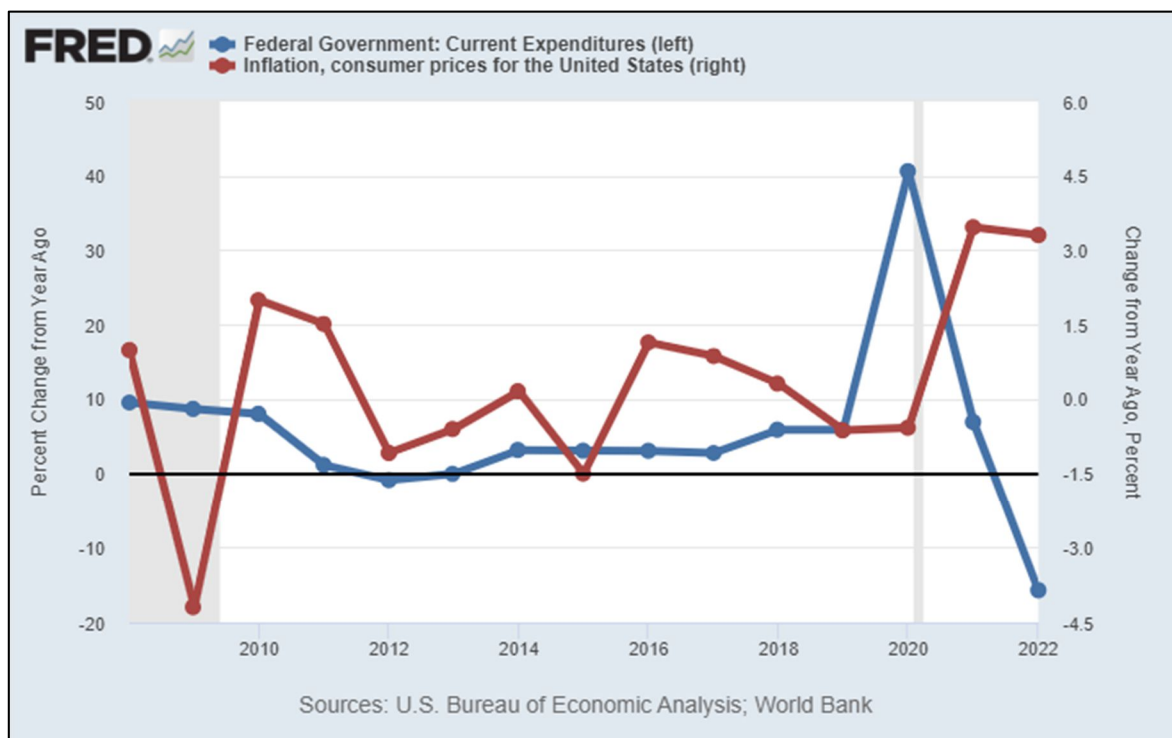
Steve Max 09/01/23

Did you watch the Republican debate? While it was hard to take, it was useful in at least one respect: we got to hear some of the main talking points that we will confront in the coming congressional elections as well as the presidential. Three Parks expects to be canvassing in suburban congressional districts near the city where many swing voters live, and, while long conversations are rare, it will be useful for us to know a few of the lies voters have been subjected to, and how to counter them.

## Lie # 1. Biden's Budget (Federal Spending) Is the Cause of Inflation.

It is hard to understand why people so readily accept this misconception; perhaps it is because they have heard it so often. The Republican idea is that if the government buys 1,000 ballpoint pens for its employees' use, that causes inflation, but if TD Bank buys the same pens for its customers' use, that is good business and strengthens the economy. Of course, it is true that if the government buys the last pens on the market, then you will be able to sell your old one on the street for five dollars, and that does cause inflation. But the same would be true of TD Bank's pen purchase.

If federal spending really caused inflation, one would expect to see a correlation between changes in the federal budget and changes in the inflation rate, but as the chart below makes clear, there isn't any. In the COVID crisis years, federal spending rose because of COVID relief, and prices rose because of COVID related interruptions in the supply chain. One didn't cause the other.

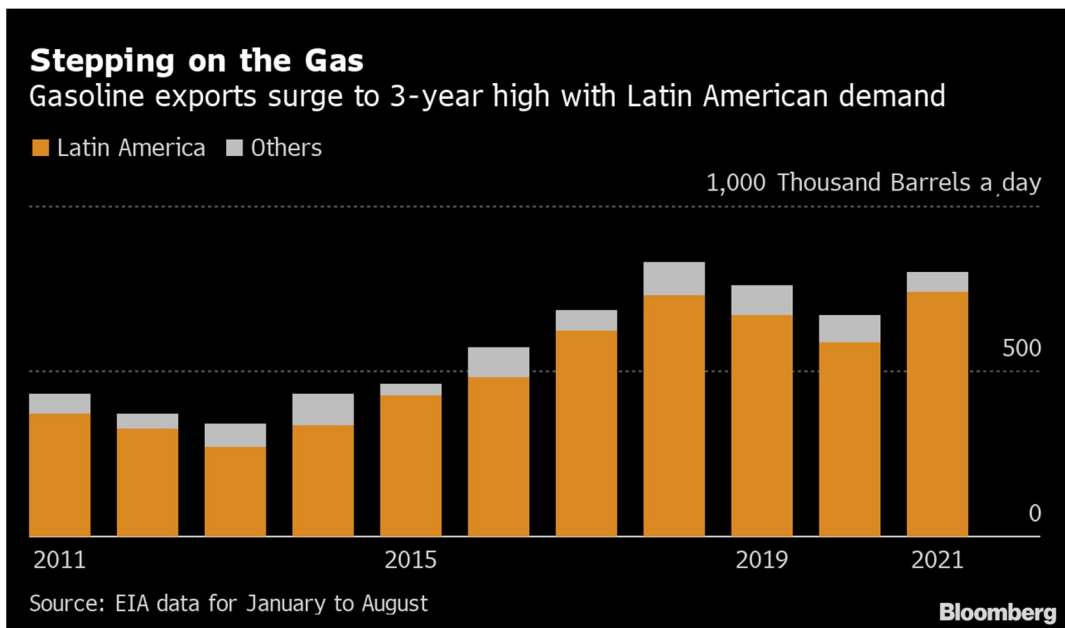


In any discussion of what causes what, it is essential to keep in mind one of the basic propositions of logic, “*Correlation does not imply causation*,”<sup>1</sup> which is to say that if at the moment you fall over, I should happen to sneeze, there is no implication that I sneezed you over. Neither can it be assumed that your falling caused my sneezing. Although neither possibility is ruled out, specific evidence must be offered. In the sneezing case, I have no idea what that might be.

## Lie # 2. Biden’s Environmental and Energy Policies Cause High Gasoline Prices.

This summer, gasoline prices rose to around four dollars a gallon here in the Northeast. In the debate, we heard the Republicans, over and over, blame Biden’s minimal environmental restrictions on oil drilling, and his efforts to promote electric vehicles, for the situation. At the same time they condemned Biden for not doing more to promote electric vehicles in the face of Chinese competition.

The main reason oil companies raise gasoline prices is because they can. Reagan ended price controls on gas and oil in 1981.<sup>2</sup> Republicans and the industry claim that high prices result from short supply. However, for the third year in a row, the US is [exporting more oil](#) than it imports.<sup>3</sup> More important, the US is also the world’s third largest exporter of gasoline, most of which is sold in Latin America.

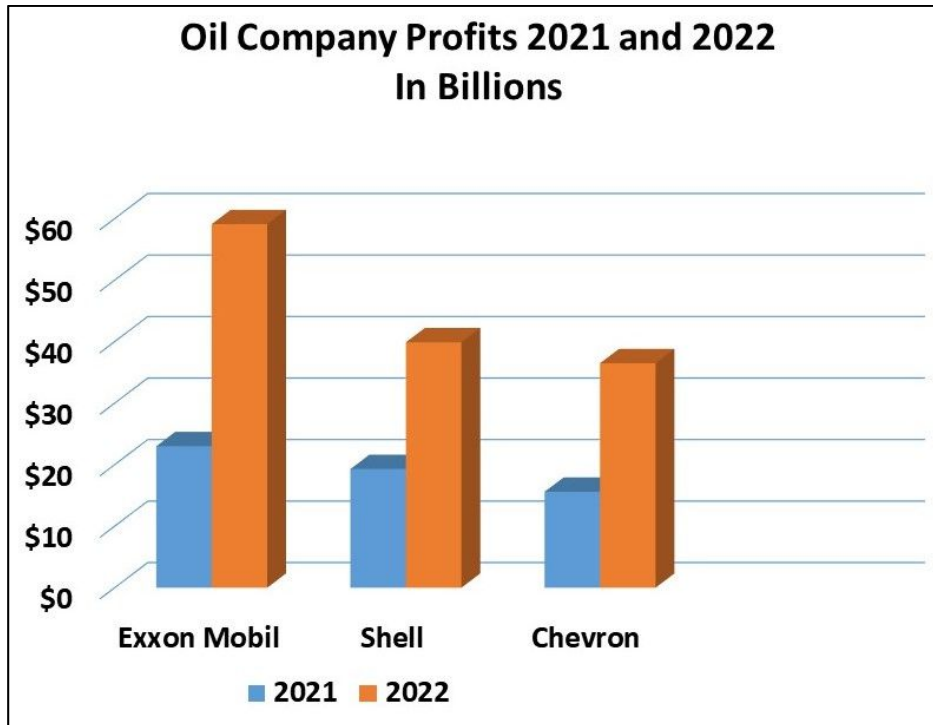


<sup>1</sup> [https://en.wikipedia.org/wiki/Correlation\\_does\\_not\\_imply\\_causation](https://en.wikipedia.org/wiki/Correlation_does_not_imply_causation)

<sup>2</sup> <https://www.washingtonpost.com/archive/politics/1981/01/29/reagan-decontrols-gasoline-crude-in-deregulation-debut/fa3134b7-f70a-4bdd-92be-3c92f43e6112/>

<sup>3</sup> <https://www.eia.gov/energyexplained/oil-and-petroleum-products/imports-and-exports.php> Why the US both exports and imports oil is complicated and has to do with international prices, shipping costs and US refineries having been built to process lower quality Mideast oil.

While gasoline prices differ widely from country to country, as of last June, gasoline was selling for a little over six dollars a gallon in Mexico, the Dominican Republic and Costa Rica. In addition, it is much less expensive to ship gasoline to these places from Gulf Coast and Southwestern refineries, than to send it to New York and New England. Needless to say, the result has been an astonishing rise in oil company profits.<sup>4</sup>



Under the current free market system, the Administration has just about no ability to bring down gasoline prices other than limiting exports. In 2021, when Biden first suggested that export restrictions were on the table, the industry retaliated by saying that such a policy would cause them to raise prices even further.<sup>5</sup>

US companies don't need more oil in order to lower prices as Republicans claim. The industry is already exporting oil and gasoline. If the oil companies want to increase drilling, they have thousands of unused leases to drill on public land.<sup>6</sup> (They shouldn't have been given those leases in the first place, but that is another story.) Although gasoline is only about 7% of the Consumer Price Index, it is the most

<sup>4</sup> <https://www.visualcapitalist.com/cp/big-oil-profits-reached-record-high-levels-in-2022/>

<sup>5</sup> <https://nypost.com/2022/06/23/us-refiners-to-urge-biden-admin-not-to-ban-fuel-exports/>

<https://www.reuters.com/business/energy/top-us-oil-group-urges-biden-take-fuel-export-ban-off-table-letter-2022-10-04/>

<sup>6</sup> <https://www.politifact.com/factchecks/2022/mar/09/joe-biden/fact-checking-bidens-claim-there-are-9000-unused-o/>

visible type of price increase and drives up most other prices. In spite of high gasoline prices, the overall rate of increase in the Consumer Price Index has been slowing, a big plus for the Biden campaign.

As we start talking to voters, we need to stress that the Republican program of returning to fossil fuels is no answer. While no president can single handedly bring down gasoline prices, we can focus on the many accomplishments of the Biden Administration.

### **Biden Talking Points From the [White House](#)**

In the 12 months since the Inflation Reduction Act was signed into law:

- The private sector has announced more than \$110 billion in new clean energy manufacturing investments, including more than \$70 billion in the electric vehicle (EV) supply chain and more than \$10 billion in solar manufacturing. Since the President was elected, the private sector has announced approximately \$240 billion in new clean energy manufacturing investments.
- Investments in clean energy and climate since the Inflation Reduction Act was signed into law have created more than 170,000 jobs, and the law is projected to [create more than 1.5 million additional jobs](#) over the next decade according to estimates by outside groups.
- Public and private sector investments driven by the Inflation Reduction Act and the Bipartisan Infrastructure Law are expected to reduce greenhouse gas emissions by approximately 1 billion tons in 2030.
- The Administration has already awarded over a billion dollars to help communities become more resilient and protect them from the disastrous impacts of climate change, including drought, heat, and extreme weather.
- American families are projected to save \$27-38 billion on their electricity bills from 2022-2030 relative to a scenario without the Inflation Reduction Act, according to new data released by the Department of Energy.
- The Department of Energy found that the Inflation Reduction Act and Bipartisan Infrastructure Law are driving significant new clean electricity generation, enabling the United States to potentially reach 80 percent clean electricity by 2030.
- U.S. electricity generation from wind is expected to triple and solar generation is expected to increase seven- to eight-fold by 2030, according to Department of Energy estimates. Over the next seven years, we expect twice as much wind, solar, and battery deployment as there would have been without the Inflation Reduction Act.

“This isn’t that complicated guys, unlock American energy, drill, frack, burn coal, embrace nuclear,” technology entrepreneur Vivek Ramaswamy said.”

“‘We’re going to open up all energy production, we’re going to be energy dominant in this country,’ Florida Gov. Ron DeSantis said in the first minutes of the debate, echoing [a familiar Trump line.](#)”

- Electric vehicle sales have tripled since President Biden took office, spurred in part by investments in the Inflation Reduction Act to boost clean energy manufacturing and lower Electric vehicle costs for American families.

There is much more to the Inflation Act, including strengthening health care, taxing the rich, making the IRS more efficient and helping communities. It is the signature legislation of the Biden Administration. Read the White House briefing paper [here](#).

Yes, this stuff is complicated, but then the real world is far more complicated than the fascist fantasy land of Trump's followers. It will take work to get the message out, but we can do it.

