

# Ending The Tyranny of Oil

by Antonia Juhasz

Big Oil maintains an almost impenetrable cloak of secrecy around its business dealings, leaving consumers, policy makers, and industry experts alike with shockingly limited access to meaningful information about both the companies' inner workings and their relationship



to the American and global political system. At its heart, Big Oil's power is derived through money—lots and lots of money. The top seven oil companies alone operating in the US took in \$133 billion in profit last year, money that buys an unparalleled influence in state governments, Congress, the White House, and in the international arena.

In my forthcoming book, *The Tyranny of Oil: the World's Most Powerful Industry—and What We Must Do To Stop It*, I take on big oil—the individual oil companies themselves. I expose the underlying reason for the skyrocketing price of oil, particularly since 2000—rampant industry financial speculation and manipulation of the market. I reveal how as much as half of the price of a barrel of oil is largely determined by the actions of energy futures traders, including those working for and on behalf of Big Oil. I also reveal that the real culprit behind the rapid pace of rising gasoline prices is over-concentration in the US oil industry. Since the 1990s, more than 2600 mergers have taken place in the US oil industry. I trace the transformation from use to disuse of antitrust law in the US, concluding that many, particularly the largest of these mergers, should never have been permitted. ExxonMobil, Chevron, ConocoPhillips, BP, Shell, and Valero control almost 60% of the US refining market—roughly twice as much as the largest companies controlled 12 years ago—and more than 60% of US gas stations. Thousands of independent oil refineries and gas stations have been bought up or pushed out, leaving a market dominated by a few oil giants.

Despite Big Oil's very expensive hype, it has no intention of becoming "Big Energy." The industry's investments in green, sustainable, alternative energy are all show. The oil companies fully expect to remain oil companies well into the future, thanks to their massive profits which are being used to scour the globe for every last drop of oil—from the tar sands of Canada to the shale regions of the Midwestern US, off America's coasts and in deep waters around the world. For, if one cares little for the environmental, economic, social, or

political costs associated with drilling for and capturing the world's remaining oil – particularly unconventional oil – there will be plenty of oil for decades to come.

Governments – not oil companies – should capture the increased price of oil and use that money for massive investments in tools to make the transition away from oil a low cost undertaking for everyday people. First, we must reduce oil consumption, transitioning away from oil as rapidly as possible, and help others around the world do the same. Second, we must call for the Separation of Oil and State. Based on the successful campaigns in the 1990s against the tobacco industry, Oil Change International is spearheading a campaign to call on anyone who seeks or holds elected office to renounce oil industry money in all its forms as a clear demonstration that campaign promises will become policy reality when the campaigning is over. Third, we should break-up Big Oil. Our nation's antitrust laws were written to attack the economic power that the nation's largest companies—led by Standard Oil—exercised over our government. We face a similar, if not a worse situation today. In order to reclaim our democracy, we must rein in the economic influence of the oil industry so that decisions about the most pressing issues of our day – worker safety, public health, war, and our planet's very survival – can be addressed through democratic decision-making.

*Antonia Juhasz is the author of The Bush Agenda: Invading the World, One Economy at a Time. Her new book, The Tyranny of Oil: the World's Most Powerful Industry—and What We Must Do To Stop It, will be published by HarperCollins in October 2008. Juhasz is a fellow at Oil Change International and the Institute for Policy Studies. See [tyrannyofoil.org](http://tyrannyofoil.org).*

