Why there's so much money in US politics [1]

Written by **Tim Worstall** [2] | Friday 23 December 2011

Well, yes, obviously, as PJ O?Rourke pointed out, the reasons there's so much money in US politics is because as soon as you let the politicians decide what can be bought and sold it will be the politicians being bought and sold. And the level to which politics decides what can be bought and sold shocks even me and I've worked over there. Try this [3]:

> U.S. officials will soon weigh in on a fight between companies that want to export some of America's fast-growing supply of natural gas and big manufacturers that oppose the exports because they rely on cheap domestic gas. In the next few weeks, Washington's number-crunchers are set to estimate whether exports would cause U.S. prices to swell?a finding they will use in deciding the fate of more than a half-dozen projects across the nation. The battle, which pits manufacturers such as Dow Chemical Co. against energy producers like ConocoPhillips, shows how the boom in U.S. fossil-fuel production is upending markets and forcing policy makers into decisions they didn't imagine facing just a few years ago.

So, that huge rise in gas supplies, those falls in prices, as a result of fracking. Excellent stuff, so, given that the price abroad can be three times what it is in the US, some producers are talking about exporting it as LNG. Excellent stuff.

Except, except, WHAT? the government is seriously studying the question of banning such exports? At the behest of those US companies that buy the gas currently? WHAT?

This gas is private property. To be disposed of in the manner the the current owner wishes to. We also have a method of influencing that owner: it's called the price system. The moment we let the politicians decide what may or may not be exported we of course create the opportunity for some to make billions by offering politicians millions (yes, politicians really are that cheap).

It also gets worse. There won't be a blanket ban on exports, one company already has a license. So there will be politically favoured companies that are allowed to export and there will be politically unfavoured ones that will not. I know of another country that has this system for natural gas exports, Russia, through Gazprom. And believe me, it really isn't a pretty sight at all, partly because Russian politicians aren't as cheap as American ones.

If you really want to corrupt the American body politic, really want to destroy after a couple of centuries the first great attempt at government for and by the people then carry on by all means, bring the fossil fuel money into the centre of the system. Have the politicians decide who may export and who may not and watch as they wax rich on the purchase of their votes.

Better, much, for those who want to use domestic gas domestically to pay a price sufficient to dissuade export. For while we might not like sometimes the outcome of such market action ("Look, the foreigners are using our precious natural resources!") it's vastly better than what interfering in them does to the rest of society.

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