



Written by [William F. Jasper](#) on March 29, 2012

\$7, \$8 Gas? Sen. Paul Tries to Blunt Bill That Would Push Your Gas Prices Higher

Apparently not satisfied with helping to fuel a more than 100 percent increase in the gas price, the Obama administration and its congressional allies are pushing legislation that would penalize the domestic oil companies that are now producing new jobs in our struggling economy and providing much-needed energy that is making us less dependent on foreign sources. Sen. Robert Menendez (D-N.J.) has introduced [S. 2204](#), which he has named the "Repeal Big Oil Tax Subsidies Act." It might be more apropos to name it the "Prolong the Recession and Double Our Gas Prices Again Act."



Sen. Rand Paul (R-Ky.) rose on the Senate floor on Tuesday, March 27, to [challenge](#) the wisdom of raising taxes on oil companies at this critical time, and to offer two amendments to the bill aimed at ending taxpayer-subsidized loans to the favored "alternative energy" sector, such as the \$500 million loan to [Solyndra](#), the failed solar panel manufacturer.

"Gas prices have doubled under this President," said Sen. Paul, "so today this body will consider new legislation which the other side, I assume thinks will make the situation better. But the other side's solution is to raise taxes on oil companies, raise taxes by \$25 billion."

"Any of you who have a business know that when you raise taxes on a business, it's simply a cost to doing business," Sen. Paul continued. "When your costs increase from making your product, what do you do? You charge your consumer more.... I don't quite understand how raising \$25 billion worth of cost on the oil industry is going to help gas prices. In fact, I think it's going to send gas prices even higher."

Sen. Paul continued:

Now some on the other side say this is a matter of fairness. Everybody needs to pay their fair share. Well, oil companies actually pay \$86 million a day in taxes. The oil companies in the last 10 years have paid over \$100 billion in taxes.

The people who say we just must punish them. They're making too much money, let's punish them. The oil companies employ 9.2 million people. They're 8 percent of our GDP. Do we want to punish the people who are creating jobs, the people who are trying to make us energy-independent in our country? It makes absolutely no sense.

White House Corporate Cronyism

"While the President talks about people not paying their fair share, he's actually giving more than their fair share to his friends," Sen. Paul noted. "I don't think the government should be used as a loan agency to give money to your contributors. This is unseemly. The conflict of interest is, I think,



Written by [William F. Jasper](#) on March 29, 2012

undeniable.”

The Senator provided some specifics to back up his charge of unethical relations:

We have companies like Solyndra. This is a company that received \$500 million of your money and went bankrupt. Just so happens that the owner of the company is the 20th-richest man of the United States and a big donor of the President. It just so happens that this company, Solyndra, the person who approved their loan was related, was the husband of a woman who worked for Solyndra.

Another company, a company called bright source out of Massachusetts, is owned by one of the Kennedy family. They got \$1.8 billion, and guess who approved their loan? A guy that used to work for the Kennedys who is now in president Obama's administration. It doesn't pass the smell test.

What we have is crony capitalism, or crony governmentalism, where the government is picking out their friends and giving money to their friends. And so we come here today to raise taxes on big oil. Meanwhile we're giving money to millionaires and billionaires, and it doesn't seem right that your tax dollars should be sent to companies simply because they were big contributors.

Another company, Fisker Karma got \$500 million supposedly to make an electric car in in the United States. Guess where they're making it? In Finland.

Instead of penalizing real energy producers and granting special favors and subsidies to energy companies that are either frauds or fantasies, Sen. Paul offered amendments to reduce corporate tax rates to make them competitive with tax rates around the world, as well as ending subsidies to the corporate cronies. The Kentucky Solon said:

So I have two proposals. One amendment to this bill would say, look, if you think that some companies are getting unfair deductions, let's get rid of all deductions. Let's just have a flat tax. Let's make the corporate income tax 17 percent; currently its 35 percent.

See if you want to encourage business, you want to encourage employment, you lower taxes. You don't raise taxes. Canada has an income tax for their corporations of 17 percent. Most of Europe is in the low 20's. And we're at 35 percent.

We wonder why we can't get business started in this country. We wonder why there is billions; even trillions of dollars left overseas that won't come home because we want to charge them 35 percent tax when it comes home.

Our bill would also say if you've already paid taxes overseas once, you don't have to pay again when you come home. So a 17 percent flat tax, you would see a boom in this country like you haven't seen in a generation. You would see millions of jobs being created if we would just learn the basic facts of economics.

Sen. Paul warns that if S. 2204 passes in its current state, “not only will your gas prices continue to rise — they have already doubled — but you'll see your gas prices going through the roof.... We're in the midst of a great recession. Until we understand this fundamental fact, we're not going to recover as a nation.”

Related articles:

[Fueling High Gas Prices](#)



Written by [William F. Jasper](#) on March 29, 2012

[High Gas Prices Set to Cause Double Dip in Economy](#)

[Washington Post: Solyndra Loan Was "Infused" With Politics](#)

[Obama Claims Solyndra "Not Our Program, Per Se"](#)



Subscribe to the New American

Get exclusive digital access to the most informative, non-partisan truthful news source for patriotic Americans!

Discover a refreshing blend of time-honored values, principles and insightful perspectives within the pages of "The New American" magazine. Delve into a world where tradition is the foundation, and exploration knows no bounds.

From politics and finance to foreign affairs, environment, culture, and technology, we bring you an unparalleled array of topics that matter most.



[Subscribe](#)

What's Included?

- 24 Issues Per Year
- Optional Print Edition
- Digital Edition Access
- Exclusive Subscriber Content
- Audio provided for all articles
- Unlimited access to past issues
- Coming Soon! Ad FREE
- 60-Day money back guarantee!
- Cancel anytime.