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A slick justification for huge oil company profits

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What ingrates we are. How could we even think of rolling back \$4 billion a year in tax subsidies for big oil and gas? Just because the energy corporation-nations are making even more gargantuan profits as they reap the windfall from gasoline prices that are bringing our economy to its knees, we're whining about their special-favor treatment. Have we no pride? Has John "I Never Met a Lobbyist I Didn't Like" Boehner turned into a mushy wimp when he said that "we certainly should take a look at" the billions in tax subsidies the industry gets, at a time when the government is desperately looking for ways to close the budget deficit?

We expect that from President Barack Obama and the Democrats, but Boehner? Doesn't he, doesn't everybody, realize that even though these gas and oil industry profits are extracted from all of us, the pain is worth it?

Don't take my word for it. We can thank the American Petroleum Institute for a brand new study that explains the public service its member conglomerates perform. According to Kyle Isakower, who is API's vice president of regulatory and economic policy, "The oil and gas industry supports millions of jobs and a significant portion of our economy and the retirement benefits of America's teachers, police officers and thousands of others with a pension or 401(k)."

The API study analyzed four states' public employee pension plans that invest heavily in energy stocks and therefore benefit from these profits. The API study was publicized to blunt any public anger about soaring oil company profits at a time when gasoline prices are hitting \$4 a gallon.

And, days after the API study was released, sure enough, Exxon said it earned nearly \$11 billion in the first quarter, compared with \$6.3 billion a year ago. The results even surprised Wall Street. Shell, Occidental and Apache also announced results that were extremely prosperous.

API offers the new investment study to lobby lawmakers against Obama's proposal to axe a broad swath of tax deductions used by oil and gas producers, such as deductions for intangible drilling costs. And they have no shortage of hired guns to help them. According to the Center for Responsive Politics, an independent monitoring organization, the energy industry in 2010 spent nearly \$147 million on lobbyists, 793 of them.

But we owe API a warm vote of thanks. In other words, just because company profits are off the charts, the politicians should leave them and their billions in subsidy money alone.

Obama proved once again he knows a potent political opening when he sees it, so he made short work of that rationale, saying, "High oil prices provide more than enough profit motive to invest in exploration and production without special tax breaks."

But the API elixir will likely get swallowed in Congress, particularly among Republicans, who have always rushed to defend the industry.

So we need to suck it up when we fill 'er up. And never mind that AAA reports more drivers are running out of gas they can't afford. API seems to suggest that the economy would run out of gas if it weren't for these profits. So when Fed Chairman Ben Bernanke states the obvious, that "Higher gas prices are absolutely creating a great deal of financial hardship for a lot of people," ignore him and listen to the experts at the American Petroleum Institute.

If we can't believe them, who can we trust? The politicians?

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