

# COLUMBIA GLOBAL REPORTS

Dear Reader,

When fracking—the still relatively new technique for extracting natural gas and oil from shale far below the ground—gets attention outside of the oil industry, it's usually over the question of its effects on the environment. There is another shale, story, though, of equal or greater importance, which is what the esteemed business journalist Bethany McLean tells in *Saudi America*.

In a boom-and-bust business, fracking was supposed to be so magically reliable a technique for extracting fuel from rock that it would make investing a drilling a sure thing, not a gamble, for the first time. Especially after the 2008 financial crisis, when most investments were going south, capital poured into fracking companies. And the amount of new gas and oil that fracking would produce would also help the United States to achieve its long-deferred goal of energy independence. In a little-noticed development during the Obama Administration, America began exporting oil for the first time in memory. By making this possible, fracking was also supposed to change geopolitics, turning the U.S. into the world's oil superpower and greatly reducing the strategic importance of oil-producing countries like Saudi Arabia, Russia, and Venezuela.

McLean traces the rise of these extravagant hopes, and then shows convincingly how overblown they are. Fracking, she argues, has never proven itself to be a reliably profitable business. Oil and gas prices still fluctuate wildly in the era of fracking. And the United States cannot use what additional oil resources it has to impose its will on the Middle East and other parts of the world. In her fascinating cast of characters, the one who dominates is Aubrey McClendon, the Oklahoma businessman and super-promoter who was the king of fracking, and a billionaire, until a series of spectacular business and legal setbacks ended with his death in a possibly intentional car crash.

*Saudi America* tells a memorable and fresh story. It should persuade you to think about the economics and politics of oil in a new way.

Sincerely,



Nicholas Lemann