



## TOD Local Open Thread: Any Hope of a Buyer's Strike?

Posted by [Glenn](#) on June 12, 2008 - 6:30pm in [The Oil Drum: Local](#)

Topic: [Demand/Consumption](#)

Tags: [buyer strike](#), [demand](#), [demand destruction](#), [supply](#) [[list all tags](#)]

We've heard all sorts of different ideas on how to ease the pain at the pump this Summer for motorists. The Bush administration has argued for OPEC to increase production and Congress to ease restrictions on drilling. In reply Congress wants to sue OPEC over high prices and tax oil company's windfall profits. Senators Clinton and McCain have called for holiday for the Federal gas tax. All of these various ideas have made a lot of headlines, but none of this has done a drop of good so far.

More long term, price induced demand destruction will take hold and people are making better decisions factoring in oil price - they are buying smaller cars and not snapping up McMansions in the hinterland, but with oil near \$140/barrel right now what's the short term answer?

The secret answer to curbing high oil prices in a supply constrained world that no one seems to be talking about is for **buyers to go on strike**. And no, I'm not talking about a meaningless "Don't fill up on this day" but keep driving.

My back of the envelope estimate is that if there were a concerted effort by the major economies (hello G8 ministers meeting in Japan) to have demand pulled back sharply (10-15%) over the Summer, we could see oil prices go down fairly rapidly.

What prospects do people think there is of it? Would it be politically feasible? How much would demand need to decline to make a substantial impact of oil prices?



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