



Leadership can help

Posted by [Heading Out](#) on May 1, 2005 - 7:15am

On Thursday night the President began his press conference by talking about an immediate concern of the American people, the steady increase in the price of gas. He confessed to being able to do almost nothing about it, and, most of his questions, and the resulting comments in Friday's press, dealt with the other major issue, Social Security.

There is an interesting juxtaposition between what he said, Friday, about Social Security, "it is a President's job to address the problem" and what he said about energy "there is nothing I can do." If one goes back to President Carter, one finds clear evidence against the latter position. By a variety of means, albeit only some of which he should be given credit for, oil consumption decreased by almost 13% between 1973 and 1983.

The public response, back then and since, shows that it also is neither stupid nor complacent in dealing with this issue. Residential use of oil dropped from 8% in 1973 to 4%; commercial use dropped from 5% to 2%; electric power use fell from 10% to 3%. And having learned their lessons, those percentages have been sustained since. The major use of oil is for transportation. The public, and industry, understand this issue. It is not ultimately a political problem. [Instapundit](#) will get no more favors at the gas line than [Kos](#). It seems inappropriate, therefore, for our leadership to default on addressing the problem.

The energy problems of this country are not for our children to be worried about, they are here today and will not get better. Along that line I am re-reading [the SAIC report on Peak Oil](#) from which most of these numbers are taken. (And SAIC is not your typical "liberal think tank"). Much has been made of the analogy of the coming energy crisis to that of an approaching tsunami. I am not yet convinced that it is going to be that bad, at least in the short term. What I am more reminded of is [the story of King Canute](#).

Who, you ask? Well historical memory is the curse of an English heritage. King Canute was an English King, who wanted to prove the limits of regal power. And thus he had his throne carried down to the shore, and set down at low tide. As the tide came in, he imperiously ordered it to retreat. Of course it did not, and a hasty court retreat was required. It is a lesson our present day rulers need to remember. You cannot legislate natural realities. If we are running out of oil, pretending it does not exist, or that foreign suppliers can magically create an infinite resource, is going against a natural reality that will not respond to political importuning. Further, pretending that the issue will disappear in a couple of years, as currently projected projects release additional oil, is a selective reading of the facts that will have disastrous consequences.

The problem, at present, is no greater than that of the 1970's. Yes it is going to get worse, but in it's early stages it can be ameliorated by some co-ordinated response that has to come from the Federal Government, and that means ultimately from the President. There are things that can be done. The first two parts of his opening statement recognize that this is so. Technological development does hold the key. But if the key is not used, then it might as well not exist. Those

who remember the developments started in the 1970's to address these issues are now approaching retirement or are already gone. To delay in addressing these issues will only make the problem much worse (and in a much shorter time frame than will come about with the case of Social Security).

This is not to say that oil companies aren't now making lots of money from the rising prices, and that they don't have a concern that the price may fall again as it has so often in the past. Historically that has happened with the release of additional oil from Saudi Arabia. The main difference this time is that the additional oil that SA can release to the market may well not be enough to meet demand later in the year (though it will in the short term of the next few months). Having been burned before, and because there is some doubt in many minds as to how this will play out, there is some caution in committing to very expensive new projects as yet (unless of course you can do it with someone else's money).

Edited to include a reference to the SAIC report...

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