



Complacency or a manipulated trust in the system

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Nations as a rule do not react well to the arrival of a crisis. One need look no further than at the amount of funds that were initially designated to protect the United States following the attacks of 9/11. Recent reports suggest that much of that money was not spent in the most effective manner. Which leads to the concern as to the likely Governmental response as the gas price rises to a point where the public will demand action.

We were sitting, discussing the issue this afternoon, while waiting for a plane that had been delayed. "I have no doubt that someone will come up with a technical solution," said one of the team. This is from someone who has watched as it has taken nigh on twenty years in two separate cases for technology to move from lab experiment in to broad field use. He could not be convinced that as soon as the price of gas became high enough that a crisis was evident that some magical solution would come, either directly from the Government or through some crash program that will, in short order, provide a solution and allow us to continue with relatively little disturbance to his life.

At first you wonder how, with the rising price of fuel, and the comments that I have been heard to mutter at frequent intervals, how he could have such an opinion. But then it is also easy to see why he, and the majority of the American and world population do not see it as that imminent a problem that they should be concerned about it.

Consider this past week the article in [Time Magazine](#) on the current price of oil. To quote

"At some point in the next decade or so " estimates range from 15 to 25 years " the worlds oil production will peak. Yet demand for oil will continue to rise, increasing 50% over the next 50 years."

The article conveys the sense that what we are seeing is not really anything to worry about because there is a lot of, albeit more expensive, oil still out there. What it completely seems to miss is the convergence of supply and demand, and the growing declines in production in country after country, so that new developments are not going to be able to maintain even a constant supply. And as the [Energy Bulletin](#) has reported the value of some of the new finds in the Caspian Sea has also been called into question. And so this peak oil condition could be on us at any time from the late fall of this year. Increasingly experts are saying that it will clearly happen in much less than fifteen years, rather than collectively agreeing that it will not happen until beyond that time.

The article implies that if we are just patient, then prices will fall again. Well there is a short term price drop at the moment since this is the point where the seasonal demand is lowest, but it is really difficult to see any rational reason for assuming that this will last very long into the summer, and that is without any of the incidents that regularly bedevil the stability of supply.

We are in short, as complacent as we were in the early part of 2001. It is doubtful that there has been much thought given to the technical steps that might be needed to speed up the creation of the needed resource. So one should suppose that we will see the same sort of response in terms of spending on Energy that we have seen on Homeland Security. We can only hope that the majority of it may be spent to better end result.

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