

## The US will still need energy tomorrow!

By Gilbert Woolley

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On October 1, a report by a task force of the "Council on Foreign Relations" added its voice to those who advocate that domestic resources of oil and Natural Gas should be exploited to the maximum now, in order to reduce dependence on imports. At first glance this seems reasonable, but it is really short sighted.

As the Report recognizes, dependence on imported oil is not going to go away. Domestic production peaked in the seventies and has been in decline since then. However hard we pump, our resources are finite and when they are used up we will be totally dependent on imports. It is surely prudent to leave some reserves in the ground for emergencies.

The Report states that the US, with 4.6% of the world's population uses 25% of world's oil. A comparison with other industrial countries with similar lifestyles is revealing. To allow easy comparison of energy usage in different economies it is helpful to convert the various forms of energy into a common basis. Since oil is still the predominant source of energy, "equivalent gallons of oil" provides a convenient basis for comparison.

Tons/capita/year oil equivalent	
Average for the world	1.69
OECD *	4.63
US	8.1
UK	3.86

\*OECD (Organization for Economic Co-operation and Development) includes the US and other major industrial nations.

It is a widely held opinion that world oil production has "peaked", or is about to peak, while world oil demand is rapidly increasing. If this is so, the US will be competing with the rapidly growing economies in Asia for a decreasing supply of oil. This will result in a price increase that may well make \$80.00 a barrel look like a bargain. It makes more sense, therefore, to begin to bring demand into line with supply by reducing demand, and the table above shows that the US has the greatest potential to do so without any real hardship. Sooner or later the US will have to learn to live with less oil and gas. This learning will not be easy and will take many years, so the sooner we begin, the less of a shock it will be to the economy. The Report realistically states that, as a first step, increasing the tax on gasoline would result in less driving, encourage purchase of more fuel efficient vehicles, stimulate the development of alternate fuels and make these fuels more competitive with oil.

Importing less oil will reduce the large US foreign trade deficit and also the pressure on the supply and price of oil. It will also be a significant contribution by the US

towards reducing carbon emissions and limiting Global Warming. Attacking the energy problem requires strong leadership from the federal government. Citizens must convince our legislators to supply this leadership.

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