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## An energetic programme

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## An Energetic Programme

Nowhere is the impact of the decline of the U.S. power – and the crisis of American leadership – more evident than in the crucial area of energy – so Business Week last March. Recently President Carter attempted to refute this judgement by taking several dramaturgically attuned initiatives – a phase of contemplation and discussion in historic Camp David, a memorable speech to the Americans and a shake-up among the leading people of his administration. The crucial point of his address was the appeal to his fellow-countrymen to acknowledge the securing of energy supplies as a historic task and to recollect the traditional virtues that made the United States what it is now.

Doubtlessly the energy problem represents an epochal challenge to the USA as well as to other countries. In the case of the USA perhaps not only because it is the world's major consumer of energy but even more so because the solution of the energy problem is affecting some of the traditional and deeply rooted values of the American society. Greatest possible freedom and scope for the individual as well as the ideal of a highly mobile society are certainly to be valued differently in times of relative abundance than in a situation of relative shortage.

It remains to be seen whether or not the European scale of values will prove to be more lasting in view of the energy crisis as recently a Californian professor supposed. Certainly, however, it can, somewhat simplified, be established that the European countries in their history never disposed of such an abundance of energy at such low prices as the United States did during the more than 200 years since their foundation. In a retrospective view this applies to the affluence in timber and coal as well as to oil – after all, the industrial oil-age started in the sixties of the 19th century in Western Pennsylvania and not in Riyadh. This affluence of energy in the past has shaped the American way of life in almost all its aspects. For this reason it is so difficult for the individual American to perform the necessary turnabout toward a policy founding on a comparative shortage.

It is this difficulty that characterises Carter's by now fifth start to make his fellow-countrymen understand the seriousness of the energy crisis. If he actually succeeded – what his appeals and saving programmes of the past years did not achieve – his address would have served its purpose – independent of possible shortcomings of the energy concept linked with this speech.

With this concept difficulties will be found when it comes to details, but not only then. Carter's promise that the USA will never again import more oil than in 1977 is no particularly convincing answer to the present problems; after all, in 1977 the USA achieved the highest imports in its history with a daily average of 8.5 mn barrels. Since then imports have been slightly declining. And his suggestion in his Kansas City speech to aim at daily imports of only 8.2 mn barrels already for this year almost borders on deception. True, this would be 300,000 barrels less than Carter had promised this summer at the Tokyo-summit as the highest limit. However since the beginning of this year no more than 8.2 mn barrels per day have been imported on average in consequence of the slack business trend, i.e. the

already existing development is aimed at, not a single barrel less. If the recession has indeed already started in the USA – as most recent data let us suspect – demand should hardly grow during the next five months, so that this year's oil imports might remain even below the mentioned aim without any specific counter measure.

But in view of the existing demand pattern and the production-technical relations this need not mean that the problem of queuing-up at America's gas-stations will be solved soon and permanently. These queues can certainly not be dissolved by means of the stand-by rationing authority as demanded by the President although this is likely to be approved by the Congress. Rationing can be regarded as a synonym for queues. The only effective means against them and for developing the necessary saving mentality of every individual citizen would be the decontrol of the gasoline price. This however is obviously politically inopportune, in spite of the declaration of war on the energy crisis. But what will happen if the queues at the gas-stations threaten to grow too long and the fuel oil supply in New England becomes a little more strained with the approaching winter? Will – instead of reducing imports as a results of an economic downturn – the oil companies be allowed to import additional distillates as long as the total does not exceed the level of 1977? If so, who saves then in the strict sense of the word?

In order to reduce the USA's dependence on foreign oil, according to Carter during the next decade – financed by a tax on windfall profits and by loans – the enormous total sum of \$ 142 bn is to be invested, of which \$ 88 bn are to be used to produce 2.5 mn barrels a day of substitutes for imported oil by 1990 from coal, oil shale, the sun, plant products to produce gasohol and unconventional gas. By conservation an additional 4.5 mn barrels per day shall reduce the import requirements by the end of the next decade.

However these magnitudes have to be seen against the background of a recent projection by the Energy Department that, even on reasonably optimistic forecasts of supplies of domestic oil, natural gas, coal and nuclear energy (not mentioned by Carter in his first speech), oil imports are likely to rise from 8.5 mn barrels a day in 1977 to around 14 mn barrels by the late 1980s. Although the gap between the import limit of 8.5 barrels and the forecast demand for 14 mn barrels a day is narrower than the planned saving of foreign oil, the question must be asked if this planning is not a little too optimistic. For instance, it takes about ten years until a new coal mine reaches its full output and the Energy Department's projection supposes already a considerable increase of the contribution of coal to the energy supply – from the equivalent of 7 to 12 mn barrels a day. Even if the planned Energy Mobilisation Board can remove some environmental obstructions (although it cannot modify the environment protection laws) it is difficult to apprehend that the Energy Department's figures on the domestic energy supply until 1990 can be revised upwards to a decisive extent. The currently running pilot projects notwithstanding, an economically efficient technology is still missing for the planned exploitation of oilshale deposits and it will probably take more than ten years until solar energy can be utilised on a large scale. No wonder therefore that many observers missed a somewhat more unambiguous statement on the role of nuclear energy.

Even if this view should be too pessimistic and the mentioned targets should be more or less reached by the end of the next decade, it is striking that the proclaimed actions (in spite of their altogether right tendency) are too much directed towards a medium-term opening-up of alternative energy resources through an enormous effort. Neglected is the somewhat safer, but also more hurting path of a quick saving of energy by the decontrol of the energy prices which for a long time have artificially been kept at a low level. Both measures together would represent a wele-balanced programme. But the technological effort as well as the aversion to appreciable constraints for the abstention from the waste of energy are in line with traditional American values. Unfortunately this is more than can be said of the idea of the necessary turnabout in an affluent society.

*Otto G. Mayer*