

Reprint **Island Tides**

Visit www.islandtides.com for more interesting articles on other BC, national & international topics

Reprint from Volume 17 Number 17

September 8, 2005

Black Gold: A Series On Oil

Too Valuable to Burn ~ Peter Carter

Nowadays much is being written about the price of oil and as usual with any rise in price at the pump the population of North America cries bloody murder. Even my 'green' friends send me petitions to sign, demanding that the government stop the unholy price rise. (Somehow no one complains that the price of filtered tap water in a plastic bottle is as high as the price of gas.)

I'm a real odd ball. I'm the only one I know who feels good when the price of gas goes up. I see it as good news for our health and the future of our families.

Five years ago economists predicted it would take oil at \$50-\$60/barrel for over a year to spark market-based interest in renewables. If true, current prices will not only cause us to use less gasoline but will drive national economies to invest seriously in renewable energy sources.

Economists are advising us not to worry—higher prices will boost supply and then the price will drop. That makes me worry—I don't want the price of oil to drop.

As it is, adjusted for inflation the current price of oil is about the same as in 1977 and only twice as much as in 1948. Adjusted for inflation Americans are paying little over half what they paid for gas in 1980. That's cheap. That helps us resist the move to a clean, sustainable-energy economy.

Social-cost Accounting: Can We Afford Gasoline?

In any case the price of oil according to 'the economy' is not the price of oil. Bill Rees is an expert oddball. He used to be dean of economics at UBC. Now he heads the UBC Sustainability Institute. For at least five years he has been warning that we pay too little for gas; not too much. It would be a grave error, he says, to assume that a competitive marketplace necessarily tells the truth about the real costs of fossil fuel. Bill Rees estimates that a fuller social-cost accounting for fossil fuel use would result in a gas price between \$5.60 and \$15.14 per gallon.

A 1998 report by the Washington-based International Centre for Technology Assessment, 'The Real Price of Gas,' quantified numerous external costs associated with the use of fossil-fueled motor vehicles that are not re-lected in US consumer prices: hidden costs such as direct subsidies to the oil industry from governments; publicly funded infrastructure costs; and the

health and environmental costs associated with burning fossil fuels. These direct and indirect subsidies seriously distort energy markets and burden the economy with rampant inefficiency.

Public health costs due to air pollution in the US account for over three-quarters of total pollution-related health costs and could be as high as \$182 billion annually. Many studies have shown increased childhood cancer linked to automobile exhausts—hardly surprising as it contains several known carcinogens. Breast cancer increase has also been associated.

The 'The Real Price of Gas' report found that total unaccounted cost in the US was as much as US\$1.7 trillion annually. A study by The National Defense Council Foundation, a right-of-center think tank, came to the same conclusion.

In Canada, the array of subsidies to the oil industry and users of fossil fuel in Canada is roughly comparable to that in the States, so Rees translates this into a price of roughly CAN\$2-\$5.40 per litre of gas.

Securing Supply

The cost of assuring a supply of oil is underestimated and escalating rapidly. From Columbia and Ecuador to Iraq, the US military spends untold billions of dollars to secure oil. The cost to the US of the Iraq invasion and occupation is nearly \$205 billion. (That would have bought a lot solar roofs and wind turbines.)

It is impossible to put a price on the damage to national economies worldwide from state and non-state sponsored terrorism aimed at controlling oil supplies.

Environmental Costs

The environmental costs of oil and gas are now unquantifiable. In the rush for oil almost a billion gallons of oil are spilled into the world's oceans and waterways each year—a cost we don't account for. Acid rain has not gone away and causes damage in the billions of dollars to agricultural crops in America each year.

This year, unreported by the media, NASA studies found the smoking gun on climate change—it is largely due to the burning of fossil fuels. The costs of extreme weather events are skyrocketing. Accelerated global warming is now a real possibility—not science fiction. These rapidly escalating costs are ignored. Like most environmental costs, we pass them on to our grandchildren.

© Island Tides Publishing Ltd. This article may be reproduced with the following attribution, in its entirety, and notification to Island Tides Publishing Ltd.

'This article was published (September 8, 2005) in 'Island Tides', an independent, regional newspaper distributing across the Southern Strait of Georgia from Tsawwassen to Victoria to Nanaimo.'

Island Tides, Box 55, Pender Island, BC, Canada.

Phone: 250-629-3660. Fax: 250-629-3838.

Email: islandtides@islandtides.com.

Website: <http://www.islandtides.com>

Putting status before future survival, we live in big energy-inefficient houses (twice as large as the last generation) and prefer to drive gas-guzzling trucks and SUVs.

Running Out of Oil: What Will We Eat?

Running out of oil has far reaching implications. The world's fishing fleets, its forestry, its mines, and its agriculture all are powered by liquid, portable fossil fuels. The greatest value of oil and gas to civilization is in agriculture. Before fossil fuels, famine was a reality to be feared.

Through agri-business and industrial food processing we are using more fossil energy than solar energy to produce the food we eat. Seventeen percent of the US energy budget is used just to grow, process, and transport food.

Oil and natural gas are used to produce agricultural fertilizers and pesticides, making our food supply completely dependent on these non-renewable resources. This type of agriculture cannot suddenly be switched to organic production. Organic agriculture will take decades of land replenishment to leap-frog from the fossil fuel-based agriculture of today.

No suitable substitutes are yet in sight for the fossil fuels used in heavy farm machinery, construction and mining equipment, diesel trains and trucks, and oceangoing freighters or jet aircraft. We need high-intensity fossil fuel to produce the machinery and infrastructure required for most alternative forms of energy. For the present, solar energy itself cannot be used to manufacture the high-tech devices required for solar energy conversion.

History informs us that every switch to a new energy source for civilization was made on the backs of the source that it replaced—energy 'leap frogging.' We need oil in order to move beyond the age of oil, and yet we are simply burning it.

Leap Frogging to Renewables

If oil consumption continues at the current rate, we are foreclosing on the ability of our grandchildren to grow and transport their food because we are depriving them of the ability to develop a non-fossil fuel, renewable energy supply. Global warming will not permit them to go back to burning coke, coal, charcoal, or wood.

With our demands for cheap gasoline and electricity we are consigning our future generations to a new Dark Age. When I say Dark Age I mean persistent famine, war, and disease. In much of the world we witness this now. Is this the future we want for our families?

Bill Rees's advice is that, 'We need higher energy prices now to signal the scarcity to come. Without higher prices we won't invest in the technologies needed for a smooth transition to the post-petroleum age. Without higher prices we won't conserve the fossil energy needed to manufacture alternative technologies.'

So is this our big chance, now?

Shifting to Windpower

In May this year a survey of wind power records around the globe by Stanford University found there's ample energy from wind alone. Known wind sources reveal a barely tapped 72 terawatts of power—40 times the amount of electrical power used by all countries in the year 2000. If just 20% of the estimated 72 terawatts of wind power were tapped it would satisfy all the world's energy needs. And there must be far more available because worldwide wind records are far from complete. A UN report lists windpower growth of 23.9% a year over the last decade. The biggest problems for the wind power industry is that investors want instant paybacks and poor public acceptance (people complain that non-polluting wind towers are unsightly!). Among the best sites for wind power in the world are around the Great Lakes and the westcoast of North America.

In August, the UN reported that the share of renewables around the world, including large hydro but excluding biomass, has yet to reach 3%. That's a long way to go to establish a renewable energy economy, but we can make it happen.

Back in 1981 Hazel Henderson explained it all in *The Politics of the Solar Age: Alternatives to Economics*. She predicted a new age of enlightenment evolving from the replacement of non-renewable fossil fuels by renewable energy sources. Henderson exposed the hopeless inadequacy of eighteenth century European economics to develop a sustainable future for the twenty-first century.

She wrote that the switch from fossil fuels to renewable energy would be the greatest undertaking in history and result in a great new age of health and prosperity. It requires the cooperative expertise of our best science and technology as well as full employment for all the world's population. Most of all it requires a vision of a better life for all humanity and the future.

For the entire life of the human species we only get to burn oil and gas once. It's a one-off, energy gift from ancient dinosaurs and forests. Every time you wince at the price of gas think of it as your chance of investing in the future of the human species—and feel good about it. ☺

© Island Tides Publishing Ltd. This article may be reproduced with this attribution, in its entirety, with notification to Island Tides Publishing Ltd.

'This article was published (September 8, 2005) in 'Gulf Islands, Island Tides'. 'Island Tides' is an independent, regional newspaper distributing 15,000-20,000 copies in the Southern Strait of Georgia from Tsawwassen to Victoria, BC.'

Island Tides, Box 55, Pender Island, BC, Canada.
Email: islandtides@gulfislands.com.

Phone: 250-629-3660. Fax: 250-629-3838.
Website: <http://www.islandtides.com>
