

Energy Insider by William Engdahl

Oil import drop: has conservation won?

U.S. oil imports have dropped to their lowest level since before 1976; Carter claims a victory for conservation, while, the American economy is crumbling.

The Carter White House is reporting with some glee the latest official figures on the decline in U.S. oil imports as evidence that the President's "moral equivalent of war" is finally being taken seriously by Americans. I think the situation warrants closer examination. Most Americans are still much too rational to believe with the President that the solution to a "shortage" of oil supplies is to cut off our oil supplies.

It is a fact that U.S. crude oil imports hit their lowest level since before Jimmy Carter darkened the White House door. Total U.S. oil imports for the week ending May 16 fell to just over 4.7 million barrels per day. Only a year ago the level was 6.3 million—an incredible near 25 percent fall in import volume. Meanwhile, domestic crude oil inventories are at record high levels.

Imports of refined products, largely from Caribbean refineries, also dropped dramatically to 1.2 million barrels per day, or more than a 33 percent drop from last year. Even a week ago, it was 1.8 million barrels. Most of the plunge here can be accounted for by the sharp drop in so-called residual fuel imports. Residual, the bulk of refined imports, is used primarily by electric utilities and manufacturing industries. In short, Jimmy Carter's election-year glee at the

"success" of his "conservation" program is a pyrric victory: it comes at the expense of collapsing the industrial economy in a deep recession. The import figures, when combined with the inventory stocks, confirm that major oil company economists are in fact betting that the bottom is not yet in sight for this downward spiral.

The government's inflation and interest rate policy has ensured that no recovery is possible. A victim is the nation's electric power grid. For example, the Nuclear Regulatory Commission, that bastion of "participatory democracy," has voted unanimously in favor of a 1979 petition brought by the Union of Concerned Scientists that could result in the shutdown of many of the nation's 70 operating nuclear power stations. The end result would be rolling power brownouts or even blackouts.

The Union of Concerned Scientists were the "technical" advisers for Jane Fonda's "China Syndrome" movie. Their spokesman, Robert Pollard, who said he was "gratified" by the latest NRC ruling, is a documented kook who made his dramatic conversion several years ago after he attended sensitivity sessions at a quasi-religious consciousness-raising retreat in California.

The Union of Concerned Scientists had demanded that Indian

Point and other reactors within a 30-mile radius of urban areas be immediately shut down while the "effects" of a nuclear accident, a core-meltdown, are weighed. The "China Syndrome" made this impossibility popularly credible last year, with an assist from the Federal Emergency Management Agency that turned a documented act of sabotage at the Three Mile Island nuclear plant in Pennsylvania into a core-meltdown scare.

Starting with the Indian Point nuclear plant north of New York City, reactors may now be shut down because of the psychological effect of a population's fear that a statistical impossibility might occur.

Meanwhile, the Department of Energy has been busy unveiling a new solar heating system in its Forrestal headquarters. The installation, whose cost is likely to exceed a million dollars, will be sufficient to "provide some of the space heat, hot water and process heat . . ." for the cafeteria! Orange and white flags are being unfurled across the 50 states on federal buildings that are switching to the solar source. The largest user? The Defense Department.

Some officials at the Dallas, Texas Fire Department are reported to be considering suing the Department of Energy and the White House for consumer fraud. A solar device they installed on a new fire station has sent electric costs soaring by 150 percent. The government even admits its new program is media hype to promote the grossly inefficient and prohibitively expensive technology that is supposed to replace our nuclear industry, oil imports and production.