

Environment 110

Literature, Russian Literature



Environment 110 Mining of crude oil and distillation into oil and gas are some of the key service activities that drive Indiana's economy. The has produced crude oil since the year 1940 and was ranked 26th in oil production in the nation by the year 2005 (The Indiana Department of Natural Resources 1). Demand for oil and gas in the state is high to establish significance of the commodities and their service to the economy. Demand growth and change in import are ideal and positive, though importation is low, an indicator that the state relies on its domestic production of oil and gas (Ball State University 9).

If the environmental service for gas and oil stopped, assuming that the oil wells run dry, the state would suffer from adverse effects, both social and economic. These may be worse if the scarcity of crude oil is a global problem. One of the effects of the change would be increased unemployment rate as people who worked in the mining fields and processing firms would lose their jobs. People who trade in the commodities would also lose income through lost jobs or lost profits. While importation could ease the burden, this would take time and would not be a complete remedy to lost jobs and reduced profitability. Importation would also increase cost of energy in domestic and industrial set ups, leading to macroeconomic burden. Induced economic strain from lost jobs, reduced income, and possible rise in commodity prices due to increased fuel cost would spill to people disposable income. This could have adverse effects on ability to afford services such as health care and education services. The state would also suffer negative effects on its import expenditures. Services pertaining to oil and gas are therefore significant to the economy and should be sustained.

Works cited

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