

The growing oil crisis

[Business](#)



First of all, is the world's supply of oil running out No, there is not really a shortage of oil on this planet, as of now. True, if present usage continues, someday it could conceivably run out. But that is not the case now, for proved reserves are more than enough for the industrial nations for quite a few years yet.

However, there is indeed an oil crisis. One reason centers on the availability of oil. In some places, it is being used faster than new oil can be pumped out of the ground and refined into its various products. Any nation that uses more oil than it produces will have a problem. And the world is using it so fast that at times it has trouble getting enough from various sources.

This leads to the more fundamental problem: the largest oil users are often the ones that do not have large supplies within their borders. They are more often 'oil poor,' not having enough reserves within the ground that they can tap. The United States has far less than it needs, with its oil fields tapering off due to overuse for many years.

So there is enough oil still under the ground to last large users such as the United States for several decades. But because they are using it so fast, and because the large reserves they need are not found within their borders, they have the problem of trying to get it from where it is available. That is not so easy.

The Dilemma

However, since there is enough oil somewhere on earth, could the nations simply pump it up faster to meet demand There is no assurance that they could. Why not Because the oil needed, especially by the United States is not theirs to control. That is the real problem.

All of these means is that industrial nations are required to import huge

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amounts of oil And in the immediate future they will have to import far more. As Geoff Sundstrom, spokesman for AAA, comments: " It shows we're still at the mercy of those who choose to supply our market" (Healey, USA TODAY 2008).

The Role of Politics

The 2008 US presidential elections will be very important considering the implications of the coming peak oil crisis. The oil issue is likely to be downplayed during the 2006 elections. However, many major oil-producing nations are quickly approaching depletion, and many analysts believe we will reach peak oil production during the 2008-2012 presidential term. A severe oil crunch and resultant high oil prices will impact all sectors of society. The party and president that get elected in 2008 will have a major economic and social crisis on their hands ([www. peak-oil-news. info](http://www.peak-oil-news.info)).

What does all this tell us about the possible impact of high oil prices on the 2008 Presidential election There are many situations shaping up in the world today that potentially could reduce oil production. These range from major civil wars in Iraq and Nigeria to Hurricanes and sudden drops in production from aging reservoirs. Considering the range of possible problems and the tightness of world oil supplies, it is difficult to imagine that one or more will not start putting pressure on the US's ability to import oil ([www. peak-oil-news. info](http://www.peak-oil-news.info)).

Staggering Costs

The cost of imported oil to the United States is already gigantic. USA TODAY reports: " Oil closed above \$100 a barrel Tuesday for the first time in history - a surprise price surge that leaves experts and motorists wondering if there's no limit" (Healey, 2008). The United States is paying billions of dollars <https://assignbuster.com/the-growing-oil-crisis/>

a year for this oil, principally to the producing countries of the Middle East and North Africa. The days of cheaper fuels, of low-priced gasoline for automobiles, are gone.

The country already has a problem getting enough oil, and that problem can only grow in the next few years. " Even if all goes well and oil production manages to keep up with demand during the next two years, oil depletion does not stop. By the 2012 election, the world will have gone through another 180 billion or so barrels of oil and the odds are very good that world oil production will have peaked. Whoever we elect the president the next time around is likely to be facing problems fully equivalent to those faced during the Great Depression, the Civil War and the American Revolution" ([www. peak-oil-news. info](http://www.peak-oil-news.info)). What it really means is that every American will have his life affected one way or another. The cost of things, our entire way of life, will never be the same again.