

Amitai Etzioni

# The Energy Forecast

Daily predictions about "the next oil embargo"—what the Arabs will do if the next round of Kissinger negotiations fails, what the international price of a barrel of oil will be in 1985 or our energy needs over the next 10 years—pay little heed to our demonstrated inability to predict such developments in the past. Thus, the London "Economist" predicted a year ago that oil prices would soon fall sharply, because all previous shortages, from whale oil to butter, had been followed by overproduction. An astute observation—only prices did not fall.

Similarly, an expectation now widely prevalent is that the present price of \$11 a barrel is very unlikely to prevail more than four years and probably will not last more than two. This is because, so it is said, soon those relatively advanced, highly populated oil-producing nations, which have myriad uses for their inflowing billions, will seek to expand oil exports, eventually breaking the cartel and pushing down prices. (This scenario, by the way, is favored by the federal government's Project Independent report.)

While this scenario does indeed appear quite plausible, history has rarely followed the course that seemed plausible only a few years earlier. Staying with this example, a possible alternative course comes to mind: If the sparsely populated oil producing countries were to cut their production by as much as the others increased theirs, a cut they could very easily absorb, the price of oil would remain high.

Given such a large margin of uncertainty, one cannot but interpret, in the psychoanalytic sense of the term, the continued proclivity to predict and the fascination with forecasts. If they clash with reality regularly, if they mislead rather than help, why do we continue to lean on them so heavily? The reason is that they allow one to "make sense" of events; they provide a feeling that the world is meaningful, has a direction. The greater the anxiety people and nations experience, the more they ask science—and the occult—to foretell the future. Little wonder that recently the avalanche of predictions has swelled rather than subsided. But as the unreality of the efforts to tell the future becomes ever more evident, and thus the adherence to them ever more "sick," we might be ready to declare a moratorium on futurology.

In this more humble mood we may

learn to deal with the basic unknowability of the future by:

- Hedging our bets more widely. If we cannot know which of several alter-

*Mr. Etzioni, director of the Center for Policy Research, is a sociology professor at Columbia University.*

nate sources of energy will best provide for our future needs, we should avoid staking all on the development of any one line, be it nuclear reactors, gasification of coal, shale oil or solar energy, but instead spread our investment over all these potential sources, though not necessarily equally.

- As the near run (1 to 3 years) is more knowable than the longer run (3 to 10 years), let alone the year 2000 and beyond (to be left to science fiction and scenario writers), we should concentrate relatively more on projects which promise near- vs. long-run

*"While the scenarios appear quite plausible, history has rarely followed the course that seemed plausible only a few years earlier."*

outcomes (e.g., coal and nuclear power vs. shale oil). Above all, the greatest payoffs are to be expected from efforts to conserve energy, which can be implemented immediately.

- We should be ready to recommit our resources and efforts as we move into the future and find, alas, that we have again erred if, for example, the Arabs do roll back prices or if we discover unknown oil reserves, a cheap way to milk the sun or an additive which stretches gas 40 per cent or more. We should not allow setups which lock us in, of the kind exemplified by the Highway Trust Fund, which still pours billions into highway construction while clearly the highest priority should be public transit.

Similarly, we ought to favor those changes in housing and industry which can be readily made and then unmade if necessary (e.g., taxes on gas and oil, which can be reduced by a stroke of a pen) rather than those which are difficult to reverse (e.g., conversion of home heating systems from gas to electricity, as the Project Independence report suggests).

- Let us also focus on those efforts which are desirable in themselves, or for reasons other than their elusive futuristic pay-offs. Thus, driving at lower speeds saves thousands of lives; we should maintain and enforce the lower speed limit even if we are not sure that otherwise there will be a shortage of gas in 1985 or that we'll run out of oil in the mid-1990s. Similarly, a commitment to developing solar energy vs. a heavier reliance on nuclear reactors seems a much sounder environmental policy, even if we cannot tell which will produce cheaper electricity 10 years hence.

- We should realize that like all scarcities, those created by our realistic or imaginary fears of the future, the burdens imposed by the efforts to overcome the current energy angst, are borne unequally by various parts of our society. Thus, those disadvantaged through no fault of their own should gain special public consideration through tax-credit, fuel allotments, etc.

- Finally, instead of being continually shocked by the crisis-of-the-year and trying anxiously to anticipate the next one, let us assume the future will be a rocky ride even if we cannot foresee each and every bump. While this will not smooth out the road, it will make us more tranquil riders.

The Washington Post

January 6, 1975