

Does Al Gore Finally Get It?

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Al Gore has always gotten climate change, global warming, and CO2 levels. He "got it" before I did. The carbon dating of the ice-core samples was enough scientific data to prove to me, engineer that I am, that the CO2 levels are exponentially increasing due to man's activity on Earth: specifically burning fossil fuels. The ice caps shrinking, glaciers receding, ocean levels rising, the threat it all poses - I buy it. He was spot-on. Gore deserves the Nobel Prize and the Oscar for "An Inconvenient Truth". He has led the way.

However, in some ways, Al Gore has done a disservice to his own cause by warning about the consequences of global warming instead of the realities of worldwide oil production versus demand. As I have said for years now, the biggest, most imminent threat to the US economy and indeed to worldwide civilization as a whole, will be the inability of worldwide oil production to meet worldwide oil demand while our economies is still oil based.

Global warming or climate change, however one chooses to refer to the "phenomenon", IS real and IS happening. However, it will not pose a serious threat to our economy or our lives for another couple of decades. Oil, on the other hand, has the potential to wreck havoc on our economy, our way of life, and our entire civilization by 2015 if we continue to do nothing. That is only 7 years away.

Don't believe me? Listen to T. Boone Pickens or read the speeches of the CEO's of ConocoPhillips ([COP](#)), Royal Dutch Shell ([RDS.A](#)) or AmaraHess at last year's economic forum in Davos, Switzerland. Any one hear Dow ([DOW](#)) CEO Andrew Liveris [discuss why his company](#) is having to raise prices? These are all oil experts and they are pointing at 2015 (give or take) as oil supply/demand "D-day" and strongly suggesting we begin to do something to prepare us for this reality.

We're seeing the very real effects already today - but people want to erroneously blame it on speculators, "big oil", politicians, etc. Very few, for whatever reason, want to believe in peak oil (even though it has happened in reservoir after reservoir all over the world), or the fact that just maybe the US isn't entitled to cheap and convenient oil for the next 200 years. Being 4% of the world's population and using 25% of the world's oil production (importing 65% of that) leaves the US the most exposed and the most threatened by the realities of worldwide oil production and demand. This as billions of Chinese and Indians are trading in bicycles for gasoline (oil) powered automobiles. Still, we ignore the facts and continue merrily on our way.

By focusing on the "environment" instead of the "economics", Gore has allowed the ideologues and industrialists to pooh-pooh him. End result: we don't have a

comprehensive energy policy like the one [I have been pounding on the table](#) for years to adopt.

Meanwhile, oil is at \$130/barrel, gasoline at \$4/gallon, the S&P is on the skids (returning nearly 0% over the last 10 years), the US trade deficit balloons as we send \$750 billion dollars (and rising...) every year to foreign oil producers, inflation is raging (but the Fed can't raise rates), and of course as a result, the US dollar is down 50% since Bush took office. Still, our "leaders" cannot or will not see the wisdom of enacting a comprehensive energy policy to regain control of our economy, our financial future, and our national security.

For the first time that I can recall, Al Gore emphasized the oil based economic realities in a speech given in Washington this past week as evidence to back his environmentally based proposals. For years I have been trying to get his "global warming" group to focus on the economic and national security aspects of our oil based economy as a way to solve the climate change issues they are so rightly concerned about. As Gore himself admitted in his recent speech, the solutions to both are the same.

I wonder, if the global warming crowd spent half their resources educating the government, media, and public about the realities of worldwide oil supply and demand, would we be farther ahead in our switch to alternative and clean energy? I suspect the answer is "yes", but we'll never know.

Regardless, I think it is becoming too clear to the environmental crowd that the most imminent threat to the US, its economy, its way of life, and indeed its future is its reliance on oil, 65% of which is imported and which will be harder and harder to obtain in the future as worldwide oil supply fails to keep up with worldwide oil demand. Even the environmentalists in California are ready to support off-shore drilling now that their gasoline is over \$4.50/gallon. Amazing how economic realities tend to focus ones perspectives.

Meanwhile, investors should take advantage of the recent energy market "correction" and simply load up on energy related investments. Oil, natural gas, coal, nuclear, you name it. We are in the very early stages of the final fossil fuel driven energy crisis which will play out over the next 10 years or so.

Unfortunately, if policy makers wait for economics to dictate enacting an energy policy like the one I mentioned above (click the link, read it, bookmark it, send it to your friends and politicians), it may well be too late to make the change. We need to be making the change now. If Gore, the Alliance for Climate Protection, and his advocates would focus on the economic impact of declining oil supply/demand fundamentals as much as they do the environmental impact of burning fossil fuels, perhaps they just might get the changes they so desire.

At this point, I bet a lot of investors who have gotten burned by the S&P 500, a shrinking US dollar, and rising inflation would probably be willing to listen. I hate to say I told you so, but to quote an old Cajun friend of mine, "I tole ya I tole ya I tole ya".