

The Energy Crisis is an Intellectual Crisis

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It is difficult to convince the people of California that there is no energy crisis. The long lines of motorists waiting for fuel, thousands on the move to Tijuana to tank up on fuel provided by amused Mexicans, the desperate telephone calls to friends and relatives in neighboring states pleading for help, and many other features of strange behavior tell the vivid tales of a real crisis.

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Crisis has the effect of eliciting reflections which, under normal conditions, would not be made. Prosperity pampers the mind, crisis trains and strengthens it. The energy crisis is a great teacher not only to Californians but to us all.

Some people learn from their own experience. Californians, who have given us Proposition 13, may be the first to learn the energy lessons. At least, they have ample opportunity to reflect on the energy crisis as they are spending endless hours waiting for fuel. The knowledge they are gathering may show us a way to a speedy solution.

Some people even learn from the experience of others as they reflect on the causes and consequences of the dilemma. There is yet time for the American people to reflect on the great California shortage and why the symptoms of a minor revolution in Iran could have such drastic effects in one of our fifty states. Our learning and right use of the lessons may prevent a spread of the crisis to other states.

And there are also those people who learn neither from their own experience nor the experience of others. They refuse to hear or see, but prefer to pursue their hardened notions and prejudices.

To them, experience is the common school of common men; they themselves are instructed differently, in particular, by popularity or politics, advantage or expedience, etc. Most politicians belong to this category. They are very slow to learn from the experience of others, but sometimes do learn at the polls.

Most politicians are united in their shrill denunciation of the oil companies. Even the President of the United States viciously attacks them for their "exorbitant profits" and strongly insinuates that many of our oil troubles result from a plot by the companies to extort ever higher profits from the helpless public. While he is urging the Congress to pass a tough "windfall profits" tax, some politicians are clamoring for a "break-up" of the companies or even for government ownership and operation.

It stuns us to hear this crescendo of cheap demagoguery and vicious attacks on an important industry. But it dejects us to observe the energy industry that quietly suffers the ugly political chorus. The politicians are busy making headlines attacking the oil industry; but the major companies are conspicuously silent.

We are waiting in vain for an intelligent defense for the accused. Most businessmen neither understand nor appreciate the competitive order. They are, or would like to get, in bed with the government in order to secure special advantages and privileges. They are ignorant of the capitalistic system that affords them the freedom to be businessmen. And even if they were more knowledgeable in economic matters, they are not trained to act as

public defenders of the market order. Few corporate executives can conceive, write or deliver a thoughtful speech on the energy crisis or any other crisis. There are even fewer who can handle themselves skillfully in a public debate on television or at a Congressional hearing.

The defense of the oil industry rests in the hands of the intellectuals who wield the power of the spoken and the written word. But there are only a handful of writers and commentators who still advocate individual freedom and the private property order. Their voices are barely audible in the noise of those intellectuals who prefer political force to individual freedom, government intervention to market principles, socialism to capitalism.

The oil industry seems to stand on trial before a panel of judges who have the sentence of death in their pockets. The company executives, who never fully understood what the trial was all about, do not really care. They expect to prosper despite a windfall profits tax, yea, even as government appointed managers of a nationalized industry. Surely, there are some who prefer to work for "society" as owner than to answer disgruntled stockholders.

The energy crisis is an intellectual crisis. In final analysis, capitalism, and not just the oil industry, is on trial. The American intellectuals are sitting in judgment of our traditional system that has allowed us the American experiment and the American dream. They are choosing between the private property order or statism, which is raw government control and power. No other verdict can be rendered.

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