

ENERGY EXTRA

Study shows U.S. can produce oil at \$8 a barrel

The United States could be producing cheap, abundant oil at a selling price of \$8.00 (in 1978 dollars) per barrel. Oil reserves are now abundant enough in the United States to increase oil production by an average of 7 percent per year, providing an ample base of oil supplies for U.S. industrial growth.

This is the conclusion of a special study prepared jointly by the *Executive Intelligence Review* and the Fusion Energy Foundation, a New York based nonprofit organization committed to the research and development of advanced forms of energy production, like nuclear fission and fusion. Called "A Positive Energy Program for America," the report was released at the end of October.

The findings of the report challenge the oil multinationals, who are now claiming \$30 or more for a barrel of oil.

What the report shows is that energy starvation is unnecessary and outlines an integrated energy program for the United States, combining nuclear fission and fusion, hydrogen gas, oil and natural gas production and magneto-hydrodynamics to give a balanced expanding, inexpensive base for U.S. high-technology industry and agriculture.

The report also shows how the U.S. multinationals—which are hoarding 65 percent of the country's oil reserves—are planning to put the United States through a rigged shortage crisis this winter

that will bring the economy to a halt.

There is in fact no shortage of oil. The oft-quoted U.S. reserve figure is that from former Shell employee H. King Hubbert: 43 billion barrels of oil. That's it. At U.S. production rates of 3.7 billion barrels per year, the U.S. would be out of oil by 1991.

But geologist A.D. Zapp has shown that U.S. reserves—proven and unproven but potentially recoverable—are over 400 billion barrels. Others have put the figure at over 300 billion. Estimating that about a third is too expensive to develop (like oil shale) the U.S. reserve figure is closer to 200 to 270 billion barrels.

This means the United States has enough reserves to expand production by 7 percent yearly, taking production from a 1979 level of 10 million barrels per day to a level of over 30 million barrels per day by the year 2000. In the interim, the U.S. would produce, cumulatively, 130 billion barrels, leaving between 60 and 130 billion barrels more reserves in the ground.

By the year 2000 at the very latest, the United States will need oil only for feedstocks, lubricants, and petrochemicals as it moves toward the more advanced technologies of fusion power and hydrogen fuel.

The cost of current oil production can also be reduced by 50 to 65 percent, the report shows, if accelerated depreciation, 3 percent credit, depressed royalty fees,

and new technologies are applied and environmentalist restrictions are removed. American oil can be produced at the price of \$8 a barrel.

This report is available through New Solidarity International Press Service at the price of \$50 per copy.

Making fusion a priority

In the next issue of the monthly magazine *Fusion*, the Fusion Energy Foundation will kick off a nationwide campaign urging the U.S. Congress to gear up the current fusion effort for a crash program in the 1980s. A team of specialists, including FEF staff members has drafted a bill, titled the "Fusion Energy Act," mandating the development and construction of an electric power demonstration fusion reactor by 1995.

A brute-force effort to solve the remaining technological problems of harnessing nuclear fusion, the FEF says, is the only way to bring this virtually limitless source of energy on line in the next decades.

The proposed fusion bill's funding timetable coheres with an advisory panel study on fusion development under the direction of Robert Hirsch, which insists that 20 years could be shaved off the current Department of Energy timetable. Hirsch, who left his post as fusion director in the Energy Research and Development Administration following James Schlesinger's assumption of power as Secretary of Energy, has been advising the House Science and Technology Committee's Subcommittee on Energy Research and Production. Under the leadership of Rep. Mike McCormack (D-Wash.), the subcommittee has been pressuring the DOE to accelerate the current timetable.