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Gas Pump Geopolitics

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In recent days critics have accused President Bush and his new chief of staff of doing nothing more than shuffling around the deck chairs on the Titanic, as they shift, hire and fire senior White House officials while the president's popularity continues to plummet. Personally, I think that is a totally unfair charge - unfair to the captain of the Titanic.

After all, he knew where he was going. His lookouts just couldn't see the iceberg spar lurking beneath the surface in their path until it was too late. This administration, and its captain, have been staring the iceberg right in the face for years - it's called dependence on foreign crude oil. It has been totally visible, for miles and miles. And yet the Bush team has just kept sailing right into it, refusing to ask the American people to do anything hard to put America on a different energy course.

What is this iceberg staring us in the face? It is the fact that energy, broadly defined, has become the most important geostrategic and geoeconomic challenge of our time - much as the Soviet Union was during the cold war - for four reasons:

First, we are financing both sides in the war on terrorism: financing the U.S. military with our tax dollars, and Islamist radicals and states with our energy purchases.

Second, continued dependence on fossil fuels is going to bring on climate change so much faster in an age when millions of new consumers in India and China are driving cars and buying homes. And that's why renewable fuels and energy-efficient cars, buildings and appliances are going to be the biggest growth industry of the 21st century. The tougher the energy-efficiency standards we impose on our own companies, the more likely it is that they will dominate this new industry.

Third, because of the steady climb in oil prices, the seemingly unstoppable wave of free markets and free peoples that we thought was unleashed by the fall of the Berlin Wall is now being stymied by a counterwave of petro-authoritarian states - like Iran, Venezuela, Russia, Nigeria and Sudan - which now have more petro-dollars than ever to do the worst things for the longest time. They will poison the post-cold-war world unless we bring down the price of crude.

Fourth, we will never plant the seeds of democracy in Iraq and the wider Arab world if we don't also bring down the price of oil. These Arab oil regimes will not change unless they have to, and as long as oil prices are soaring they won't have to. Iraq will become just another Arab state that taps oil wells instead of developing its people.

The beginning of leadership for the president is to tell the American people the truth: This is not your parents' energy crisis. The price of oil is not soaring just because of greedy oil companies. It is soaring because of structural changes in the global energy market that could have vast consequences for America and the world if

we do not respond in a comprehensive manner.

Toward that end, we need a tax on gasoline at the pump that will keep prices around \$4 a gallon (still roughly \$1 less than most Europeans pay), or we need a tax on vehicles that will make gas guzzlers prohibitively costly and hybrids and smaller cars enormously attractive. The sooner and the more we take the price of gasoline up - and keep it there - the sooner we can bring it down forever. If we want to make wind, solar and biomass more competitive, gasoline has to cost more, not less.

The president can start by pushing the bipartisan Fuel Choices for American Security Act, now wending its way through Congress. This bill would mandate that every car sold in America would not just have seat belts, but would also be flex-fuel capable so it could run on ethanol, methanol or gasoline. It would also pave the way for the rapid commercialization of plug-in hybrid vehicles, which would combine electricity and gasoline to get 100 miles out of every gallon of gasoline consumed.

Finally, the bill would offer Detroit loan guarantees for transforming its fleets in this direction. "We're going to have to bail out Detroit anyway, so let's at least get some public benefit," the energy expert Anne Korin said.

Yes, the president has wasted so much time, but if he finally rises to this challenge, Democrats - who should have taken the lead on this issue a long time ago - have got to work with him. If the Democrats shirk this energy challenge, as the Republicans have, I'm certain there is going to be a third party in the 2008 election. It is going to be called the Geo-Green Party, and it is going to win a lot of centrist voters. The next Ross Perot will be green.