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Editorial: Carter's energy speech predicted a doom that never came about

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Forty years ago this week, President Jimmy Carter went on the air to outline his national energy policy. It's useful to review that policy, and how nearly everything Carter said has proven to be wrong.

"Tonight I want to have an unpleasant talk with you about a problem unprecedented in our history," Carter said on April 18, 1977. "With the exception of preventing war, this is the greatest challenge our country will face during our lifetimes. The energy crisis has not yet overwhelmed us, but it will if we do not act quickly. It is a problem we will not solve in the next few years, and it is likely to get progressively worse through the rest of this century."

Now, recall that he wasn't talking about global warming (or even global cooling, which was another 1970s "crisis"). He's talking about running out of fossil fuels.

"The oil and natural gas we rely on for 75 percent of our energy are running out," he said. "In spite of increased effort, domestic production has been dropping steadily at about six percent a year. Imports have doubled in the last five years. Our nation's independence of economic and political action is becoming increasingly constrained. Unless profound changes are made to lower oil consumption, we now believe that early in the 1980s the world will be demanding more oil than it can produce."

That didn't happen. Carter, with his sweaters and 55 miles-per-hour speed limits, certainly meant well. But he couldn't have foreseen then incredible technological advances that have opened up vast amounts of oil and natural gas.

And so he predicted a energy doomsday.

"World oil production can probably keep going up for another six or eight years," he said. "But some time in the 1980s it can't go up much more. Demand will overtake production. We have no choice about that... Within ten years we would not be able to import enough oil - from any country, at any acceptable price."

In fact, the U.S. is now exporting oil and gas.

"It's tempting to ridicule Carter for these gloomy claims," writes Thomas Firey of the Cato Institute. "But he was hardly a fool and his proposals and predictions echoed those made by esteemed energy experts and world leaders at that time-and at various times before and since."

Carter's elaborate energy strategy would have strangled an already sluggish economy. Congress wisely refused to adopt much of it.

“Instead, federal lawmakers chose to (somewhat) deregulate energy, giving more freedom to market incentives to direct private energy exploration, production, and conservation,” Firey writes. “Four decades later, the world is consuming nearly 100 million barrels of oil a day, up from 60 million in 1977, at an inflation-adjusted price little different than it was 40 years ago. U.S. natural gas production is booming. Armageddon, so far, has not occurred.”

Most of all, Firey adds, Carter's speech “shows the importance of humility in the face of the latest faddish belief that the end is nigh and only government can save us.”