16 January 2009

The United States of America imports 13,468,000 barrels— 565,656,000 gallons—of petroleum products. Every day.

America imports 2,163,000 barrels of oil and petroleum products from Persian Gulf countries. Every day.

America imports 5,980,000 barrels of oil and petroleum products from OPEC countries. Every day.

America sends $150,256,400 to the Persian Gulf countries and $424,231,167 to OPEC countries. Every day.

I'll save you the math. That's $53,491,278,400 and $151,026,295,333 to the Persian Gulf and OPEC countries respectively per year. That's 53 and 151 billion, with a b.

I am willing to state on the record, with confidence, that some of that money is being used to fund activities that are detrimental to the national interests of the United States.

Since I'm here in South America, I'll highlight Mr. Hugo Chavez, President of Venezuela, America's ***fourth largest supplier*** of foreign oil. The United States of America sends Mr. Chavez $88,957,228 every 24 hours for his oil. That adds up to $32,469,388,342 a year. That is 32 billion, with a b.

I, for one, do not think America can continue to send people like Mr. Chavez $88,957,228 every day—$32,469,388,342 a year—and not suffer ill effects.

I, for one, do not want to be a passport carrying member of the first society in the history of humans to fund their own destruction by hostile elements.

America imports 58% of the petroleum used in its economy.

The United States of America sends $913,893,587 per day—every 24 hours—to other countries for their oil. That is $325,346,116,853 a year. That is 325 billion, with a b.

That's $325,346,116,853 that could have funded increased teacher's salaries, new roads and bridges, scholarships, technology research grants, alternative energy, tax relief, two starting pitchers for the Yankees, whatever—you pick it.

America sends $2,003,287,671 more overseas for imported goods and services than it receives for its exports. Every day.

That's 2 billion, with a b. That adds up to $731,200,000,000 a year that goes outbound over America's borders to pay other nations for their goods and services in excess of what America receives for sales to other nations for goods and services; it's called the current account balance. A negative current account balance is bad. America's is 731 billion, with a b. It is negative.

Where does all that money go America sends to the Persian Gulf and OPEC countries? Some of it is used to build the world's largest indoor artificial ski slope, the world's largest hotel and the world's largest residential tower. Some of it is used to build world class art museums and giant amusement parks. Some of it is used to buy fleets of luxury automobiles and build palaces with gold plated everything. Some of it is pooled into sovereign wealth funds used to purchase companies, real estate and other assets in the United States and elsewhere. Some of it is used to discover and extract more oil to sell to America. Some of it is used to bribe politicians and government officials, buy bonds, fund programs, influence elections, distort foreign and domestic policy and otherwise control neighboring and regional countries. Some of it purchases modern military systems and builds armies, navies and air forces. Some of it lines the pockets and fills the Swiss bank accounts of royal families and corrupt presidents, bureaucrats and their cronies. Some if it is used to fund overt and covert activities aimed at destroying America and western civilization. Some of it is used to buy U.S. Treasury Securities.

Oil exporting countries hold $382,900,000,000 worth of U.S. Treasury securities. That's 382 billion, with a b. Coupled with China's $477,600,000,000 of U.S. Treasury securities, America owes $859,600,000,000 to those 19 countries. That's 859 billion, with a b.

America is faced with a wide range of domestic and foreign policy issues. These issues require public policy decisions from America's elected representatives, including congress and the president, as well as day-to-day functional policy decisions from the administrators and managers of the various departments of local, state and federal government. Not a single one of those people can make an independent decision regarding the challenges they face. Every single one of them, from the smallest town mayor to the president of the United States, must make those decisions with a revolver pressed up against their head with a finger on the trigger. That revolver is America's dependence on its most important strategic resource—oil—from foreign suppliers. That revolver of dependence on foreign oil eliminates independent decision making for domestic and foreign policy. Every day.

I am sure there is an argument out there that supports the continuation of this program of daily incremental national mass suicide. If so, I hope someone posts it as a comment so I can better understand the reasons why America should continue on this course.

Until such time as those arguments change my mind, I will continue to advocate the position that America must become energy independent. If for no other reason, that the Yankees can always use more quality starters.

Oh, I forgot the bad news. All these numbers are from 2007. The numbers today are even worse.

Much worse.

Every day.

Every 24 hours.

Tick Tock.

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Caveats:

- All calculations based on landed cost of crude by origination, average cost for year 2007.
- Total import volume is based on all petroleum products, e.g. crude oil plus refined products, cost calculations are based on crude oil prices, consequently resulting dollar totals are lower than actual dollars expended.

Sources:

- Energy Information Administration – official U.S. Government Department of Energy data http://tonto.eia.doe.gov/country/country_energy_data.cfm?fips=US http://tonto.eia.doe.gov/dnav/pet/pet_pri_land1_k_m.htm
- U.S. Department of Commerce Bureau of Economic Analysis http://www.bea.gov/international/ai1.htm#BOPIIP
- U.S. Treasury Department http://www.treas.gov/tic/mfh.txt
- Calculated and derived data from DOE, DOC and Treasury source data

Definitions:

- Current Account Balance - The current account balance is defined by the sum of the value of imports of goods and services plus net returns on investments abroad, minus the value of exports of goods and services, where all these elements are measured in the domestic currency. (Econterms)
- Oil exporting countries include: Canada, Mexico, Ecuador, Venezuela, Indonesia, Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, the United Arab Emirates, Algeria, Gabon, Libya, Russia and Nigeria.
- Barrel – One barrel of crude oil equals 42 U.S. gallons or 158.987 liters. http://www.eia.doe.gov/kids/energyfacts/sources/non-renewable/oil.html

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Photo by Jorge Valdes

Douglas and Stephanie Hackney are on a two to three year global overland expedition.

You can learn more about their travels at: http://www.hackneys.com/travel

