BE A VISIONARY LEADER!

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The following excerpt is taken from a commencement address to the 2006 graduates of the Masagung Graduate School of Management and the Graduate College of Arts and Sciences at the University of San Francisco, on May 19, 2006.

The global challenges we face today are enormous. After 9/11, the threats of terrorism and the spread of weapons of mass destruction loom over us. Global warming has far-reaching consequences we are just starting to understand. Pandemics of SARS, avian flu and AIDS threaten millions of lives around the world. Meeting these challenges requires sustained vision and action over a period of many years.

There is a desperate need for visionary leadership today, to provide coherent strategies for solving these problems. With your graduate training, you are among the 10 percent most highly educated people in the world, and that makes you capable of the long-term vision and action we need.

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Short-term thinking of the past has created or worsened many of the problems we face. We need only look at the energy situation today to see the price of our past short-term thinking.

In 1973, when the OPEC countries raised oil prices, and then again in 1979 when the Iranian revolution disrupted oil production, we experienced sharp increases in the price of petroleum. These energy price spikes profoundly affected our way of life in the 70s. There were lines at gas stations, lost hours at work and at home, an increase in the cost of doing business, high unemployment, 20 percent interest rates. One of the striking images of the time was President Jimmy Carter in his cardigan sweater in the White House, asking Americans to turn down their thermostats to save energy. It was a time of frustration and reduced expectations.

Galvanized by the oil shocks of the '70s, we vowed "never again," and the United States set off to pursue fuel efficiency and energy independence. The federal government funded research on solar, wind, geothermal and ocean thermal energy. We reduced the national speed limit to 55 mph to save energy. Tax credits were offered for installing solar panels on homes and businesses. States passed air-quality laws, pushing automakers to build fuel-efficient cars. Public transit got a boost, and Congress established corridors across the nation for bullet trains like those in Japan, Europe and Asia. For the first time, we were a nation with a coherent, long-range energy strategy.

Let's fast-forward 30 years. Here we are with gas above $3 a gallon. Polls show that the high cost of gas and home heating energy is causing economic hardship for the majority of Americans. US oil consumption has increased by 12 percent since 1973. Sixty percent of the oil we use is still foreign oil. Eighty-six percent of our energy comes from fossil fuels; renewable sources provide just 6 percent. Those statistics are almost exactly the same as they were in 1973.

Now that the price of oil is above $70 a barrel, where do we turn for alternatives? The options are not good. Most research on renewable energy stopped in the 1980s. General Motors recalled the electric cars they briefly produced, crushed them and threw them in landfills. The Japanese have developed high-mileage hybrid cars, but no U.S. automaker is yet offering one. The nuclear power industry has been frozen since the Three Mile Island accident in 1979. The 55 mph speed limit was repealed in 1995, and states have set their own, higher, limits. Ground has not been broken on a single high-speed railway in the US, while 10 other countries have started or expanded their systems.

We could drill for oil in the Arctic National Wildlife Refuge. But even if we started today, and accepted the environmental impact, this source would only start producing oil in 15 years, and then enough for just a six-month supply. Nuclear power is an option, but the lead-time for a new nuclear plant is 10 years – not to mention the safety issues.

We set out in the 1970s to develop energy alternatives, but 30 years later, we really don't have any. Our vision in the 1970s was correct, but now we are faced with the same kind of energy crunch we experienced in 1973. What happened?

As soon as oil prices dropped in the 1980s, we quickly reverted to the least expensive alternative in the short-run, which was petroleum. And yet, the underlying situation had not changed – oil is a finite commodity, controlled by countries that are often unfriendly to the United States. The handwriting was on the wall in the 1970s that dependence on oil, particularly foreign oil, was not prudent. Had we stayed on the path we were on in the 70s, we might all be driving hybrid or electric cars today, we probably would not be struggling with the cost of fuel, and we would not face the challenges of global warming to the same degree. Ω