A Pig in a Jacket

By PAUL KRUGMAN

During the California electricity crisis, Dick Cheney sneered at energy conservation, calling it a mere "sign of personal virtue." But this week Samuel Bodman, the energy secretary - who is widely regarded as Mr. Cheney's proxy - declared that "the main thing that U.S. citizens can do is conserve." Is the Bush administration going green?

No, not really. This administration's idea of encouraging conservation is an ad campaign centered on a cartoon pig. When it comes to substantive energy policy, the administration is still thinking drill-and-burn.

The background to Mr. Bodman's remarks is growing public anger over high energy prices. Most of the focus right now is on the price of gasoline, but the worst is yet to come: just wait until people see their winter heating bills, especially for natural gas, which has roughly doubled in price since last year.

And the political danger to the administration is obvious: polls suggest that many people blame energy companies for high energy prices, and blame the administration for failing to control price gouging.

Funny, isn't it? During the California crisis, some of us deduced from economic evidence that electricity shortages were artificial, the result of market manipulation by energy producers and traders. This deduction was later confirmed by the Enron tapes, but at the time we were voices crying in the wilderness.

Now, much of the public believes that corporate evildoers with close ties to the administration are conspiring to drive prices up. But this time they aren't, at least so far.

Just in case you think I've gone soft on the energy industry, let me say that claims that we're having a crisis because environmentalists wouldn't let oil companies do their job are equally bogus. When you hear someone talk about how no refineries were built for 25 years, remember that until recently, oil companies weren't interested in building refineries, because they had excess capacity and profit margins were thin.

In fact, the current crisis is nobody's fault, except Mother Nature's. Both Katrina and Rita were stronger hurricanes when they plowed through offshore oil and gas fields than when they made landfall. And because damaged refineries and other energy facilities are competing for a limited number of repair crews, it's taking a long time to get those facilities back up and running.

What this means is that a lot of "demand destruction" must take place over the next few months. That is, one way or another, people will have to be persuaded to limit their consumption of natural gas, gasoline and heating oil to match the available supply.

In the absence of an effective conservation policy, prices will do all the persuading: the cost of fuel will rise until people drive less and turn down their thermostats. The problem, of course, is that high prices will impose serious hardship on many families.

And that's why administration officials are sounding vaguely greenish: they hope to limit the price pain by persuading people to curb their energy consumption out of a sense of public duty. Done right, such a campaign really could make a difference. In fact, energy conservation played a significant role in ending California's crisis four years ago.

But as you might expect, the administration's conservation push lacks conviction. President Bush has spoken in favor of conservation, but he seems more interested in trying to justify the Iraq war. And the administration's attempt to promote "Energy Hog," a cartoon pig in a leather jacket, as a conservation mascot verges on the pathetic.

So it's going to be a long, cold winter. But what about the longer term?

The long-term case for energy conservation doesn't have much to do with the current shortages. Instead, it's about national security, broadly defined - reduced dependence on Middle East oil supplies, reduced emission of greenhouse gases. But one might have hoped that the administration's new willingness to use the language of conservation would spill over into long-run policy.

No such luck: when it comes to substantive actions, as opposed to public relations, it's still the same old, same old. Mr. Bush has called for more refineries, but has said nothing about raising mileage requirements and efficiency standards for appliances. And as for a higher gasoline tax, which would be politically possible only with broad bipartisan backing - don't be silly.

Conservation's day will come. But it hasn't happened yet.