

ARGUMENT

A Global Energy Superpower Rises

The big question about America's energy boom is not how much it will produce, but how much it can export.

BY ED MORSE

DECEMBER 15, 2014

When it comes to crude oil and other hydrocarbons, the United States is **bursting at the seams**. The United States has very rapidly become a powerhouse as an exporter of finished petroleum products, natural gas liquids, other oils including ethanol, and even crude oil — with total gross exports of all of these combined expected to reach 5 million barrels per day (mb/d) or more by the end of this year, up a stunning 4 mb/d since 2005. Total oil exports in 2014 pushed the commodity to the top of the list of U.S. exports by category, far surpassing all agricultural products, capital goods, even aircraft as the largest sector of U.S. export trade. Meanwhile, U.S. crude oil exports, largely to Canada, are 500 percent above what they were a year before, and are heading for around 500,000 b/d by year end.

This **remarkable boom is unlikely to stop** even if prevailing prices for oil fall as low as \$50. Indeed, even if light sweet crude (WTI) prices fell below \$75 for a while, production growth would continue at relatively high levels for years to come. While the debate in the United States intensifies over whether the country should lift restrictions dating back to the 1970s on exporting crude oil, facts on the ground are changing faster than policymakers in Washington recognize — or global markets are ready to realize. As U.S. hydrocarbon trade flows get turned on their head, oil exporter countries lose the

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The Reactionary Visionary


Can Shinzo Abe convince Japan's voters that the path to future glory lies in the imperial past?

BY **TOBIAS HARRIS**

DECEMBER 12, 2014

Some politicians thrive on the campaign trail, and excel at rousing crowds. Others are more at home in smoke-filled rooms, striking legislative bargains away from the public eye. Japanese Prime Minister Shinzo Abe's natural environment is the podium in a crowded hall, where he can lay out his vision in front of a politely rapt audience.

Abe's vision is of a Japan transformed. Perhaps Abe's clearest elucidation of this was a [January 2007 speech](#) to Japan's parliament, the Diet, during his first stint as prime minister. "In order to realize 'a beautiful country, Japan,'" he said, citing a slogan from his first term, "My mission is none other than to draw a new vision of a nation which can withstand the raging waves for the next 50 to 100 years to come." Since returning to power in December 2012, Abe believes that nothing less than remaking Japan is imperative to overcome the crises the country faces. Abe wants a revolution in the Japanese state, society, and economy to enable it to remain a great power in Asia and the world, and to this end has implemented defense spending increases, lifted restrictions on Japan's armed forces, spurred a radical experiment in monetary policy, and outlined structural reforms to revitalize industry and agriculture.

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