

The Influence of Foreign Oil on the American Economy

Many people are calling for a new energy bill to be passed through congress. This is because of the new growth in the demand of transportation coupled with increase gas prices. The United States domestic oil production is slowly decreasing which means that the American public must depend more and more on foreign oil supplies. These increasing oil prices have an adverse impact on the United State Economy including the stock market. It is essential that the United States develop a energy plan that allows for increasing transportation while helping the United States move away from dependence on foreign oil supplies.

In the past year the price of oil has increases substantially. Since last summer crude prices have increased a staggering 45% since the start of the new year. During that time a barrel of oil from West Texas reached an all time high of 45.04 on the New York stock exchanged. Even though the Organization of Petroleum Exporting Countries have also been increasing their production of crude oil. Earlier last year it was assumed that rising gas prices were because there was an increase in the world's demand for oil followed by political unrest in south American countries. However, gas prices have not only stayed high have continued to increase. There were also several Iraqi pipeline problems having to do with the kidnappings in the Middle East during late 2005.

In the previous campaign for president, Bush and Kerry went head to head discussing energy issues. Both are well aware that the ability to be secure in our oil and thus the nations energy supply is essential for the economy and for the stock market. We are in desperate need of a long term national energy that that will reduce our reliance on foreign oil. The nature of oil, and foreign affairs is so complex it is hard to develop a straightforward plan to resolve all problems while meeting each party's needs. Certainly, any instability in the parts of the world were the majority of our oil comes from is going to make gas prices rise. It has been suggested that instead of seeking new oil supplies perhaps we should seek out new technology to utilize renewable resources. Certainly, it would be exciting to be part of a something that is actually good for the planet, and encourage the healthy growth of companies which are looking out for the future of America.

Additionally, there are investment opportunities in alternative fuels. While these companies are still working on their technology and their companies are just beginning to prosper it is the perfect time to buy low and wait for them to develop. Soy beans, refurbished fast food vegetable oil, hybrid cars, and companies who are attempting to create more public transportation in cities where public transit is lacking are all great places to look for investments. Of course this would be part of a long term investment plan. However, knowing that you are having your country, the environment, and making money can more then make up for the slow profit trickle.

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About the Author

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