

Energy Analysis and Economic Valuation*

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I. Introduction

Ever since the oil embargo of 1973–74 everyone speaks of the *energy* crisis. And whether we are “optimists” or “pessimists”, by now most of us recognize that what will happen in the end to this crisis is not an idle question. Only economists still refuse to see the indissoluble relationship between the scarcity of natural resources and the economic process as a whole. As an excuse we hear, for example, that the limitations of natural resources cannot lead to any interesting conclusions [72, 43], as if scarcity were not the very element around which the economic system turns and spins. But the “official” position is systematically defended by the decision-makers of the most influential economic associations. No invited paper at the Tokyo World Congress of the International Economic Organization dealt with the limitations of natural resources. As explained by an official communication, the Program Committee was “very selective.” Most curiously, the general theme of the Congress was “Economic Growth and Resources” and the year was 1977! All the more we should admire Mogens Boserup’s candid verdict at the closing session.

There was a remarkable degree of consensus in turning down, or rather ignoring, all the ‘doomsday’ attitudes and opinions on natural resources. And even apart from that particular issue, there was an almost complete absence of sharp confrontation of opinions.

As we know, a gathering of economists which fails to produce disagreement on essential issues is a rare occurrence—and even a scandal, some would say A question [thus], immediately comes to my mind: Why do economists agree so largely on the issue of natural resources, not only at an I.E.A. meeting in Tokyo, but in the profession as a whole? [7].

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