

Opinion or Fact: Alan B. Enzo's Essay

This paper reviews the article "The Effects of Rising Fuel Costs on US Trade" from the World Trade Magazine web site (1). The article was written by Alan B. Enzo, dated March 19 2007 and it won a prize in an MBA essay competition sponsored by the World Trade Council of Middle Tennessee. It seems that the article is based mostly in fact rather than opinion because the author explains how the oil price is related to the American economy. He goes into detail to show how a rise in the oil price will cause a rise in the price of many products and goods, and he examines this from a macro and micro economics point of view. However, the author does not mention the countries of the Far East and the effect that they have on the oil price. He also does not mention any other global players including the very important Middle East countries which produce much of the world's oil. In this way it can be said that the article is based more on opinion, because the author is only concerned with looking at the situation in America.

So although the paper is based on facts and the author gives many such facts, he chooses which facts to put in and which ones to just leave out. This is where his personal opinion comes into the way he writes, and he comes across as being an American author who is in favor of America and the ability of America to store a lot of spare oil so that oil prices do not rise too much in the future. As he says, if oil prices do rise then many aspects of American economy are affected. For example the price of consumer goods will go up because the factories will pay more on fuel, and transport of the goods also costs more. The price of exports will also get more expensive and this means other countries will not buy as many exports from America. People will spend more on fuel and that means they have less money to spend on anything else, like holidays or movies.

The reason for saying that this author is very pro-American is his statements such as "the U.S. dollar continues to hold its place of esteem as the 'International Reserve Currency'" (paragraph 2) and "The macro-economic effects and importance of the U.S. dollar's role as the International Reserve Currency should not be underestimated. As a result of this position, there exists a large and constant global demand for U.S. dollars" (paragraph 4). Although these statements may be true, it would have been better if the author could look at other world economies and not just focus on the dollar and America. For example the societies of China and India are developing very rapidly, in an industrial way, and this also has a major effect on oil prices. And the political situation in the Middle East affects oil prices too, but the author of this article does not even mention this. It is as though he is only able to see America and he does not think that the rest of the world is important.

So the inference I am making about the slant of the article is that the author is biased in favor of America. He is not able to look at other issues that are very important in understanding the effect of the rising oil price on US trade. He is not able to take a worldwide or global view of the situation. The title of his article is about US trade only, but still it would be important to look at the influence of many other countries, especially the Middle and Far East. These countries also affect the rising fuel price. It is not just America that determines whether the fuel price will rise or not.

I make the assumption that this author is an expert in local economics, but he has not made a very deep study of the global situation. I also make the assumption that maybe he has written about the global picture somewhere else in his article, but he does not mention it in this section. It says at the end of this article that it is just an extract from a longer essay.

The facts are what he says about how one thing causes another, for example if oil prices rise then the price of transport rises, and there is an increase in demand for dollars because all countries buy their oil in dollars. And this also means that when other countries import goods they have to pay more for them because the dollar is now worth more. And imports to America will be cheaper for Americans although the exporting country will still make as much money as before.

The opinion that this author does not state openly is that America must keep its power, and it must store lots of oil. He says that "The dollar/oil relationship must be maintained to keep the dollar as the International Reserve Currency" and "If the demand for the dollar decreases substantially, the dollar/oil relationship could be challenged by the major oil producing countries" (paragraph 15). He does not say what is supposed to be wrong with this. He seems to forget that many countries and citizens in the world could benefit if the main oil-producing countries did challenge America's dominance. So this part of the essay shows the author's own opinion and not just the facts.

Reference:

(1) http://www.worldtrademag.com/CDA/Articles/Feature_Article/BNP_GUID_9-5-2006_A_100000000000000730
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