It is time to send out an S.O.S., before it is too late.

This time S.O.S. stands for “Save Our Shale” industry.

It is only in the past several years that the United States, along with Canada, has been able to achieve a semblance of North American energy independence. United States crude oil production soared to as much 9.6 million barrels per day in 2015, vying with Saudi Arabia and Russia for the title of world’s top oil producer. And the Saudis took notice.

The kingdom has flooded the market with oil, while Russia and Iraq have raced ahead as well, with reckless abandon, as the price of crude oil has collapsed, falling 50 percent in 2014 and by another one-third in 2015. Iran is readying its full re-entry into the global energy market, recently highlighting its plan to raise exports by upwards of 1 million barrels per day this year!

The only country to respond to the falling price of oil has been the United States, due to its free-market oil industry. The U.S. rig count has fallen by nearly two-thirds or 1,118 from December 2014 to December 2015, causing U.S. oil production to fall by more than 500,000 barrels per day last year with more - potentially a lot more - to come.

This is precisely the Saudi strategy - undercut the world’s more expensive producers and drive them out of business, in a predatory practice that would be illegal under US anti-trust laws.

In fact, it was none other than John D. Rockefeller who invented and described this practice in his famous quote: “The American Beauty rose can be produced in all its splendor only by sacrificing the early buds that grow up around it.” The U.S. shale (and traditional) oil industry represents those buds for Saudi Arabia, today.

This strategy worked to great effect in the late 1990s, when fellow OPEC-member, Venezuela, decided to challenge Saudi Arabia for market share of oil sales to the United States. The Saudis opened the taps back then, and WTI oil prices crashed below $10 for a time, before rebounding in 2000 and beyond.

But it was not just Venezuela that got crushed; it was U.S. domestic oil production, which steadily fell from 9 million barrels in 1985 to 6.25 million bpd in 1998 to its low of 5 million bpd in 2008. It was a lost generation for the oil U.S. oil patch -- a lost generation that was highlighted by an extreme vulnerability to Middle East politics and the whims of OPEC, which resulted in triple-digit crude oil prices and $5 per gallon gasoline, at times.

While we are laughing our way to the gasoline pump now, we are heading back down the road to dependence on OPEC and foreign oil.

Most of the world’s oil production is under the guise of state-run and/or owned enterprises. National oil company production policy is dictated from on-high by oil ministers of various OPEC and Non-OPEC oil producers. U.S. are producers are subject only to the vagaries of a not-so-free market.

When the good times are rolling for U.S. oil producers, there are many critics who accuse the industry of price gouging and demand that “windfall’ profits be heavily taxed. And maybe, with prices as low as they are right now, a future windfall profits tax should be considered… in order to help pay for the financial assistance that the U.S. exploration and production industry desperately needs now.

I have always favored an expansive use of the U.S. Strategic Petroleum Reserve to use as a lever against the artificial oil supply constraints imposed on the world market by OPEC. The war on the U.S. economy has now flipped, with artificial oversupply drowning our great energy companies, costing more than 100,000 well-paying, highly-skilled jobs and other support jobs, in the process.

A number of things should be considered:

- Pay producers not to produce, but require them to keep their wells intact and ready to go, when prices invariably rise, just like we do to protect our farmers and agriculture industry.
- Provide other direct price supports for oil and gas producers for the proper capping of wells and laying down of rigs that preserves and ensures their future ability to return to service quickly.
- Provide loan guarantees to banks and other lenders, so that they can continue to fund the industry to help keep these strategically important businesses afloat.
- Amend the bankruptcy code to allow for expedited and special treatment of oil producing assets, enabling them to be kept as whole as possible, so that their producing power and future potential is not lost for another generation.
- Give oil patch workers enhanced unemployment benefits or temporary government jobs as caretakers of the oil fields, so that they do not lose their skill set and remain at-the-ready to fire up fallowed production.
- Enable the Interior or Energy Department to purchase parcels containing so-called drilled-but-uncompleted wells , so-called DUCs, which could act as a secondary Strategic Petroleum Reserve.

What do the American people get in return? They would get that windfall profit tax on any oil company that avails itself of the aid program(s). A tax on the newly liberated crude oil that can now be exported could be another revenue source. The U.S. would have a real energy policy that would enable it to finally compete with OPEC at its own stilted game.