

TOWARD THE PETRO-APOCALYPSE

By Yves Cochet
(Green Party- Paris/National Assembly)
March 31, 2004 Le Monde (Paris)

In a few years, the global production of conventional oil will fall, while the global demand continues to rise. The resulting shock of this structural oil famine is inevitable, so great are the dependency of our economies on cheap oil and, related to the first, our inability to wean ourselves from this dependency in a short period of time.

We can hope to soften the shock, but only if its imminence immediately becomes the unique reference point for a general mobilization of our societies, with, as a consequence, drastic consequences in every sector. The alternative is chaos. This prospect is based on the work of the American geologist King Hubbert, who predicted in 1956 the peak in US domestic production of oil in 1970. This occurred exactly as predicted.

Transposing Hubbert's approach today to other countries has given similar predictive results: at present, the production of every giant oilfield -- and only the giant ones matter -- is in decline, except in the "black triangle" of Iraq-Iran-Saudi Arabia.

The Hubbert's peak of the oil-producing Middle East should be reached around 2010, depending on the more or less rapid recovery of full Iraqi production and the growth rate of demand in China.

The sectors most affected by the steady rise in the price of crude oil will be, first, aviation and intensive agriculture, since the price of jet fuel for one, and of nitrogenous fertilizer as well as diesel fuel for the other, are directly linked to the price of crude oil.

This will occur unless stabilizing policies are used -- for a time and in some other sectors -- to lower taxes on oil as prices rise. But afterwards ground transport, tourism, the petrochemical industry, and the automotive industry will feel the depressive effects of a reduction in the quantity of oil (depletion). To what extent will this situation lead to a general recession? No one knows, but the blindness of politicians and the usual panicked overreaction of markets allows us to fear the worst.

This unavoidable prophecy is being universally ignored, denied, or underestimated. Rare are those who realize exactly how close and how great is its advent. Michael Meacher, formerly UK minister of the environment (1997-2003), wrote recently in the Financial Times that unless there is a general awakening and decisions at the planetary scale to bring radical change in the domain of energy, "civilization will confront the most acute and no doubt most violent upheaval in recent history."

If, in spite of everything, we want to maintain a bit of humanity in life on Earth in the 2010s, we ought, as the geologist Colin Campbell has suggested, to call on the United Nations to agree immediately on the following: to guarantee that poor countries will still be able to import a little oil; to forbid oil profiteering; to encourage saving energy; to promote renewable sources of energy. In order to attain these objectives, this universal agreement should impose the following measures: every State must regulate oil imports and exports; no oil-exporting country may produce more oil than its annual depletion, scientifically calculated, allows; every State must reduce its oil imports to an agreed-upon global depletion rate.

This necessary priority granted to physical econometrics will not suit economists and politicians, especially in America. No government of the United States has ever accepted questioning the American way of life. Since the first oil shock of 1973-1974, every American military intervention can be analyzed in the light of the fear of running short of cheap oil. It was, moreover, the American production peak in 1970 that enabled OPEC to seize the occasion and cause the first shock, which coincided with the Yom Kippur War. Countries in the West then attempted to regain control and conjure away the specter of shortage, less through energy sobriety than by means of opening oilfields in Alaska and the North Sea. In 1979, the Iranian revolution and the second oil shock once again allowed OPEC to regain preeminence, as Western economies paid dearly for their thirst for oil through the recession of subsequent years.

At the beginning of the 1980s, the financing and arming of Saddam Hussein to fight Iran was part of the American reconquest of the price and flow of oil, as was the cooperation obtained from King Fahd of Saudi Arabia to increase crude oil exports to the West. That allowed the oil price crash of 1986, a return of Western growth through unlimited oil abundance, the extension of the thirst for energy up to the Iraq wars (1991, 2003) no matter how many died from them (100,000? 300,000?), no matter how much they cost (\$100 billion? \$300 billion?), by no matter what means (annual Dept. of Defense budget: \$400 billion).

During these same last fifteen years, the multiple conflicts in the Balkans had their source and their resolution in the American desire to keep Russia away from the oil transport routes from the Black Sea and the Caspian to the ports on the Adriatic, by way of Bulgaria, Macedonia, and Albania. Oil geopolitics authorizes any pact with Islamist devils, from central Asia to Bosnia, and all the cynical connivances with terrorists, right up to Tony Blair's recent trip to Libya to allow Shell to bring its volume of reserves in return for several hundred million dollars.

The present American Greater Middle East Initiative is dressed up in humanitarian and democratic considerations, but it is nothing but an attempt to get control once and for all of every source of oil in the region.

More than thirty years of worrying about oil has not opened the eyes of American and European leaders concerning the energy crisis that is looming just before us. Despite what René Dumont and the ecologists were saying from the 1974 presidential campaign on, the governments of industrialized countries have continued and continue to believe in almost inexhaustible cheap oil -- to the detriment of the climate and human health, both perturbed by greenhouse gas emissions -- instead of organizing a reduction in their economies' reliance on hydrocarbons.

However, the oil shock that promises to strike before the end of the decade is not like the ones that preceded it. What is at stake this time is not geopolitical, but geological. In 1973 and 1979, the shortage had a political origin in OPEC's decision. Then the supply was restored.

Today, it is the wells themselves that are declining. Even if the United States succeeded in imposing its hegemony on all the oilfields in the world (outside of Russia), their army and their technology will not be able to prevail against the coming depletion of conventional oil. In any case, there is not enough time to replace a fluid so cheap to produce, so rich in energy, so easy to use, store, and transport, with so many uses (domestic, industrial, fuel, raw material...), in order to reinvest \$100 billion in another source of abundance that doesn't exist.

Natural gas? It does not have the just-named qualities of oil and will reach its global production peak in around 2020 -- about ten years after the other peak. The only viable path is immediate oil sobriety organized through an international agreement along the lines I have sketched out above, authorizing a prompt weaning from our addiction to black gold.

Without waiting for this delicate international agreement, our new regional elected officials and our soon-to-be-elected European representatives should set for themselves as a top priority the local realization of these objectives by organizing, on their own territory, an oil shrinkage. Otherwise, rationing will come from the market through the coming rise in oil prices, and then be propagated by inflation, with the shock reaching every sector. Since the price will soon reach \$100 a barrel, this will no longer be a simple oil shock -- it will be the end of the world as we know it.