

CONTRIBUTION TO PANEL DISCUSSION BY C.J.CAMPBELL

As suggested in the Foreword to the Workshop, in addressing this issue we can identify factions with different backgrounds, mind-sets, objectives, opportunities and vested interests. We can compare them with camps on a mediaeval field of battle, where one army respected the other although seeking to settle a conflict. In this dispute, enemies may turn out to be friends and perform useful functions that are not immediately obvious. It is above all important to accord respect to the different factions. We can identify four camps:

The Surveyors simply aim to identify, define, describe and measure the resource in Nature.

The Flat-Earth Fundamentalists follow classical and out-dated economic theories to suggest that shortage in an open market is impossible and that one resource seamlessly replaces another as the need arises. “The Stone Age did not end because we ran out of stones” is their slogan; and “Liberalise Markets” their battle cry.

The Pretenders are knowledgeable and wise officials in government and politics. They understand the situation perfectly well but are forced to pretend otherwise due to the constraints of pragmatic politics. They have a useful role to perform in offering comforting words to avoid panic, while behind the scenes they try to make sensible plans.

The Renegades are senior out-of-office ministers and politicians who are free to speak the truth and try to influence the course of events

The International Energy Agency, which has prime responsibility for advising the OECD governments on oil and gas supply, is clearly a political entity lying far from the Camp of the Surveyors. Its forecasts deny natural depletion suggesting that supply can meet demand to at least 2025 if sufficient investment is dedicated. What happens beyond the study period is left to the imagination.

It is axiomatic that a finite resource is subject to depletion. It is also obvious that the more efficient the extraction process, the sooner it will be depleted. Accordingly, there is merit in match consumption with depletion with the help of a Depletion Protocol. The City of Rimini has offered to host a conference of world leaders to address this very issue. In short, the Protocol requires that importing countries should cut their imports to match World Depletion Rate (annual production as a percentage of what is left), which is currently running at about 2.5% a year. It would put consumption into balance with production such that world oil prices would remain in a reasonable relation with production cost. That would allow the poor countries of the world to afford their minimal needs and it would prevent profiteering from shortage by the Middle East and others. The consumers for their part would be encouraged to reduce waste, now running at monumental levels, and turn to renewable energies to the extent possible. Above all, they would be forced to face the reality of their predicament as imposed by Nature.