

**WINDELL: HOW THE NEW ENERGY
ABUNDANCE UPENDS GLOBAL POLITICS
AND STRENGTHENS AMERICA'S POWER**

(MEGHAN O'SULLIVAN)

February 27, 2018

A few weeks ago, I watched a bad movie on Netflix—*The Cloverfield Effect*. This near-future science fiction film (distantly related to the original *Cloverfield*, an updated Godzilla-type movie) revolved around a disastrous attempt to generate unlimited energy in space, needed because the entire world was “two years from running out of all energy.” Yes, that’s really as stupid as it sounds. But Meghan O’Sullivan is here to tell us that just as stupid is the idea that we’re running out of fossil fuels, within any time frame that matters. And she is further here to tell us what that means, for our economy, our global position, and for the future stability of the world, both geopolitically and environmentally.

My major complaint about this book is that while the material is interesting, the writing is not. It is dry, dry, dry, Sahara Desert dry. And it’s repetitive—it was in high school that I stopped summarizing writings at the end of each section by simply reciting what I had written just before. Still, what’s contained here is informative, and in these days when stupidity like “fossil fuel divestment” is the level of most energy discussions, and the energy abundance we have obtained, to our great good fortune, is deliberately downplayed by politicians and the media, merely being informative is a big step forward.

The “new energy abundance” of the title, though, is not merely America’s energy abundance, but the world’s. Much focus is given to China, and other areas, from Russia to the Middle East, get ink as well. The central fact around which the book is written is the precipitous drop in crude oil and natural gas prices over the past decade—oil dropping from a high of almost \$120 a barrel in 2008 to a low of \$30 in 2016 (it is at about \$65 today), and natural gas dropping by a factor of six. More to the point, these numbers don’t convey the atmosphere of 2008, which I remember well. The media was filled with anguished cries of “Peak Oil!” Government functionaries churned out document after document predicting imminent conflicts over mere access to oil, never mind its price. James Howard Kunstler wrote a whole book, *World*

Made by Hand, about the nineteenth-century feel our country was about to acquire as a result of running out of oil. But somewhere along the way, none of this happened.

However, contrary to what ignorant-but-optimistic people, and people deluded by their “green” ideology, think, none of this good fortune was because of renewable energy sources. As O’Sullivan tells us, in 2016 less than three percent of global energy was provided by (non-hydro) renewable sources, and that includes nuclear energy. Rather, what changed was the arrival of fracking and its cousins—new technologies that allowed the recovery of previously unrecoverable, or only recoverable uneconomically, oil and gas. “Tight oil,” “tight gas,” and “shale gas” are the biggest categories, though there are others. For practical purposes, or at least non-technical perception, they’re all “fracking,” which was developed by private entrepreneurs, with extensive government support, both direct (tax breaks and so forth) and indirect (mapping and other scientific help). The end result is that the United States now produces more oil than ever before (the previous record was set in 1970) and huge volumes of cheap natural gas as well.

This new abundance also characterizes the rest of the world, or at least some of the rest of the world—that part blessed with the right geologic formations and receptive, competent governments and populations. Unfortunately for them, that’s very few countries—the latter, more than the former, is the problem, so fracking is not really a global phenomenon. Still, the Middle East has plenty of oil, as do many other countries, and fracking merely adds to that global market, which is extremely complex, as O’Sullivan goes over in detail. She explains how for decades the Saudis, in particular, have been able to manipulate oil prices, or at least prevent their rise, by maintaining (expensive) idle equipment and thereby being able to add quickly to the global supply at any time. Sometimes they do this when we ask them; sometimes for their own reasons, strategic or financial. Tied into this is the politics of OPEC and much else. O’Sullivan’s point is that fracking doesn’t mean oil is therefore always going to be magically cheap. Rather, it appears that fracking, since it relies on many small-scale installations, in practice will also allow quick reactions to price or demand changes. This will dampen price swings globally and, not coincidentally, benefit the

United States financially and strategically (among other reasons making it less likely we'll have to toady to the Saudis).

After covering all this in detail, O'Sullivan focuses on what this means for the United States. She notes that America is nearing true energy independence, both by itself and more generally as part of a loose North American cooperative. That cooperative is somewhat aspirational—O'Sullivan points out that Mexico has historically been incompetent, like so many countries that have oil, at properly husbanding its resources, and that Canada, thanks to Obama, is not very interested in placing more bets on unreliable and dishonest America, with Obama's neo-colonialism having tried to deny to Canada the right to sell its oil for the benefit of Obama's constituents, so Obama could virtue signal to his global friends. (Well, OK, O'Sullivan doesn't put it exactly that way, but the conclusion is inescapable.) She then distinguishes energy independence, net out being greater than net in, from true autarchy. (One question that the author never addresses is where the equipment for fracking comes from—that is, could an enemy cut off our ability to frack?)

Given this objective windfall for America, O'Sullivan points to two benefits—that of hard power, and of soft power. As far as hard power, cheap energy is an enormous boost to America's economy, with multiple effects, all of which she discusses competently. Not that hard power doesn't have limits—O'Sullivan notes that both in Kuwait and Iraq, the United States, if it was fighting for oil, got nothing at all from the countries it liberated, except a big bill and lots of dead people. (Kuwait prohibits any foreign investment in its oil to this day—thanks a lot, Kuwait!) But our fist is stronger because we have cheap energy, and nobody would deny that.

As far as soft power, here O'Sullivan loses the plot a bit, apparently believing that soft power is doing what pleases George Soros and his buddies, and that because we have an "oil renaissance," it will save the "liberal international order," because people will think the United States is cool again. According to this, we suffered a massive blow to our soft power, for example, by failing to ratify the Kyoto Treaty. But Obama got it back by promising to cripple the United States economy! In the real world, though, the United States may have had, in the past, some soft power when we were the global hegemon of a dynamic free world.

In a West beset by demographic disaster where the chickens of decades of left-wing policies are coming home to roost, we don't have any soft power at all. You know who does? China. We don't, oil or not. We're weenies, because everyone in the world laughs when we spend our days promoting transgenderism or some other stupid ideological cause of the day and abasing ourselves before Tuvalu for supposed environmental crimes (although, inconveniently, it was just revealed that Tuvalu is actually rising, not sinking beneath the seas). Weenies don't have soft power. Meanwhile, China aggressively follows its One Belt, One Road, "going out" strategy, and buys friends. Now that's soft power.

All this dubious analysis about our supposed soft power is tied back to fracking by the claim that without cheaper energy, Obama would have found it harder to try to give away the farm at the so-called Paris Accords in 2015 (which supposedly dramatically increased our soft power). Not that he did give away the farm—the President can't, after all, bind the country to anything at all without any consent from the legislature, so the United States is no more bound by the Paris Accords than you are by the fact that your third cousin told his drug dealer you would pay for the crack he smoked. But all this inspired me to see what, exactly, was in the Paris Accords, where Obama's worthless promises, according to O'Sullivan, meant that "India and Brazil, alongside China, [were] countries inspired by U.S. pledges to make more ambitious commitments of their own."

Well, all signatories vaguely promised to reduce carbon emissions, without, of course, any legal requirement to do so. Specifics are fairly hard to find—the Wikipedia article on the Paris Accords offers no specifics on individual countries at all, nor any linked entries with specific data, and most news articles are extremely vague. This problem is exacerbated by there being no common metrics in the Accords (they were specifically rejected, for obvious reasons), so each country's "submission" varies wildly in terminology, and therefore meaning. You can, if you dig, locate the text of the actual submissions, but they are mostly impenetrable bureaucrat-speak, and not comparable side-by-side. However, according to the *Washington Post*, "China, in its submission, said that, compared to 2005 levels, it would seek to cut its carbon emissions by 60 to 65 percent per unit of GDP by 2030. India said it would reduce

its emissions per unit of economic output by 33 to 35 percent below 2005 by 2030.”

Let's break that down. “Per unit of GDP” means that if those countries' GDPs increase by 2030, as seems almost certain, by at least those percentages, absolute emissions will actually increase from those countries. On the other hand, the United States pledged to ignore its own GDP growth, and cut absolute emissions by 28 percent, not by 2030, but by 2025. Seeing the farcical nature of this, China also released an official statement that it would “make its best efforts to peak its emissions by 2030.” Wow. Bold. So, what Obama and his ilk wanted was for the United States to immediately cut its own throat, voluntarily implementing a James Howard Kunstler dystopian fantasy, so that we can find out in fifteen years that, in fact, other countries didn't actually do anything. (And, according to a 2017 *New York Times* article, to nobody's surprise, no other relevant country is even meeting their initial goals—except for us, due to the substitution of natural gas for coal, not because of any government action, but because fracking has made gas cheaper.) The propaganda nature of all this is shown by those little words, “per unit of GDP,” which appear almost nowhere in news reporting about the Paris Accords, thereby giving the false impression that both the United States and giant countries like China and India are agreeing to the same types of actions, which is the exact opposite of the truth.

Even more bizarrely, the other example of United States soft power O'Sullivan gives is that in 2009, before Obama visited China, Obama's team “had a clever idea.” Their idea: offer for free to China “a resource assessment of China's own shale deposits and a subsequent workshop to provide the Chinese with information about how to develop and manage whatever wealth was discovered.” Unsurprisingly, “the Chinese seized the offer.” What did the United States get? Hold on to your hats! We got “the opportunity for extensive conversations—the first of their kind—between U.S. officials and their Chinese counterparts about oil markets, the role of the market in procuring energy, pricing mechanisms for natural gas, and other matters.” Woo hoo! Those were probably the first of their kind because they were the kind of conversations that automatically happen if and when needed. But I'm sure the Chinese were shrieking with laughter behind closed doors, that we shoveled immensely valuable intellectual property to them in exchange for

“extensive conversations”—that is, being allowed to yabber at them for a few hours. And, amazingly, “China, it turns out, was not the only country interested in benefiting from American shale gas expertise.” So we gave all our secrets to India, too. And we were able to “pave the way for conversations [more of those, yay!] about India’s heavy reliance on coal.” I bet the Indians and the Chinese got drunk together and laughed at the entire team of Obama yokels. This is not soft power, it is the behavior of the village idiot.

Anyway, next we get a predictable chapter on the environment, where O’Sullivan tries to wriggle out of the reality that more fossil fuels means more carbon in the air, and nothing is ever going to be done about it, not that she admits it. And the last third of the book is a series of chapters on different energy-producing regions, starting with Europe. This mostly revolves around the fraught relationship between Europe and its main energy supplier, Russia, and Europe’s response being to ban both fracking and nuclear power, because nothing demonstrates like that a real commitment to energy independence from Russia. (In passing, without meaning to, O’Sullivan demonstrates what real soft power is—“Even if the Soviets [and now the Russians] never actually terminated the flow of gas, their ability to do so would provide its own quiet form of influence.”) Next is China, where it quickly becomes evident that China will continue to use unbelievable amounts of coal for the foreseeable future, and is generally in an outstanding strategic position—not as energy independent as the United States, but going places a lot faster, and not going to stop using all the energy needed, from whatever sources, to do so. Finally, we get more detail on the Middle East, with an emphasis on the fact that we have a lot more interests there than energy, so even if we were energy autarkic, we’d still be heavily involved in the area. We also get much discussion of the various oil states’ plans to not become nomadic sand dwellers again when the oil runs out (which seems the most likely long-term result, given that apparently nobody at all actually works for a living in those states).

Intertwined with all this are reasonable recommendations about how the United States should act toward China, Russia, and the rest of the world as regards oil and gas trading, and should make strategic decisions relating to oil and gas production and consumption. O’Sullivan nods repeatedly to Graham Allison and discusses his interesting theory

of the Thucydides Trap (she is a colleague of Allison's, and thanks him first in her Acknowledgements). She ends the book with a repetitious summary of what she has said already, and does not fail to mention a few ways in which her analysis could be wrong (more demand for energy than expected, black swan events, technology not advancing as expected, etc.). At the end, the reader is certainly better informed about the world's energy picture, and while the book isn't perfect, it's the only book I'm aware of (at least for a general readership) that covers this important topic in a relatively neutral fashion.