BOOK REVIEWS

Oil in the wheels of politics

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THOSE who have to catalogue or identify books would sometimes welcome a little more care in choosing titles. Certainly, no one should reach for this stimulating but strangely uncertain symposium in the belief that it will offer a synoptic view of the relationship between energy and security. On the supply side, coal, gas, nuclear power and "renewables" are mentioned in passing, but the emphasis is otherwise exclusively on oil. On the demand side, changes in oil and total energy consumption are duly noted, but the structure and evolution of conversion and end-use patterns are largely ignored. So are all questions of energy technology. As to security, it is understandable that most of the discussions and policy recommendations relate to the United States, albeit against the background of praiseworthy insistence that American isolation from world energy concerns is impossible. What is less acceptable is the absence of any serious reflection on what "security" really means in the energy context. Some of the groundwork is here, for instance in the occasional distinction between import dependence and supply vulnerability. In the end, however, the only definition of energy security, implicitly or by exclusion, is in the all too familiar form of immunity to a sudden disruption of flows or prices in the world oil market. The result is a book about short-term threats to oil trade, with particular reference to the United States. That is undeniably an important subject, but only a broader analysis could hope to determine its true significance.

Any volume made up of separate papers derived from a series of seminars and written by both senior luminaries and graduate students confronts its editors with problems of coherence and consistency. This is no exception. In minor matters — mis-spellings or misprints — the standard is sometimes deplorable. In more important respects, however, there is better evidence than usual of thematic continuity. Nor are the more junior contributors disgraced. Indeed, Fen Hampson on Canadian energy policy and, outstandingly, Kevin Middlebrook on US–Mexican energy relations make two of the most useful and polished contributions to the collection. Some of the problems nevertheless prove insuperable. It has to be said, for example,

Energy and Security. Edited by David A. Deese and Joseph S. Nye. Pp.489. ISBN 0-88410-640-3/0-6660-684-5. (Ballinger/Harper & Row: 1981.) \$14.50, £9.50.

that a book so narrowly focused on oil politics deserves a less superficial survey of politics in the Gulf: a chapter which might, moreover, have carried more weight if, like other sections, it had been reviewed since the outbreak of the Iraq–Iran war. In general, however, the quality of the individual contributions is sufficient, and sometimes exemplary. The intractable difficulty is rather one of reconciling what is said or, more often, implied in the different papers.

In some cases, the impression created is that apparent conflicts of interpretation have been recognized but have resisted resolution. In their summing-up of lessons for American policy, for instance, the editors (with Alvin Alm) strongly endorse the establishment and use of national oil stockpiles, but without referring to some hard questions about that policy raised earlier by Thomas Neff, in a strong paper on recent changes in the oil market. In other cases, the impression is that the participants have simply not addressed themselves to fundamental questions begged by the conjunction of their separate analyses. Two such questions stand out. One is about the relationship between governments and energy markets. And the other is about the relationship between immediate protection against oil-trade disruptions and the ultimate security of energy systems at large.

The contributors are especially uncertain about the role of government. In his opening chapter, Joseph Nye argues for more government involvement in external energy affairs, but less in domestic ones. Other authors echo that view, extolling the usefulness of market forces and casting sceptical glances at the ability of government to regulate or *a fortiori* to ration the flow of oil in an emergency, or even to shape the domestic energy economy in the longer term. Yet, time and again, recommendations for policy action — on stockpiling, pricing, taxation, revenue distribution or the promotion of alternative supply — imply a need for more, rather than less, governmental intervention. The domestic market must be

made free, so that it can transmit price signals efficiently to consumers, but the market must be managed, lest the signals it transmits, as in either the easy days of 1975–1978 or the panic of 1978–1979, reflect an inefficiently short perspective. (David Deese and Linda Miller, in discussing the West European dimension, even complicate the issue by suggesting that, in an emergency, available oil will gravitate towards "free market countries".) Nowhere is there convincing evidence that the contributors and editors have faced up to the obvious dilemma lurking in those shadows. The suspicion they leave is of having convinced themselves that government, in the abstract, must play a role of which American governments, in the real world, are incapable.

The second fundamental but unresolved issue is even more obvious. Several of the authors, led by William Hogan, apparently believe that short-term measures to prepare for disruptions of oil trade have been neglected in favour of efforts to limit oil imports or oil consumption in the longer term. In the particular case of the United States, given the fiasco of the Strategic Petroleum Reserve, it would be hard not to sympathize with them. What is lacking, however, is a considered sense of the opportunity cost of short-term oil emergency measures in relation to the longer-term management of fuel supply and of the energy economy as a whole. A country's relative security in regard to energy palpably depends on much more, in the final analysis, than the scale and pattern of its oil imports. Far larger social, political and institutional, as well as economic, questions are at stake. In this case, however, they remain unilluminated. Anyone who wants to think more deeply about the problems of coping with another Arab oil embargo or the effects on oil supply of another Middle Eastern war, especially in the United States, should read this book. But oil supply is not the only element in national, let alone global, energy security, and anyone who wants to learn about other elements of that now perennial issue will look here in vain.

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