

BOOK REVIEW

World Petroleum at the Crossroads by PAUL TEMPEST. (Greenwich, London SE 10 8QQ, United Kingdom: PTA/Teapot Press, 1999), 120 pages. \$16.50/£10.

For the first—hopefully not the last—time, your reviewer has been invited to comment on a book that is a joy to read. The author shows the lightness of his touch in the very name of his publisher. The traditional ‘storm in a teapot’ is rephrased as a Tempest in a teapot, with the implication that many of the energy problems of the day may prove less insoluble than they usually seem.

No attempt is made to back up Tempest’s opinions with models, statistical analysis, or revealing charts. Even the wording is not new. The procedure has been to gather ideas and excerpts from speeches that are sometimes many years old. The trick for the reader is to look for the date before taking too seriously some of the extracts. However, the whole volume is enlivened by Tempest’s optimism and sense of humor.

On oil company culture, Tempest notes that senior employees travel the world in comfort at company expense. However, they are obsessively interested in their work, so that they have little sympathy with “spin doctors, politicians and city slickers.” Optimistically, he finds them sensitive to other peoples and their customs—with “some good dancers . . . but undistinguished golfers.” He warns that conformity with this culture is essential, in that companies “throw out the rebels.”

Tempest writes hilariously and, evidently on the basis of a great deal of inside experience, of differences in behavior patterns among the majors. With Shell, for which Tempest worked after leaving the Bank of England and the World Bank, he notes that the company’s Business Club exists simply to allow the seniors “to continue exchanging stories into their dotage.” Exxon people, by contrast, “rarely tell stories or jokes.” Mobil’s stories “have a roundabout way of getting to the point.” Texaco’s are the terse one-liners. BP stories are “military, hierarchical, colonial in character—those of a country squire.”

Moving away from the “multinational dinosaurs,” Tempest offers, on the basis of unique exposure to the top levels of the energy business, intriguing views of the geopolitical future. He sees Russia and China as the new giants-in-waiting. The Middle East, of which he has an unrivalled understanding, will reflect the ending of the Cold War by witnessing further, inevitable explosions. The risks of “collision and explosion far outweigh the prospects for regional peace” (page 75).

Nevertheless, OPEC will survive, as it did during the long-drawn-out war between Iraq and Iran. The profession of energy economics will also survive. Considerations of supply security and environmental protection may, for a time, "prevail over common sense." However, the starting point of the global energy debate should be rational analysis "before the politicians, bankers and special interest lobbies are allowed to run riot" (page 37).

Fresh insights are offered of the different roles of the many groupings that nowadays struggle to obtain a better understanding of the key energy-economic questions. Tempest has a high regard for the International Energy Agency—for the professionalism of its staff and its publications, such as its *Oil Market Report*. He has also been privy to meetings of far more recondite groups, such as France's Royaumont gatherings and Norway's high-altitude annual Sanderstolen think tank.

As director general of the permanent council of the World Petroleum Congresses, Tempest shows an understandable admiration for these huge, three-yearly get-togethers. However, he should have warned participants in the June 2000 Calgary Congress that the programs are designed by engineers, not economists, and that much of the material presented has (unavoidably) long passed its "best before" date.

The same objection can be made to some of the technical inferences underlying Tempest's always optimistic judgments. He foresees technological advances as solving problems such as climate warming, which he regards as widely stressed by a "handful of environmentalist extremists" (page 108). Also, for example, he urges a "massive switch back to nuclear, much of it small scale." Yet the only serious, recent work on reactors with capacities much below 1 million kilowatts is taking place in South Africa and making the hair-raising assumptions that containment vessels can be dispensed with and that round-the-clock staffing of the plants is an unnecessary expense.

On a more mundane level, a few minor lapses will also be noted by workers in the petroleum vineyard. *The Oil and Gas Journal*, for instance, has good reason to base itself in Tulsa, Oklahoma—once home of the United States domestic industry—rather than in the newer center in Dallas, Texas, where Tempest puts it.

All in all, this is a refreshing and thought-provoking little book. A most attractive offering for any coffee table. Or perhaps, to pick up with Tempest's play on his name, for any tea table.

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REFeree ACKNOWLEDGMENTS

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ERRATA

"Coal or Nuclear in New Power Stations: The Political Economy of an Undesirable but Necessary Choice"

by *Marian Radetzki*

[*The Energy Journal* 21(1) 2000: page 140]

There was a summation error in the first columns of Table 3. The Table with the correction is reprinted here.

Table 3. External and Total Costs of Coal and Nuclear Power Generation under West European Conditions, (US cents/KWh)

	Coal		Nuclear	
	Max	Min	Max	Min
External costs				
Climate	2.2	1.2	Accident	0.012
Other	<u>1.9</u>	<u>0.7</u>	Other	<u>0.012</u>
Total	4.1	1.9	Total	<u>0.024</u>
Internal costs (10% discount)	<u>6.0</u>	<u>3.9</u>		
Sum total	10.1	5.8		

Note: Only two decimal points are provided for the nuclear sum totals.

Source: ExternE (1995); IEA (1998).