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Idea Lab

The Price of Oil

By PETER MAASS

More than 35 years ago, an offshore drilling rig spilled approximately three million gallons of oil into the waters near Santa Barbara. A massive slick covered hundreds of square miles and killed thousands of birds, seals and dolphins; the white beaches of California turned black with crude. Night after night, the TV networks showed oil-covered birds flopping in their death throes on fouled beaches. Popular outrage was heightened by the attitude of Fred Hartley, president of Union Oil, which operated the offending rig. In Senate testimony, he chided environmentalists and journalists for over-reacting to the loss of bird life.

The Santa Barbara spill was a galvanizing event that raised support for the first Earth Day, hastened the creation of the Environmental Protection Agency and led to state and federal moratoriums on new drilling. Today, drilling for oil and gas is barred off 90 percent of America's coastlines; it is allowed, mainly, in the Gulf of Mexico, though not near tourism-dependent Florida. The offshore moratoriums, along with a ban on drilling in the Arctic National Wildlife Refuge, are regarded as triumphs of the environmental movement.

But these victories came at a cost. As politicians in the White House and Congress are pushing again for exploration in coastal waters and drilling in ANWR, it is worth reconsidering the changes won by the environmental movement, but not only for the supply-enhancing reasons cited by advocates of extracting oil wherever it may be found. The latest battle has not touched upon a depressing fact: every barrel of oil that is not extracted from America must be drilled from someone else's backyard, often with little regard for the consequences. Because our appetite for energy has grown over the decades, new drilling, along with the damage it tends to create, has not been halted; it has been outsourced.

Take a look at Nigeria, which has the misfortune of possessing more than 35 billion barrels of oil, much of it around the Niger Delta. When I visited last year, traveling through stunted mangrove swamps near Port Harcourt, there was a near-absence of birds, and oil was everywhere - not only dripping from rusty platforms atop the delta waters, but in the water itself, in the air, which smelled of petroleum, and in the gas flares that are a scalding feature of the injured landscape. Because of a host of political and economic ills triggered by the drilling, the Niger Delta is alive not with marine life but with violence - bands of tribal warriors wage an off-and-on war against one another and army troops.

Ecuador is another victim. After oil was discovered in its Oriente region in 1967, Texaco and a state-owned oil company operated an extraction program that, a quarter century later, had reduced parts of the Amazon to a deforested miasma of pollution and poverty. Chevron, which purchased Texaco, now faces a billion-dollar lawsuit accusing it of poisoning the land. Ecuador had a negligible foreign debt before oil was found but now owes \$16 billion and, the greatest insult of all, more than 70 percent of the population now lives in poverty.

The harms suffered by these countries (and many others) are symptoms of what is known as the resource

course. Though it seems counterintuitive - countries with a lot of oil are lucky and rich, right? - a succession of studies, the most notable of which was conducted by the economists Jeffrey Sachs and Andrew Warner, show that countries dependent on natural-resource exports experience lower growth rates than countries that have nonresource economies, and they suffer greater amounts of repression and conflict too. The reasons are complex - and there are exceptions to these dismal rules - but in general, a reliance on oil discourages investment in other industries, makes governments less responsive to the desires of citizens and fosters corruption by officials seeking and receiving funds that are not their due. An oil state is, almost by definition, a dysfunctional state.

If those problems are not of urgent interest to Americans, it's because we do not pay much attention to the troubles of foreigners unless they threaten us directly; this is the crux of things. Perhaps understandably, many environmental groups indulge our inherent parochialism by devoting the bulk of their funds and publicity to domestic issues. For example, most of the "strategic initiatives" of the Sierra Club, with an annual budget of about \$80 million, involve domestic matters, like protecting our forests and increasing citizens' participation in environmental decision-making. The Natural Resources Defense Council, which spent \$52 million last year, keeps a "Biogem Watchlist," but only 3 of the 10 locations on it are outside the United States and Canada. Both groups have lobbying campaigns on Capitol Hill that focus on environmental issues with global ramifications, but if you want to learn about oil's impact in the countries that supply us, you would do best to look elsewhere. One of the best watchdogs on resource issues is Global Witness, a small organization in London that publishes excellent reports even though its 2004 budget of \$3.4 million would not cover the fund-raising costs of its big American brothers. Although the big organizations express solidarity with environmental efforts overseas - N.R.D.C.'s motto is "The Earth's Best Defense" - their spending priorities indicate a narrower interest.

Of course, any effort to address the global consequences of our oil dependence faces an enormous obstacle - the apparent bipartisan consensus in Washington to make whatever compromises are necessary to ensure that America receives the ever-increasing quantities of petroleum that it requires. Although it is fashionable to blame oil companies and right-wing Republicans for caring not a whit about the downsides of resource extraction, the truth is that few Democrats have spoken of halting or minimizing oil imports because regime X or Y despoils its environment or represses its people. When it comes to oil, expediency is the rule, and a marvelously adaptable one. Because voters in Florida and California, which are scenic and prosperous, have made it clear they don't want or need oil rigs in their waters, Republicans in those states are nearly as vociferous as Democrats in opposing any loosening of the drilling bans. On offshore drilling, Jeb Bush and Arnold Schwarzenegger stand shoulder to shoulder with Barbra Streisand, though the governors' ecological sentiments do not necessarily extend beyond their coastal horizons.

The gymnastics of people like Schwarzenegger - probably the most famous Hummer owner in the world - are emblematic of the cognitive dissonance that runs in our national bloodstream. We demand clean beaches and untouched wildernesses at home but live in an energy-intensive fashion that leads other countries to sacrifice their waters and forests. This disconnect is easily explained. You don't need to alter your lifestyle much to help protect baby seals or punish Kathie Lee for supporting sweatshops, but you might need to suffer inconveniences - like higher gas prices, energy-conservation efforts and new taxes for alternative-fuels research - if better energy policies were adopted. In the end, the only red line that Americans insist upon, in terms of unacceptable ways for gasoline to be supplied to our cars, is that it must not come from ANWR or the waters off California and Florida. The politicians and environmental groups are, in many ways, just following the wishes of voters and donors.

If the protection of our environment comes at the expense of others, might it be an expression of selfishness rather than virtue? The more we focus on defending our environment, the less we may focus on environments outside our borders; activism can become anesthesia. Domestic restrictions on drilling

have had the unintended effect of insulating our tender consciences from the worst impacts of oil extraction. Out of sight, out of mind. For that reason, could it be that drilling rigs within sight of Key West or in a part of Alaska that is an Alamo of conservatism would be a useful thing? Perhaps a few more drilling platforms in our most precious lands and waters would make us understand that the true cost of oil is not posted at the gas pump.

Peter Maass, a contributing writer, is working on a book about oil.