
What future awaits Russia and the world after oil

By Andrey Parshev
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Famous economist and publicist Andrey Parshev gives KP readers a glimpse into the future

Andrey Parshev, author of the scandalous bestsellers "Why Russia Isn't America" and "Why is America Advancing," is known for his boisterous remarks that initially seem absurd, but have the habit of coming true. Ten years ago, Russian politicians laughed at Parshev's comment about the U.S. attacking Iraq. Similarly, economists were quick to joke when Parshev said the U.S. dollar would drastically lose value sometime around 2007.

Parshev's new book will hit store shelves soon. With the working title "Winter of the Giants," the book dissects how events will unfold in Russia and abroad when all the country's oil has been extracted. KP invited Parshev to an Internet conference with our readers. The author addressed numerous issues â€" many are unrelated to hydrocarbons.

"Our oil will last until 2022"

Olga, Moscow:

- You're addressing such a global issue. Maybe it's really not worth it...

Maybe there will be an oil crisis in several years...

- According to recent statistics from the Natural Resources Ministry, Russia's known oil reserves should last until about 2022. Everything that is currently being extracted was discovered in the Soviet era. The entire country hasn't been surveyed. We should begin geological surveillance immediately. The ministry's projection doesn't include oil resources that exist, whose volumes remain undetermined. So there is hope that their combined resources might add several decades onto our oil lifeline. But this still doesn't solve the problem â€" sooner or later the oil will end. What energy source will we utilize to work and get around?

"Civilization will change dramatically"

Anonymous, Moscow:

- I can't imagine how the world will survive if we suddenly run out of oil.

Almost everything depends on it...

- Honestly, oil isn't the most commonly used energy source in the world. Oil only accounts for 10-20 percent in most countries. Some nations are very dependent on oil, such as Iceland, which has a large fishing fleet. Russia is more dependent on the gas that warms its European regions. Moscow's thermal stations run on natural gas. In its coal equivalent, about 80 million tons are used annually. Coal is still a major energy source in most countries. It plays an important role in the U.S., just as atomic energy does in France. Thus, civilization won't face a major catastrophe when we run out of oil. But we're in for major changes.

Sergey:

- Which resources will be in the highest demand in the years after oil?

Water, uranium or maybe brainpower?

- The situation is rather straightforward. Russia will run out of uranium even before oil. Water is unlikely to be a major export for the country due to growing transport costs. Down the line, timber may become a renewable resource that partially substitutes hydrocarbons. We need to consider that our timber production is low despite Russia's immense resources â€" around three cubic meters per person annually. This is four times less than Finland. The state reforestation program is vitally important. The trees we plant today will at best be ripe when oil runs out. Most likely, though, it will be much later.

Artem:

- Can we somehow renew oil resources artificially?

- No. Oil resources were created millions of years ago â€" and not by mankind.

It's the energy of the sun preserved in vegetation that lived millions of years ago.

Polina Murashova:

- Is any research or work being done to make sure the world lives comfortably after oil?

- In the Soviet era, whole complexes were built based on rational coal usage. But the process has ceased to a degree. Besides nanotechnology we also need to pay attention to the rational usage of solid fuel.

Vladislav Finochenko:

- How do you feel about scientists who say oil won't run out soon because it's a self-renewing resource related to processes occurring deep within our planet?

- It's a difficult question. There are tons of hydrocarbons in Jupiter's atmosphere. This means hydrocarbons are a fairly common occurrence in our Universe. But oil doesn't generate at exhausted oil fields in marketable quantities.

Guest:

- Do you think the possibility of manufacturing synthetic fuel â€" artificial benzene or diesel from coal â€" lessens the threat of exhausting oil resources?

- "It's a deferment, not a pardon." There's little high-grade coal that's suitable for producing liquid fuel and it's more expensive than oil.

Vitaliy:

- Can we delay the oil crisis?

- There are two options. We can develop an oil-substituting technology, or we can decrease usage. But this is very difficult. I'm not sure the West will be able to do so willingly.

Reader:

- What do you think will take over black gold's role in the world economy after oil?

- Coal. But only under the condition that a progressive technology will be developed timely to process and use it. What's most important is to develop ways to extract liquid fuel from coal. Studies are ongoing in many countries, like England. It's hard to say what's being done here. Some research is being conducted, but we haven't reached the industrial level.

- Are we really going to be riding horses again?

- On the one hand, it's impossible for us to wind up back on the saddle. But on the other hand, it's unavoidable as a long-term prospect. Horses, though, are much more comfortable than tractors. And they're widely used in developed agricultural systems. If you travel around England, you'll often see horses grazing by the road. As fuel prices rise, horses will become a more profitable mode of transportation. They'll begin to take over the roles of today's vehicles. So a wise government should start thinking about how to increase the number of workhorses in Russia, and develop veterinary services and pedigree farms. In the meantime, this could be done for recreational purposes, but for future agricultural use. This is just one alternative.

Ivan:

- When will your new book be published?

- I'm hoping in June; by the AST publishing house.

Questions from KP

- The U.S. is suffering tremendous losses in their fight for control over the Persian Gulf. Some economists say they cover all the losses they suffer from their military campaign...

- No, of course not. There's only one profit. The U.S. remembers well its problems in the early 1970s. Oil-extracting countries began to nationalize their oil industries and a fuel crisis ensued. Today, the U.S. is wary that if it doesn't maintain a large military presence in the Persian Gulf, local oil suppliers might repeat the situation only on a larger scale. In several decades, the main oil resources will be in the Persian Gulf. So U.S. aggression today is only an investment in the future. You could say it's a kind of looking out for future generations.

"We're friends with the U.S.? Don't get confused..."

- Who do you think will become the next U.S. president? How will this affect Russia's relationship with the U.S.?

- I think John McCain. He's actually the only pilot in modern-day history to have put an entire aircraft carrier out of action. His plane exploded on the deck. This led to a fire that killed tens of sailors. They had to send the aircraft carrier in for repairs.

- What are you hinting at?

- Let me explain my basic understanding of U.S.-Russia relations. There is only one real threat for the U.S. and that's Russia's nuclear arms. This is the single serious obstacle for repartitioning the oil market. Thus, every U.S.

leader " if he is a patriot of his country " must think about how to get rid of this threat day and night. We often underestimate the logic and

perseverance Americans demonstrate in an effort to realize their dreams. They turn any problem into a goal to reach and defeat. They don't talk about how to do it for ages from the rostrums, like we do. McCain is someone who understands the priorities of U.S. politics. I don't think we should expect anything good as a result of his presidency.

- You give the impression that you're living in a world of the past " nuclear weapons" and "repartitioning of the market"

-Don't get confused and think the U.S. thinks we're friends. When they're 100-percent confident they can disable all our rockets with one hit, they'll do so, rest assured

-Then why didn't they in the beginning of the 1990s when Russia's defense system was wide open?

- It's a mystery to me. It could be that they simply messed up. And now they' re banging their heads against the wall over the lost opportunity. And they' re not embarrassed to publicly admit it...

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"Food shortages will lead to World War III"

- Now you're frightening us again... We're going to have another war...

- A lot of people are already talking about possible reasons leading to WWIII. And they're directly related to the end of oil. Look for yourselves.

Productivity is seriously declining in the agricultural sector, meaning there is a real threat of hunger. Thus, we need additional biological resources " particularly water resources. The nation that is able to control these resources will be replete. There isn't enough fish for everyone. WWIII will be over the right to control these water bio-resources.

Don't forget that today's ships run on oil. What later? Will they run on liquid fuel from coal? Possibly, but this process is very expensive. Thus, only rich people will afford fish. And soon after a civil war could erupt. I'm not just talking about Russia. Hunger rebellions may give way all over Europe.

"The U.S. doesn't need Iran " yet..."

- Once you predicted the date the U.S. would attack Iraq. Is Iran next? If so, when?

- Iran isn't a key figure if you look at oil and gas resources (10 and 20 percent of the world's oil and gas resources, respectively). But there's another factor. Iran lies on the northeastern coast of the Persian Gulf. Thus, the country could threaten oil transport from Iraq, Kuwait and the UAE.

Additionally, Iran isn't blessed in terms of its geography. The core population and industrial base is in the north. The oil fields are in the desert south. These two sections are divided by a mountain chain that is extremely difficult to cross. The U.S. could easily control the region via its aviation forces. When the U.S. thinks the time has come to take on Iran, they certainly will. The ideological preparation for the operation has begun in both the U.S. and world community. Iran is accused of numerous crimes, including supporting terrorists in Iraq and Islamic terrorists throughout the world.

The U.S. only really needs southern Iran. It's an unpopulated desert. I don't think the U.S. will try to take the mountains. They'll only take control of the passages and foothills if the U.S. deems the operation necessary. In

terms of a general time scale, I don't foresee the U.S. waging a war with Iran this year. The situation may remain this way for several years to come.

- You were one of a small few who predicted the fall of the dollar. Could you make another prognosis for the dollar? At least for the end of the year?

I think the dollar will fall to 22 rubles. The U.S. will continue to lower the worth of the dollar as long as it's profitable for them " and mind you it is profitable.
