

The Peak Oil War
A World Peace Story

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By Pat Murphy

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Contents

Preface	i
1 The Russian Gambit	1
2 The Deposing of the Ibn Saud Family	3
3 The Greater Arab Islamic League	4
4 OPEC Expansion	5
5 The Israeli Strategy	6
6 The G.A.I.L. Position on Global Warming	8
7 The Ultimate Suicide Bombing	9
8 U.S. Short-Term Tactics	10
9 G.A.I.L., Peak Oil, and Reserves	11
10 Trapped in Iraq	12
11 The European Division	13
12 China's Fence-Sitting	14
13 Russian Battle Plan	15
14 Polarization in the U.S.	16
15 The G.A.I.L. Allocation	17
16 The Confrontation	20
17 The Disintegration Begins	22
18 Quid Pro Quo	24
19 World Negotiations	25
20 Back to America	26
21 Suing for Peace	27
22 Re-Inventing Transportation	29
23 Insulating Buildings	31
24 Transforming Agriculture	33
25 Health Policies	35
26 Peace at Last	37

Preface

This is a fictional resolution of the Middle East conflict, and climate change. Our world teeters on the brink of resource wars for oil and gas. The protagonists are the Western world, the eighteen percent of the world represented by the nations in the Organization for Economic Co-operation and Development (OECD), and that part of the Islam world in the Middle East which, fortunately or unfortunately for them, contains two-thirds of the world's oil and a similar share of the natural gas.

Peak Oil, the day when oil production reaches its maximum and begins a steady decline until it is gone in 40-50 years, is fast approaching. Its approach correlates with the increasing tensions in the world. If a world war comes, it may well be fought with nuclear weapons in the Middle East. The fable of Armageddon could well be a reality.

“We can't solve problems by
using the same kind of thinking we
used when we created them.”
– Albert Einstein

1

The Russian Gambit

When the “final oil war” came, the circumstances were shocking in the extreme. Only in retrospect was it clear that the sudden alliance of Russia with the Arab world was easily predictable.

The U.S. had ignored the deepening hostility of the average Russian to the globalization policies of the 1980s and 1990s that had led to so much suffering in Russia. The extent of the troubles, caused by the policies of Western banks during the 1990s, was second only to that country’s experience in World War II. The decrease of the average man’s life span from 72 to 59 was viewed as a direct result of U.S. and World Bank economic policies – extreme free market polices that had never been implemented in the free world and which had devastating effects on Russia.

The relatively recent release of the classified actions of the Carter administration in Afghanistan, as explained in a book by Zbigniew Brzezinski, Carter’s National Security Advisor, showed the Russian people just how deliberate the harmful U.S. policy toward them had been. This new deeper understanding of history combined with the sufferings of structural adjustment had completely alienated the average Russian against the U.S. Polls showed the Russians feared an eventual attack by the U.S. in some form as an effort to control Russia’s fossil fuel resources.

The realization of the hatred of the average Russian for America’s policies was as much of a shock as was the discovery that the hatred of the Iraq people for the U.S. was not due just to the 2003 invasion, but also the indignities and violence of the 1990s, a period when U.S. sanctions resulted in the death of over one million Iraqis.

Russia had lost tens of millions of lives to Western invasions of its soil. The U.S. had waged a cold war against the country for 45 years and, when peace was possible, forced economic policies on the coun-

try that were responsible for millions of premature deaths, an experience only exceeded in its horror by the number of Russian casualties during World War II.

Russia's view was that the Western world had exploited the third world mercilessly. The leaders of the country feared that once the U.S. had conquered the Arab countries it would in all likelihood come after the fossil fuel reserves of Russia. For that reason it decided to join with the Arabs before the US could further consolidate its power.

The violence of the U. S. occupation in Iraq, exacerbated by the release of torture photos, and combined with recent U. S. decisions to develop new nuclear weapons (along with the adoption of a first use policy under the preemptive war doctrine) had pushed the Russians beyond endurance. Vladimir Putin said, "First Iraq, then Iran, then Saudi Arabia – then Russia? Who knows where the madmen that control the U. S. will attack next." Most Russians viewed the U.S. hegemony as a program to control all the world's oil and gas reserves and assumed that eventually Russia would be attacked because of its sizable deposits, including nearly half of the remaining natural gas reserves.

Thus, in early 2004 Russia had begun to build up its nuclear defenses and offenses in response to the build up of NATO and its continued belligerence. Russia claimed they had designed a "revolutionary" inexpensive weapon that would make the prospective US missile defense useless. The military has supposedly tested a "hypersonic flying vehicle" based on the Sunburn missile system that was able to maneuver between space and the earth's atmosphere, assumed to be armed with a ballistic missile warhead or a hypersonic cruise missile.

Most observers viewed the move as Moscow's response to U.S. missile defense plans, its new development of "bunker-busting" nuclear weapons and its buildup in the Middle East. The Russian deployment of the Sunburn missile to Iran and China were examples of the more reactive position it had adopted. (*Author's Note: The Sunburn missile is not fantasy – it is a missile system already partially deployed.*)

2

The Deposing of the Ibn Saud Family

The revolution in Saudi Arabia was no surprise. The world knew the Saudi Royal Family was corrupt, ruthless, and vicious toward their subjects. Though Americans may have forgotten that the autocratic Ibn Saud family had been guaranteed U.S. protection by Franklin Roosevelt in 1945 in exchange for access to their oil supplies by U.S. companies – the Saudi people had not.

The recounting of this history on Saudi revolutionists' pirate cable television station further inflamed the population. Repeated broadcasts noted that the U.S. had provided the Saudi Royal Family billions of dollars in arms and hi-tech weaponry, yet the country had never fought a war. The arms were simply to keep the people under the control of the family. The Saudi princes and princesses, less than one-fifth of one percent of the population, were taking eight percent of the oil revenue for their personal consumption.

When the revolt began, many of the 15,000 members of the Royal Family of Saudi Arabia were imprisoned; a small number were able to leave on their private planes. The remainder of the royal families would be allowed to leave once their assets had been returned to the Arab world. The revolutionists emphasized that an immediate oil embargo would be placed on any Western countries whose banks refused to return the money the Saudi family had taken from the Arab countries.

Under threat of uprisings in their countries, the kings of Kuwait, Oman, Qatar and United Arab Emirates abdicated their thrones and left their countries immediately.

Within a few days, Switzerland announced that they would return the Arab money in their banking system in the interest of world peace. Other European banks followed suit within a short time. U.S. banks refused.

3

The Greater Arab Islamic League

The rapidity with which the Greater Arab Islamic League (G.A.I.L.) was formed was also surprising. A conference of the religious leaders of both the Shiite and Sunni sects took place immediately after the Saudi revolt. This group called for a commitment to unity, to put aside religious differences in order to resist American aggression.

As G.A.I.L. consolidated its control over Saudi Arabia, the U.S. troops in Iraq were held at bay by the increasingly active revolution of the Iraqi people. Large amounts of arms from Saudi Arabia were quickly delivered to the Sunni Moslems in the central area of Iraq. Light arms, along with armor-piercing bazookas in the thousands, were sent. At the same time, Iran began delivering shoulder-held weaponry in great quantities to the Shiites along their long and porous border. The border between Saudi Arabia and Iraq was also impossible to control. There was no attempt to engage and defeat American troops directly. However, the initially intense guerrilla warfare resulted in the Americans confinement to their Saudi bases.

G.A.I.L. also began an intensive public relations effort to explain their position and plans, noting that their countries had been occupied and exploited by the U.S. and Europe since World War I. They pointed out that the U.S. had been responsible for the deaths of hundreds of thousands of Arabs. They emphasized that the U.S. had engineered the overthrow of Sukarno by Suharto in Indonesia during the late 1960s, resulting in a blood bath of almost a million Moslems. They reminded the world that in 1953 the CIA had overthrown the democratically elected leader in Iran, Mossadegh, and replaced him with the Shah dictatorship. They accused the U.S. of supporting military and family dictatorships in Iraq, Kuwait and the United Arab Emirate.

4

OPEC Expansion

With the toppling of the monarchies throughout the Arab Peninsula, Russia cast its lot with G.A.I.L. Russia, Kazakhstan and Azerbaijan all joined the Organization of Petroleum Exporting Countries (OPEC), boosting its membership to all the 14 oil-rich nations. With these additions OPEC had 70 percent of the known oil and gas reserves in the world. Invitations to join OPEC were extended to Mexico, Canada and Norway, which, if accepted, would combine virutally all the known world reserves.

The lack of an invitation to Britain showed the clear demarcation between continental Europe and the British Isles as well as between the U.S. and its two closest neighbors. The resignation of Tony Blair as the result of the London riots left the situation in Britain confused.

Canada refused the overture, stating that their long history of cooperation with the U.S. would be maintained. However, many popular marches occurred in Canadian cities protesting the action of the government under the banner "Canada is not the 51st state." Canada had legal obligations, as it had signed the NAFTA treaty allowing U.S. implied control of their energy resources.

Mexico had wisely excluded their energy resources from NAFTA. Their statement that they would consider an OPEC relationship led to violent criticism from the U. S.

Norway took a wait-and-see position.

5

The Israeli Strategy

Russia's commitment to use their strategic nuclear arms to defend the Arabs against a surprise nuclear attack limited any initial Israeli or American action. The reports of Sunburn missiles in Syria and Iran also limited the possible responses. The G.A.I.L. position relative to Israel was totally unexpected. G.A.I.L. stated that Israel must return to the 1967 borders and remove their settlers from the West Bank and Gaza. G.A.I.L. accepted Israel's right to exist within those borders. The G.A.I.L. position denying Arabs the "right of return" infuriated many Palestinians but had a favorable effect on Israel. G.A.I.L. took the position that it would be far too disruptive for the descendents of those who suffered in the original war of the 1940s to insist on this provision and other considerations would have to be found to resolve this issue.

Their spokesman also pointed out that the death toll between Israel and the Palestine had been surprisingly light over the 37 years of conflict, in spite of much physical suffering on the part of the Palestinians. G.A.I.L. argued that the suffering of the Jews in World War II caused by Europeans somewhat justified the hostile attitude they had taken in establishing their state in the 1940s as well as their aggressive actions since that time. They further pointed out that the U.S. had used Israel to maintain tensions and control of Arab oil and with the resolution of the oil situation, the two cultures could coexist.

Position statements were issued by Sunni and Shiite religions leaders supporting the position of their governments. As Grand Alil Satini said, "The conflict between Israel and the Arab world was fostered by the U.S. and Britain in order to maintain a high level of distrust and to control the Arab world for its oil resources. The Jewish people have also suffered greatly, having lived in fear and violence for decades,

if not centuries, but their suffering has always been at the hands of European Christian actions, not Arab Muslim countries.”

G.A.I.L. also said that in recognition of their common history and – now – destiny as Middle East countries, Israel would receive the same preferential oil pricing policies that might be applied to local Arab Nations. Not surprisingly, Israel initially rejected the policy, noting their long association history with the U.S. G.A.I.L. responded by saying the offer would remain open for Israeli’s consideration. The turmoil in Israel which resulted from the G.A.I.L. offer, plus the threat by Russian’s strategic arms, removed the possibility of any quick Israel response to support the U.S.

6

The G.A.I.L. Position on Global Warming

G.A.I.L. noted that the Western Powers had completely abdicated their position as leaders of the world by not addressing the rapid increasing environmental degradation. They noted the failure of the Bush Administration to support the Kyoto proposals and referred to the now famous Pentagon report titled “An Abrupt Climate Change Scenario and Its Implications for United States National Security” by Peter Schwartz and Doug Randall, dated October 2003, that said climate change could suddenly accelerate.

G.A.I.L. said the wealthy nations were causing most of the environmental problems by refusing to limit their high consumption lifestyle in any way. It was now up to the poorer nations, such as OPEC, to protect the planet since pollution and global warming were directly related to the burning of fossil fuels. They noted that the supposed innovation of the market, a basic globalization principle, had been shown to be ineffective.

G.A.I.L. said that they intended to limit the amount of fossil fuels burned and suggested this might be the impetus for the Western scientific community to stop delaying the search for alternative energy sources and ways to conserve. They further noted that the \$500 billion yearly defense budget of the OECD members, which was used primarily to control poorer nations, could be better allocated to alternative energy opportunities.

7

The Ultimate Suicide Bombing

G.A.I.L. announced that nuclear mines had been installed in several key producing locations in the Ghawar oil field as well as the Abqaiq processing facility. (*Authors Note: The recently published book "Secrets of the Kingdom: The Inside Story of the Secret Saudi-U.S. Connection" by Gerald Posner shows this has already been undertaken in Saudi Arabia.*) Mines were also placed at the oil loading facility at Ras Tanura and Ras al-Ju'aymah on the Persian Gulf and at Yanbu on the Red Sea. They further stated that if they were attacked by the U.S. they would destroy the Suez Canal and the Sumed pipeline. Mobile Sunburn missile systems were spotted near the Red Sea, the source of which was unknown, although it was suspected that they were Iranian or Russian. Military experts advised that attacks on the Sumed Pipeline and Suez Canal would likely be successful since the distances were so short. G.A.I.L. was proposing a "suicide" strategy that would possibly destroy their countries' oil wealth but which would bring down the economies of the industrial world in a matter of days.

The source of the nuclear mines was unknown although Russia was the logical suspect. G.A.I.L. offered the U.N. the right to inspect the mines using Geiger counters and x-rays but without visual viewing. The inspections convinced U.N. inspectors that the claims were valid.

After the announcement of the installation of the mines and the strategic protection of the Soviet Union, G.A.I.L. made no more pronouncements for some days. Oil continued to be shipped from Saudi Arabia and the other OPEC nations with little interruption.

8

U.S. Short-Term Tactics

The U.S. was unable to determine a rapid response strategy and took a holding position. American soldiers in Iraq were restricted to perimeters around their bases since early activity showed the Humvees and personal carriers were easy prey to the new armor-piercing bazookas provided by the revolutionists from Saudi Arabia and Iran. Shoulder-fired missiles also caused the loss of several helicopters before the defensive position was taken.

The U. S was left in the unenviable situation of having its major military resources tied down in defensive positions in Iraq and unable to respond with troops in any other area, assuming such a response could affect the situation. The threat of Russian retaliation closed off the nuclear option at least for the time being, and the existence of the mines in the oil fields limited the use of air power and bombing of the Persian Gulf countries.

G.A.I.L. argued that they were exercising the same rights as the U.S. in making this preemptive strategic move. They cited the U.S. preemptive attack on Iraq as precedent. However, they noted that in their case it was not an actual attack. They said that there is little difference between the ability of the U.S. to, at any moment, fire nuclear missiles at any point on the globe with no possibility of the threatened to protect themselves in any way. G.A.I.L. said that the situation was no different now except that the U.S. was experiencing what the rest of the world had been living with for 40 years.

G.A.I.L. also stated that they were following the policies of the U.S. and Britain who had embargoed all oil shipments to Japan in the 1940s because they disagreed with that countries policies on China. G.A.I.L. noted this was a parallel case since they disagreed with the U.S. policies on the Middle East and they were simply emulating the policies of the major powers.

9

G.A.I.L., Peak Oil, and Reserves

Peak Oil, the point at which oil production reaches its maximum and begins to decline, went from a fringe concept in the late 1990s and early 2000s to part of the global consciousness. Across the U.S. and the world, Peak Oil glared from the front pages of every newspaper and flowed from the mouths of every politician. The discussion on Peak Oil caused a huge worldwide reaction; especially in the U.S.

G.A.I.L. announced that Peak Oil would actually occur earlier than the expected 2010 because the Saudi oil reserves had been deliberately overstated by the previous Saudi government. By this time most people were aware that the reserves of the other Persian Gulf producers had also been overstated in the 1980s. *The Washington Post* printed a story that said Peak Oil had been the basis for the Iraqi invasion and that it had been discussed in detail in the classified Cheney Energy Task Force Report, which the government had refused to release.

The leaking of a copy of the Cheney Report generated a huge storm in the U.S. The Cheney Report showed that a detailed understanding of Peak Oil existed within the Bush administration and other elements of the U.S. government and the decision to conquer the Middle East to control its oil resources was the response. That their own government withheld this vital information infuriated the American people.

10

Trapped in Iraq

The status quo continued for several weeks. American troops in Iraq stayed on their bases but could no longer supply the troops already on the ground. Power and water to the U.S. bases was quickly cut by the Iraqis. The Iraqis allowed any American to leave the bases if they desired and if they discarded their weapons. The sick were allowed to be taken by helicopter to U. S Navy ships which initially still controlled the waters of the Persian Gulf.

The U.S. Navy at first blockaded ships coming into the Gulf with food and other materials for Saudi Arabia. G.A.I.L. simply stopped filling the oil tankers until the blockade was removed. Russia had already begun shipping food south through Iran and using the Caspian Sea. The U. N. took the position that G.A.I.L. should not suffer food and other material shortages, making no reference to the stalled tankers.

Later, the presence of numerous Sunburn missile systems along the coast of the Persian Gulf forced the fleets to move 100 miles offshore to avoid the range of these hypersonic nuclear-tipped missiles.

11

The European Division

Continental Europe was in a quandary. Although opposed to recent American policies and the invasion of Iraq, it was difficult to abandon its long-term relationship with the U.S. and to embrace policies that could be construed as a clash of civilizations – the Christian West against the Islamic East and the Slavic Russia.

Germany was the first country to make that decision. They acknowledged their frightful role both in the killing of 20 million Russians and the genocide against the Jews, which had fed much of the Mid East conflict. Without nuclear weapons, Germany had little control compared to Britain and France. They said they would immediately accept the protocols of G.A.I.L. Shortly thereafter they signed a long-term contract with Russia for the massive importation of natural gas.

Britain remained in turmoil, even after Tony Blair was replaced. Their complicity in the conquering and resultant torture of Iraqis bothered the British people considerably. The country did nothing for several weeks. Their own North Sea oil reserves would insulate them somewhat from the oil shocks for a few years so their immediate situation was different than that of Germany and other continental countries.

France had a more pivotal role to play. They had gained in stature by resisting the Iraq war and their own imperialist role in Algeria was now far enough in the past that it had little effect. In fact, it helped that they had pulled back from that Moslem country decades before. The French government announced they were immediately withdrawing from NATO, stating that war and power politics were now a thing of the past. Germany had also withdrawn and with the turmoil in Britain, NATO was rendered ineffective.

Further, France placed their nuclear forces on alert and said they would respond to any nuclear attack from any country, regardless of affiliation or past history.

12

China's Fence-Sitting

China took both a conciliatory and threatening position. They noted that the Middle East oil fields were within the range of their own nuclear missiles. At the same time, they pointed out that oil was a worldwide resource and that all nations should have their fair share. This confusing set of statements was construed as more or less accepting of the G.A.I.L. proposals while reminding the U.S. that they too had the option of destroying the Middle East oil fields. China's continuing rapprochement with Russia had not gone unnoticed.

During this period, Chinese ships began patrolling the straits between the mainland and Taiwan. The U.S. was stretched far too thin to even consider facing the Chinese over this issue.

13

Russian Battle Plan

Russia announced that in any conflict situation with the U.S., cities would not be targeted. To do so would cause a huge loss of life and quite possibly destroy the world from the fallout. Rather, they would selectively attack fuel sources, refineries, shipping facilities, pipelines and terminals. The major western hydroelectric dams would also be targeted, along with the three main canals. Western Canada pipeline complexes would be destroyed as well as the natural gas pipelines and switching complexes from Canada. Liquid natural gas terminals would be targeted along with the three major U.S. oil fields. Natural gas systems which fed the ammonia plants used as a basis for fertilizers would also be bombed.

Russia provided a list of 40 targets which would cripple the U.S. energy system as well as the fertilizer, pesticide and herbicide supply and manufacturing facilities. The General Accounting Office and the Office of Civil Defense quickly developed estimate reports which were suppressed but which were leaked to the public. It was estimated that should Russia actually attack the targets successfully and assuming no outside help from the rest of the world, that millions of Americans might starve in the first six months after an attack, depending on the time of year. Should the infrastructure and energy supplies not be rebuilt and replenished within 12 months, millions more could starve.

14

Polarization in the U.S.

Americans had been deeply divided for some time – roughly 50-50 in terms of political choice – with the major issue being around Middle East policy. The recent elections had further split the country. But none were prepared for the sudden exposure of the vulnerability of the society. Nor did the average person really understand how dependent the American way of life was on cheap oil supplies from around the world. They were also ignorant of the tremendous waste of their own resources in the last 50 years.

The historic aversion to Russia and the Arab world was intensified. Yet there were new voices arising, pointing out that under a world of competitive globalization, these countries had a right to “charge what the market would bear.” The security of the U.S. was not being threatened by some military force but simply by a free market setting of prices. It was difficult to consider starting World War III based on a commitment to SUVs and large houses. The slogan “Better poor than dead” began appearing everywhere.

The sudden realization of the implications of Peak Oil and the growing awareness of the seriousness of the situation caused a great deal of fear and uncertainty. As Americans became more aware of the massively disproportionate allocation of oil between the rich and poor nations, guilt seemed to arise in similar proportions. The realization that America would have to take far more serious cuts in lifestyle than any nation added to the resentment of both the Arab world and the U.S. government. This issue appeared to divide the country as much as slavery had done in the 1800s.

15

The G.A.I.L. Allocation

G.A.I.L. announced that their allocation method would be based on the following principles:

1. Worldwide oil consumption would have to be reduced by ten percent annually, both to leave some resources to future generations and to slow climate change. The new reserve numbers were quite convincing, particularly after G.A.I.L. announced it would make public the oil well logging information collected from all their oil fields.

Within days of the end of the revolution, G.A.I.L. had transmitted all the well log information for the Middle East fields to Matthew Simmons, a prominent oil investment banker. Simmons had defined an easily obtained set of information which he called the “13 Points of Light.” He had stated that a 10-person study team could analyze the top 100 fields within a month. Within two weeks, Simmons had analyzed the 30 major fields in Saudi Arabia, verifying G.A.I.L.’s statements about the rate of depletion.

2. G.A.I.L. and OPEC would now take the responsibility for fostering equity and reducing global climate change. This would be achieved by a combination of pricing and rationing. G.A.I.L. repeated that the Middle East oil reserves had been highly overstated. Unless there was a 10 percent reduction each year, at the present rate of consumption, all oil would be gone in 35 years leaving nothing for future generations.

3. Since the people of the poor nations (82 percent) used only 18 percent of the oil, the rich nations would have to bear the brunt of the reduction. G.A.I.L. pointed out that OECD had 18 percent of the world’s population and used 55 percent of the oil. Therefore total shipments to the poorer nations were frozen at the existing level. The 18 percent of the population in the rich countries would have to reduce their consumption 20 percent yearly to meet the 10 percent overall reduction for world consumption.

4. There would be a two tier pricing system – one for the OECD nations and one for the Rest of the World (ROW). G.A.I.L. set an initial price of \$100 per barrel to the poorer countries and \$200 per barrel to the richer countries which belonged to OECD. (OECD included the U.S. and Europe as well as Japan, South Korea, Australia, New Zealand and Singapore.)

5. G.A.I.L., with help from the United Nations, would allocate specifically by country to insure fairness but the overall for each of the two divisions of the world would have to meet the quotas set.

6. Allocations would take place on a regional basis whenever possible. For example, Venezuela would service South and Central America. Nigeria, Algeria and Libya would serve Africa. The U.S., Mexico and Canada would handle North America however they saw fit. Russia would provide the fuels for continental Europe. OPEC producers would service both Europe and Asia.

7. The distribution of energy usage, population and per capita consumption that G.A.I.L. used in their analysis was as follows:

Area	Percent of Population	Percent of Energy Usage	Per Capita (kg/equiv)
North America	5%	26%	8034
Europe (Russia)	13%	29%	3441
Middle East	4%	4%	1636
Central/SA	9%	6%	1131
Asia	58%	31%	889
Africa	10%	4%	683
Average			1649

The reaction from OECD was furious and dramatic. For some brief period, it looked as if worldwide nuclear war would occur. G.A.I.L. pointed out that much of the industrial world's resources were wasted with inefficient frivolous consumption or were used for conquest, citing the military expenditures of OECD, which exceeded \$600 billion yearly. G.A.I.L. emphasized that this was enough to build and install 600,000 wind turbine systems per year if the expenditures were moved from war to the building of a renewable energy infrastructure. Since each turbine could provide the electricity for 100 homes, the 100 million residence homes in the U.S. could have their electricity provided by one million wind turbines, the cost of which could be met

by two and a half years of military spending. G.A.I.L. noted that the U.S. had installed only 12,000 turbines in the last 20 years.

Although there was much hostility to the suggested plan from OECD, the rest of the world accepted it immediately and praised G.A.I.L. for its fairness. The U.S. condemned all aspects of the program. The European Union, after a week of consideration, said that this would do more to slow global climate change than all other programs put together and capitulated. They also acknowledged the fairness of the two-price scheme. G.A.I.L.'s succinct presentations revealed an extremely unequal allocation of the world resources that was unknown to many Europeans and most Americans.

G.A.I.L. responded to the rage that ensued over injury to the world economies by pointing out that only by reducing oil usage could the planet be saved. Economies built on cheap oil needed to be redesigned. They further pointed out that the delay in developing renewable energy sources would change with the increased prices of the fossil fuels. G.A.I.L. reminded the Western powers that according to neo-classical economic philosophy, the shortages would create new technologies and opportunities and should be welcomed by Western economists.

16

The Confrontation

The U.S. rejected the G.A.I.L. plan and viewed it as an act of war against the country. The armed forces were placed on full alert, which led to similar alert status throughout the world. Not only did Russia place its forces on full alert but so did France. France had already withdrawn from NATO and now took the position that they would respond to any attack anywhere that would harm their country. This led to further confusion and concern, as the U.S. was unsure who exactly France might be targeting.

The alert in Britain caused riots across the country. The latest revelations of the lies that had justified the Iraq invasion had raised the ire of the people to a fever pitch. The population was terrified that the Russians might include them in an attack on the U.S. A new government was formed which tendered an official apology to Iraq, offering to pay 500 million pounds in reparations, and ordered their troops home. Britain followed the same pattern as other European states who were ordering U.S. ships and military personnel to vacate their countries immediately.

Tensions heightened when Russia stated that within 24 hours they would destroy any satellites that crossed their territory. At the same time, they began changing the courses of their satellites that crossed other's territories. The U.S. began adjusting the paths of the satellites to avoid flying directly over Russia, severely limiting the intelligence available about Russian mobilization activities.

As tensions mounted, other European nations began pulling back from their alliances with the U.S. It was clear that a confrontation that would destroy the oil and gas resources of Russia and the Persian Gulf countries would cause far more damage to the resource limited European countries than the U.S. They reasoned that the U.S. could survive for some time in their hemisphere by simply seizing the fossil

fuels of Mexico, Canada and Venezuela, which, at this point, no one doubted would be the policy.

A similar situation developed in Japan, South Korea, Taiwan and China. They were even more dependent on the new OPEC, which included Russia, than the Europeans. These countries also held massive investments in the U.S. and any nuclear battles between Russia and the U.S. would cause major bankruptcies of their financial institutions. It was clear that China would not support the U.S. and the proximity of China with its nuclear forces and large armies was a major threat. Japan, South Korea and Taiwan ordered U.S. forces to exit their countries immediately. Within a few weeks, China and Taiwan announced a treaty which severely limited the Taiwanese options, which resolved that 60-year conflict. South Korea and North Korea immediately initiated unification talks.

Within a very short time, the U.S. was politically isolated from the rest of the world. The aggression of the U.S. in recent years had cost them longstanding friendships. In addition, the aggression of the U.S. globalization policies over the last 20 years had damaged its reputation in the world.

17

The Disintegration Begins

Intelligence reports began showing weapons buildup along the shores of the Persian Gulf. Satellite surveillance showed Russian shore-to-ship Sunburn missile batteries being installed along the edges of the Persian Gulf in both Iran and Saudi Arabia. The President ordered the U.S. fleets to pull out of the gulf. A few days later a similar situation occurred in the Red Sea, causing U.S. ships to withdraw to the Mediterranean and the Arabian Sea. Subsequent Sunburn missile deployment began in Yemen and Oman, forcing the naval forces to pull completely out of range – 100 miles offshore.

Riots began in Qatar near the American military missions. The U.S. had moved many of its command forces to supposedly safe and friendly Arab countries. Now they were in grave danger and with the pullback of the naval forces, they were eventually withdrawn.

These actions led to the first mutinies in American forces in Iraq. The troops there had become disillusioned and morale was extremely low. When the naval forces began pulling back, the troops suddenly became aware of the fragility of their position. They realized a nuclear encounter between Russia and the U.S. would leave them stranded in a hostile land.

Panic set in as the seriousness of their situation became apparent. There were early incidents of fragging which quickly led to sporadic revolts throughout the military forces. Officers were not safe any longer in the enlisted men's areas.

With instant access by computer to America, the families of the soldiers also panicked. Parents, relatives and friends of soldiers poured into the streets with the motto, "Don't leave our boys to die!" This divided the attention of both the political and military leadership of the country. This panic extended to Congress and the issue of the troops confused the overall strategy.

From the relatives of the troops, the rebellion grew throughout the country. Ever since the election of 2000, the country had been deeply divided. Now the division grew. The hatemongers on media pushed for using nuclear weapons to protect America's power and prestige. Opposing views expressed themselves by attacking radio and TV stations. There were constant protest marches in every major and minor city and even in small towns. The deepening split led to more and more violence, much of it against SUVs. As the tensions grew, the stock market collapsed.

The car companies initiated a second crisis when they began shutting down SUV manufacturing lines. Their market data was accurate but their human relations relative to their employees was flawed. This led to more labor riots, and the underlying animosity based on the long-term economic deterioration for the majority of people flamed openly.

Suddenly nothing worked in America anymore. Families became split along the two extreme lines. One side accused the other of wanting to destroy the whole planet while the other side countered with accusations of cowardice and appeasement.

18

Quid Pro Quo

As the turmoil increased in the U.S., the tension was fed back through the Internet to the troops. When the military command attempted to “turn off” the Internet riots began on several bases. It appeared as if only a clear direction was needed to cause a full-scale mutiny. The Pentagon reported to the President that if the situation continued to deteriorate, they would be forced to have their MPs fire on the soldiers, although they said they were not sure if their orders would be obeyed. When this report was leaked to the public, the soldiers’ relatives began storming recruiting offices throughout the nation.

Eventually the leadership had to focus on this one issue, leaving them at a serious disadvantage. The solution was to approach the U.N. for help in withdrawing the troops in Iraq. G.A.I.L., having foreseen this eventuality, proposed a safe removal route for the troops via air and land corridors to Turkey. They adamantly refused to allow ships back into the Persian Gulf or the Red Sea. The troops would be moved overland to Turkish airports where they could be ferried home. The US commandeered passenger planes to complement their troop ships. In spite of the obstacles, the troops were out of Iraq within one week. G.A.I.L. made it easier by requiring that the troops leave all firearms and weaponry.

G.A.I.L. insisted as a quid pro quo that it be allowed to join the Security Council of the U.N. During preparations for the revolution and immediately thereafter, G.A.I.L. had, with surprising speed, proposed a union of and a constitution for a new state consisting of Saudi Arabia, Iran, Iraq, Kuwait, Oman, Quator, UAE and Yemen as a loose federation. The sophistication of the constitution and the speed of agreement of a referendum held in those countries showed the move had been planned well in advance. At an emergency meeting of the U.N., G.A.I.L. was accepted, with the U.S. abstaining on the vote. Immediately after the vote, U.S. troops returned home.

19

World Negotiations

While the U.S. had been busy negotiating on the troop issue, negotiations around the world had also been underway. The EU had met with Russia on three occasions to work out details on the OPEN allocation whereby Europe's energy supplies would come from Russia, which had sufficient oil and gas resources to meet what would be the reduced European needs. To the dismay of the U.S., these negotiations were rapidly concluded and resolution quickly obtained.

G.A.I.L. offered some energy concessions to Japan, Taiwan and South Korea. These industrial countries concluded their only way to survive at something close to their standard of living was to be the leader in low-energy replacement technology and they decided to concentrate first on the automobile. Honda and Toyota took the lead in high mileage vehicle development and manufacturing. They offered to scrap all their low mileage cars and begin building a line of extremely efficient buses if G.A.I.L. would provide lower cost fuel for the manufacture of these vehicles. They proposed to replace the world auto fleet with high mileage busses within eight years. As part of the negotiations G.A.I.L. insisted the designs be made available to U.S. when and if that country decided to make the obvious changes.

In conjunction with European and Asian manufacturers, G.A.I.L. began designing glass manufacturing plants on the Arabian Peninsula, taking advantage of the availability of sand and energy, the basis of glass. The efficient dual- and triple-glazed glass in standard sizes would be shipped around the world. The UN had determined these high value products would be required to develop a low-energy society.

The OPEC countries also began building large numbers of ammonia plants to generate fertilizers from the huge reservoirs of natural gas. Energy analysts could see that eventually it would be far easier for OPEC to ship the fertilizers or the intermediate stage products instead of shipping liquid natural gas.

20

Back to America

American business became horrified at the speed of the business developments that were taking place around the world. They saw themselves being cut out of the world market for low-energy-consuming replacement products. Initially, strong supporters of the president's hard line, they began to have second thoughts as the world formed new alliances and they began to analyze what a nuclear exchange would do to their bottom line.

As business support waned, resistance to the governments's policies was rapidly increasing among the general population. The armed forces were almost ineffective now and desertions became common, often the deserters being pressured to do so by their families. A few attempts to arrest deserters in their home town resulted in riots and the police quickly refused to take action, suggesting the military police deal with the issue. The majority of the population continued to be split but the so called "peaceniks" began to gain new converts. The realization of the desperation of the situation was becoming clearer to all. It seemed as if the options were total destruction or great deprivation and fewer and fewer stalwart heroes were available.

Eventually, the president, the vice president and the entire cabinet resigned. It was clear that the administration could not reverse their positions so extremely and be convincing to Americans or the world. Finally the succession led to the speaker of the house, who, in preparation for the position, had been elected not by the presiding party but by agreement of both parties. As vice president he appointed a member of the opposing party, also selected by the House and Senate. As had been hurriedly agreed, cabinet officers were selected to be representative of both parties. In recognition of the fissures in the country and in an attempt to conciliate with all Americans, Ralph Nader was appointed Secretary of the Interior.

21

Suing for Peace

The surprising and rapid process had taken slightly less than four months. A new world order was in place and adjustments were being made at extraordinary speed. The U.S. was no longer the world leader, and it was not clear if there was a new world leader. G.A.I.L. insisted that their charter was not to manage the world but only to manage the fossil fuel resources of the world. They turned over the allocation of oil resources for individual nations to the U.N., leaving in place only the requirement that the OECD nations bear the brunt of cutbacks.

A new transparency was in place and oil companies and oil producing countries were now making their reserve data public. No single country now was sufficiently strong to command a disproportionate share of the reserves. The U.N. General Assembly rapidly allocated the reserves for the poorer 82 percent of the world. The OECD nations began their own allocation assuming the 20 percent cut. The U.S. made a half-hearted attempt to obtain some concessions, arguing that they would have the most difficult time, but this was quickly and ruthlessly overruled by the other members. It became clear that the G7, current rulers of economic policy, were no longer needed in terms of an oil-limited world. Obviously nations were going to get their allocation and then go to work in building new economies. And economic globalization died instantly since cheap transportation of goods was now a thing of the past.

G.A.I.L. insisted on three concessions from the U.S. All military bases outside the continental U.S. were to be closed. This applied to European nations as well, but most of them had already begun taking that step in recognition of a more cooperative world. The mood of the American people was to bring all troops home and get off the war footing.

The second concession was to stop providing military aid and monies to Israel. And the third condition was to agree to follow the dictates of

the United Nations relative to weapons of mass destruction. The U.N had already begun the work to determine policies. G.A.I.L. and Israel had almost completely worked out their relationship. G.A.I.L. and all other Arab nations agreed that Israel had the right to exist within their 1967 borders and the Palestine's agreed to drop the "right of return" issue. Paradoxically, G.A.I.L. was providing massive financial support to the Palestinians, somewhat replicating the America-Israel relationships. Israel had already removed the settlers from the West bank and had begun tearing down the parts of the wall that were not on Israel soil. At last the 59-year MidEast war was over.

The new U.S. president agreed to all conditions. Hints had been made that if there was difficulty, G.A.I.L. would add the condition that the U.S. pay reparations to Iraq for an illegal invasion. G.A.I.L. also refused the request to lower the \$200-per-barrel price to OECD to ease the transition, repeating their argument that if the West truly believed in a market economy, they should welcome the chance to innovate.

22

Re-Inventing Transportation

Japan had quickly negotiated an exception to the energy prices and quota by committing all their auto plants to the manufacture of small high-efficiency diesel hybrid buses, arguing that there was insufficient time to develop light rail mass transit and other alternatives for the more industrialized nations. Their latest diesel hybrids, together with the reduction of maximum speed limits to 45 miles per hour, which followed within a few months of G.A.I.L.'s revolution, provided an effective gas mileage of over 70 miles per gallon for their 12-passenger model.

The U.S. had a total of 212 million cars and light trucks averaging 20 miles per gallon. Each trip included an average of 1.1 passengers per vehicle. The U.S. manufacturing capacity was about 6 million cars per year. About half the oil used in the country was for transportation. Assuming a change in driving habits to eliminate the single occupancy vehicle, the country could manage with far fewer cars. An eventual goal was set to reduce the number of vehicles to 50 million vehicles or less. About 30 million low mileage small buses would have to be built rapidly.

In an amazingly short time, the U. S. car companies negotiated manufacturing rights for the Japanese vehicles – retooling was done in record time of nine months, and low mileage small buses soon began pouring from the factories. The car companies went to second and third shift on the lines for small bus models, while closing the plants that made the SUVs and pickups. These lines began retooling immediately to build small hybrids buses. This was done at the same speed at which the plants were converted from automobiles to tanks and other military equipment at the time of the Second World War. Retooling was done on a 24/7 time basis. Congress passed a law granting emergency priorities to support the change.

G.A.I.L. also funded major programming development to implement a ride-share system based on cell phones and cars for a system conceived by the non-profit "The Community Solution" organization in the U.S. (See communitysolution.org). This was offered to all industrial nations on a cost-sharing basis. G.A.I.L. announced that time did not permit the development time normally associated with efforts of this kind, so they funded a worldwide crash development effort. First versions, with operator interaction, were released in Frankfurt six months later and in Montreal three months after that.

With the sudden jump in energy costs, the global economy contracted. Shipping costs now changed the dynamics of the economic system. No longer could optimum development at one point be sent elsewhere. Regional and local economies grew rapidly. Organic gardening took a major jump across Europe. Diets in all the OECD shifted to the consumption of less meat. Car pooling was created instantly. Once the basic ideas had been described, countries and states and even cities developed cell phone based ride share transportation systems. Average passengers per vehicle increased from 1.1 (in private cars) to 7.6 (in small buses). Total trips fell by 30 percent. Although maximum speed limits were set at 45 mph, it made little difference because of the decrease in the number of cars. Commute time actually decreased and, as localization proceeded, total commute trips declined.

23

Insulating Buildings

G.A.I.L. began to support insulation development. Mechanical window coverings were developed and added to homes. This cut home heating costs by 15 percent. A timing device was developed for gas water heaters that allowed a further reduction. Within a year, the U.S. had cut natural gas usage in home residences by 18 percent.

G.A.I.L. offered to subsidize and increase oil beyond the allowances for any renewable project including solar power, dual- or triple-glazed windows, insulation materials, mass transit and high mileage cars/motorcycles. This dramatically altered the economics of renewables, causing a huge increase in the production of these products and systems. General Electric began negotiation with auto manufacturers to use their plants and workers to handle the massive increase in orders for wind turbines. In a similar way, domestic energy companies cross-licensed development and manufacturing rights for solar panel development from British Petroleum,

The same law included similar provisions for solar panels, wind turbines and insulating material. Building codes in the Western countries were revamped in days. Codes for residential foundations were changed to use one-half the cement normally required. Wall, floor and roof systems had to meet R40 requirements. Window specifications required double- and triple-glazed glass, and all windows had to have interior or exterior insulated structures. All states began requiring the same high tech usage meters in new developments that California began using in early 2005. Wiring standards were enhanced to monitor room-by-room and window energy usage and record the energy expended. Laws were passed with severe penalties for anyone disabling these energy monitoring information systems.

OPEC had rapidly changed its economy to provide energy-efficient products and fertilizers, rather than simply selling oil and natural

gas. The recent natural gas peak in U.S. and Canada caused people to choose between heating their homes and having reliable electricity at peak times or providing fertilizers for food. The development of natural gas plants put OPEC in the role of fertilizer supplier for the world. Ammonia was far easier and cheaper to transport than liquid natural gas. Similarly insulated glass panels were being developed. This allowed the development of alternative economies for their people.

Many new ideas were quickly implemented. The National Association of Home Builders in the U.S. developed a design for “warm panels,” 8- and 9-foot high panels of varying length made of fireproof insulation boards with finished surfaces that could be quickly installed on the inside of exterior walls. Special electric extensions allowed wall sockets and light switches to be moved outward to the new surfaces. This, combined with modular dual- and triple-glazed windows, halved the energy consumption of most homes.

Transforming Agriculture

The agricultural system of the U.S. was the most vulnerable of any country in the world. Europe and Japan had supported their small farmers against WTO restrictions, while the U.S. had basically destroyed the family farm. The changes now to U.S. agriculture would be extremely traumatic because of the past degradation of the soil, the excessive use of fossil fuel inputs, the utilization of heavy soil-compacting equipment, and most important, the lack of farmers skilled at anything other than adding chemicals to the soil. It became clear that yields for most grain crops would decline by at least 50 percent. The impending shortages led quickly to a more vegetarian diet, since animal products required massive amounts of grain, water and fossil fuels. Eating a vegetarian diet was revealed to be much more energy-efficient.

The solution for the lack of skilled organic farmers came from a surprising source – Fidel Castro. Cuba had already gone through an artificial peak oil crisis when they lost their oil sources with the collapse of the Soviet Union. Cuba had completely restructured their economy and society. Twenty-five percent of the people were now working in farming – almost three million people. In the past, Cuba had successfully implemented mass rapid education programs in their country as well as medical programs overseas. The country had mastered the art of providing complex personal services like teaching and medicine as exports to other countries. Castro offered to provide 500,000 organic farmers to the U.S. and Canada. At the time of the change, the U.S. had a total of about 20,000 organic farmers.

Immediately after the new president was inaugurated, the U.S. eliminated the long-standing hostilities it had maintained toward Cuba, North Korea and a few other so-called “rogue” nations. The new president announced that the era of U.S. power politics was over and pulled back from all hostilities as the troops and materials returned home

from their bases around the world. This allowed the pent up demand for travel to and from Cuba, particularly from Cuban families in Florida, to resume. Without the deliberate hostility of an administration, the Cubans in the U.S. and in Cuba quickly settled their differences. Strong cultural ties were quickly recreated. Thus there was quick acceptance of the offer by Castro and tens of thousands of skilled Cuban organic farmers began to appear in every state of the union.

By this time, the need for an agrarian future was becoming more apparent. Thousands of young Americans began traveling to Cuba to enroll in agricultural schools. This new source of willing, interested labor allowed Cuba to provide more organic farmers to other countries while maintaining their productivity levels at home.

25

Health Policies

The change of life style from fat- and chemical-ridden manufactured foods to more natural foods, and from driving to walking, dramatically altered the health picture of the Western world, particularly in the U.S. As had been shown in occupied countries in World War II, heart disease declined and other health factors generally improved when the population could no longer acquire manufactured fatty sweet foods and when they walked rather than drive.

In the U.S. health costs had become so high that the health care system was being compromised. As fossil fuel chemicals declined in volume, cancer rates dropped. People eventually learned that fossil fuel addictions were as harmful physically as addictions to drugs and alcohol.

People had not been aware of the extremely high costs of medical care associated with automobiles. The U.S. had six million car crashes per year resulting in 43,000 deaths and 2.9 million injuries. This was more than half of the accidental deaths in the nation. With the reduction of the speed limit and the much smaller number of cars on the road, accidents plummeted. Since people now were traveling in car pools, drivers who drank were quickly eliminated from the system of shared rides. And since solitary driving was no longer possible, accidents from alcohol also fell.

The organic food system was a major contributor to improved health. With no pesticides and other toxins used, the health of the much enlarged farm worker population increased dramatically.

Most of the people eventually walked and biked considerable distances which furthered improved health. With the decline of the automobile, safety improved and children were much freer to walk to schools. Surprisingly enough, crime decreased as much of the high rates were based on perpetrators being able to leave the scene of a

crime quickly in an automobile. This changed and since many more people were on the street now, it became more difficult to commit the daily assaults and street robberies which had become part of American life.

With the initial stresses on society and the increasing fears of the citizenry, the government had no recourse but to provide medical care. Finally the U.S. was on a par with the rest of the world. A rider to the health bill placed a cap on expenditures for people who smoked. Suddenly smokers realized they would have to accept full responsibilities for their health. Smoking fell off rapidly.

In addition to importing farmers from Cuba, the country also imported health care workers. The Cuban system emphasized prevention since they could not afford to provide medical care to a citizenry with bad health habits. Their education and motivation systems were imported quickly into the country. This plus other policies reduced the cost of health by 62% within the first three years.

26

Peace at Last

As nations became concerned with basic survival, conflict was reduced. The U.N. allocation of oil brought a level of fairness that eventually began narrowing the gap between richer and poorer nations. Population growth decreased and eventually became negative. People changed their perspective from “leaving progeny” to “leaving a clean world to their progeny.”

With the fair allocation of oil, it soon became apparent that wealth and income had been based more on unfair access to energy fuels rather than any other factor. The pursuit of wealth became socially unacceptable and people began focusing on relationship rather than material goods.

The world moved from competition to cooperation and life was good.



Pat Murphy is the Executive Director of Community Solutions. He and his wife, Faith Morgan, live in an energy efficient 600-square-foot apartment, drive a 60 mpg Honda Insight, raise vegetables and chickens for eggs, use all fluorescent light bulbs, hang their laundry on an outdoor clothesline, and practice many other conserving activities.

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