



'Peak oil' doomsayers proved wrong

By **David Frum**, CNN Contributor
updated 9:47 AM EST, Mon March 4, 2013

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The world's oil production is far from peaking, David Frum says.

STORY HIGHLIGHTS

- Five years ago, speculators predicted that oil production was peaking
- David Frum says recent evidence is that energy sources are plentiful
- Iraq and Mexico can produce much more oil, and United States is awash in natural gas, he says
- Frum: Gas surplus is enabling U.S. to reduce carbon emissions that change climate

Editor's note: David Frum, a CNN contributor, is a contributing editor at Newsweek and The Daily Beast. He is the author of eight books, including a new novel, "Patriots," and a post-election e-book, "Why Romney Lost." Frum was a special assistant to President George W. Bush from 2001 to 2002.

Washington (CNN) -- Remember "peak oil"?

Five years ago, some oil market speculators became convinced that the world was nearing the limits of oil production. Sometime soon -- the 2010s? the 2020s? -- oil production would begin a long steady decline.

Think again. World oil production continues to rise. Leading the oil renaissance: the United States. The International Energy Agency predicts that the United States will overtake Saudi Arabia and Russia to become (again!) the world's leading oil producer by 2017. If the agency's estimates prove correct, the United States and Canada together will become net energy exporters by about 2030, and the U.S., which uses 20% of the world's energy, will achieve energy self-sufficiency by the mid-2030s.



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Will China finally 'bite' North Korea?

updated 5:39 PM EDT, Mon March 11, 2013



Even though China signed on to sanctions against North Korea, it still shields the regime, says Jennifer Lind.



David Frum

Predictions that the world would imminently "run out of oil" have been worrying oil consumers since at least the 1920s. They always prove wrong, for reasons explained by the great oil economist M.A. Adelman after the last "oil shortage" in the 1970s:

Oil reserves, Adelman writes, "are no gift of nature. They (are) a growth of knowledge, paid for by heavy investment."

For all practical purposes, the world's supply of oil is not finite. It is more like a supermarket's supply of canned tomatoes. At any given moment, there may be a dozen cases in the store, but that inventory is constantly being replenished with the money the customers pay for the cans they remove, and the more tomatoes that customers buy, the bigger an inventory the store will carry.

Someday, of course, consumers will decide they want less oil at the current price. Someday we may move beyond oil altogether. When that day comes, the investment will stop -- and nobody will ever know or care how much oil remains in the ground.

Adelman's assessment is being corroborated once more, this time in Mexico. Mexican oil production has been declining over the past decade, mostly because of under-investment and mismanagement by the state oil monopoly, Pemex. (On January 31, a deadly tragedy reminded the world of Pemex's troubles when a [methane leak](#) in a Pemex building in downtown Mexico City exploded, killing more than 30 people and injuring 120 others.)

In October, Pemex announced discovery of a big [new field](#) in the Gulf of Mexico. Newly elected Mexican President Enrique Pena Nieto is urging his country to amend its constitution to allow foreign investment in Mexican oil fields. Experts assess that [opening the Mexican oil industry](#) to global investment will revive Mexican oil production and boost Mexico's economic growth by potentially 2 points a year. Nieto's PRI party -- the very party that nationalized Mexican oil 80 years ago -- is expected to vote this weekend to approve the new policy.

Meanwhile, the International Energy Agency is [warning oil markets](#) to ready themselves for a "flood" of cheap oil from Iraq. Last year, Iraq for the first time exceeded pre-1990 oil production. The agency expects Iraq eventually to overtake Russia as the world's second-largest oil exporter.

In 1972, the year of the famous "Limits to Growth" report by the Club of Rome, the world produced about 55 million barrels of oil per day. In 2011, the world produced almost 80 million barrels. If today's prices hold, many experts expect production of 90 million barrels by decade's end.

Our oil problem is not that "we're running out." Our oil problem is that we're producing so much of the stuff that we are changing the planet's climate.

Yet on the environmental front too, there's reason for optimism. One of the technologies developed by the oil industry -- fracking -- has made available vast new supplies of cheap natural gas. Gas has become so cheap that it can be substituted for coal as an electricity-generating fuel. In just eight years, coal's share of the U.S. electricity market has tumbled from one-half to one third -- and still falling. Gas emits only half the carbon per unit of energy of coal. The transition from coal to gas explains why [U.S. carbon emissions declined](#) 8% from 2011 to 2012, reaching the lowest level since 1992.

Soon the United States and Canada will be producing so much gas that they can export it to Europe, perhaps also to China, helping to cut carbon emissions in those economies as well. No, it's not the answer to everything: Gas still emits carbon. But it's an improvement -- and that's how progress comes.

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Laura Bush: My girls help others

updated 9:12 PM EST, Fri March 8, 2013



Former first lady Laura Bush says that women can become empowered through helping other people.

Don't be like Washington; listen to other views

updated 12:24 PM EDT, Mon March 11, 2013



Frida Ghattis says too many people are living in echo chambers, surrounded by the sound of their own views and beliefs reverberating from all directions.

Working moms, don't try to be perfect

updated 5:24 PM EDT, Mon March 11, 2013



Courtney Martin says it's good to "lean in" at work, but working mothers should give up on perfection and make dad pitch in with child care.

Why women must seize this moment

updated 3:21 PM EDT, Mon March 11, 2013



Gloria Feldt says Sheryl Sandberg's new book and other recent dustups have brought work-life balance issues front and center again. But instead of arguing, women should be pushing for change.

Jeb Bush falls into GOP's immigration trap

updated 8:13 AM EDT, Mon March 11, 2013



Former Florida Governor Jeb Bush stepped right into the political thicket with his contradictory comments on immigration last week, says Julian Zelizer.

Media's failure on Iraq still stings

updated 1:29 PM EDT, Mon March 11, 2013



The 10th anniversary this month of the invasion of Iraq will remind most people of a divisive and dubious war that toppled Saddam Hussein but claimed the lives of nearly 4,500 Americans, says Howard Kurtz.

Strange bedfellows -- Iran and al Qaeda

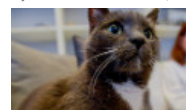
updated 8:21 PM EDT, Sun March 10, 2013



Peter Bergen says the arrest of bin Laden's son-in-law points to the surprising fact al Qaeda members have been living in Iran for the past decade.

Why I feed my cat happy pills

updated 2:11 PM EDT, Sun March 10, 2013



Katie Walmsley says medicating her cat was the key to solving its psychological and health problems.

No one will ever name a sports team this way

updated 8:26 AM EDT, Sun March 10, 2013



In American professional sports today, you can name a team almost anything -- except the name of the old baseball team, the "Senators", says Bob Greene.

Instead of fantasizing about catastrophes (running out of oil) and miracles (a rapid transition to solar power), our energy thinking needs to emphasize the achievable and the incremental. Convert from coal to gas. Tax gasoline to induce people to live closer to work and to buy more fuel-efficient cars.

We can enjoy a rising quality of life with declining energy inputs. Put us on the path to the right kind of "peak oil" -- and peak carbon -- the peak that comes, not because we find less and less, but because we want less and less.

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The opinions expressed in this commentary are solely those of David Frum.

1685
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Bob Titley · 7 days ago

What a load of garbage. I am sure Frum has lots of knowledge of geology and engineering and decline rates in the Bakken. I am sure he has analyzed terminal decline rates of various phrase "barrel of oil equivalent" and "energy return on energy invested". I am sure he know liquid fueled engines to natural gas fueled engines. It is a huge disservice to our nation to pro blessed with a moment of respite to temporarily postpone the extremely difficult economic e it is only temporary, and we would be wise to use this moment to prepare ourselves.

309 ^ | 4 v · Reply · Share >

John Ratcliffe → Bob Titley · 7 days ago

Bob, couldn't agree more, as the former President of Shell Oil, John Hofmeister, likes to of time to change the way we do business as regards energy. I work on oil rigs, the de aday to operate, the cost is due to increased capabilities, like drilling down 40,000 feet going to such lengths to get it. Further, there are over 100 valuable products in a barr conservation is desperately needed right now to preserve this most valuable resource

136 ^ | v · Reply · Share >

Yarr_Go_Me_Ducks → John Ratcliffe · 7 days ago

Couldn't agree more. The compounds in oil will so much better serve humanity i

New leader of the GOP: Rand Paul

updated 9:50 PM EST, Fri March 8, 2013



Mo Elleithee says Rand Paul is proving more effective than Rubio, Ryan and others at getting out a clear message.

Rednecks' turn to shine?

updated 11:56 AM EST, Sat March 9, 2013



Dean Obeidallah says for years, Hblyw ood has demonized rednecks in movies and TV shows -- but not any more.

U.S. manages disease, not health

updated 1:01 PM EDT, Sun March 10, 2013



Andrew Weil says the health care system depends on ruinously expensive drugs and surgeries that treat health conditions after they show up. Prevention is key.

Why we celebrate International Women's Day

updated 8:25 AM EST, Fri March 8, 2013



Melinda Gates says this is a day to recognize the vital role of women in society and the economy around the world.

To pick a pope, learn from business world

updated 3:35 PM EST, Fri March 8, 2013



Brian Frawley says the church needs to learn lessons from the corporate world about how to select its top leader.

Is TSA serious about letting people carry knives?

updated 1:19 PM EST, Thu March 7, 2013



Tiffany Hawk says there is a reason knives were banned in the first place -- they made the 9/11 attacks possible.

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medicine and high-tech materials. Burning our finite supply of oil is incredibly stup

22 ^ | v * Reply * Share >

glewis6 → Bob Titley • 7 days ago

Absolutely agree. This article is trash. "Oil" is not being replenished as quickly as we are at the deeper reserves. Sooner or later, it will run out. We can argue over when that w millions of years to create what we've extracted in less than a hundred. Think the auth

110 ^ | 1 v * Reply * Share >

MarylandBill → glewis6 • 7 days ago

Its not simple math, economics plays a role, as does the very real question of ho there is no limit to the supply of oil, but rather, he is saying that he believes it is li responsible for peak oil.

7 ^ | 5 v * Reply * Share >

oracle → MarylandBill • 7 days ago

"For all practical purposes, the world's supply of oil is not finite."

Actually, that's almost exactly what Frum said. Not finite = no limit. Which doesn't even understand the term "peak oil".

30 ^ | v * Reply * Share >

Ryan___Disqus → oracle • 7 days ago

It will mean that there will just be a cliff at the end of peak oil instead of a g by then, they hope.

3 ^ | v * Reply * Share >

Vangel Vesovski → Ryan___Disqus • a day ago

That is what worries me. By diverting attention from the problem by talking the optimists and pessimists are wasting time that we do not have to make done us all a service by reminding us of how little the empty suits know.

1 ^ | v * Reply * Share >

Real_Change → oracle • 7 days ago

"For all practical purposes," means that your equation doesn't represent h more oil due to increased technological ability and the economic incentive i price) while at the same time the population decreases it's oil use, it can be absolute sense.

4 ^ | 2 v * Reply * Share >

Jim Housman → Real_Change • 7 days ago

Yes, and as the price goes up high enough to exclude enough users, the e will go down. That's peak oil.

10 ^ | v * Reply * Share >

Yarr_Go_Me_Ducks → Real_Change • 7 days ago

The population isn't reducing our oil usage, we are increasing it worldwide. increase in the rate of consumption.

5 ^ | v * Reply * Share >

joe222 → Real_Change • 7 days ago

I agree with you that that's what he meant, but he chose the worst possit

0 ^ | v * Reply * Share >

pchi67 → MarylandBill • 4 days ago

You would be right with "Frum is not _intending_ to say... [the silly things

0 ^ | v * Reply * Share >

Aaron Flora → Bob Titley • 7 days ago

Bob, I was chomping at the bit and you beat me to it. This is the sort of garbage that nay-sayers this dood is dead wrong. And we can't argue with people like them because They are deciding to have an opinion while we are deciding on the facts. One way is rig

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we are experiencing a boom due to increased technological advances, exactly as predicted to the point that it will no longer be economical.

Seeing all the posts below regarding the sanctity of "economics" - economics is neither observable evidence, please go sit back at the kiddie table until supper is over.

Unfortunately this is only ONE of the biggest problems facing humanity. I used to think too stupid.

Welcome to Idocracy.

"But it's got electrolytes!"

48    

jlarsen → Aaron Flora · 7 days ago

"What are electrolytes?"

"Electrolytes are what plants need!"

10    

Real_Change → Aaron Flora · 7 days ago

I think it's oversimplifications of pieces like this that spell our doom. Granted, some to us! The oils will flow limitlessly!" You don't need to help them by insisting on my model of the world and making your opponents a caricature.

3    

freedom74 → Aaron Flora · 7 days ago

So, ten years, no observable global warming. Global warming predictions over the Celsius change. Models, hence alarmism was wrong. Yet, you are basing your argument like you are cherry picking "facts" to shore up your opinions which would make me wonder.

Also, if you can't grasp that supply and demand are just as much a science or a Shale oil is more expensive than regular oil to extract and use, but there is enough over a thousand years. The more expensive oil will move the market towards oil what the environmentalists want and is exactly what economics would predict. S

1    

Charles Dodd White → freedom74 · 7 days ago

Yeah, let's frack the hell out of the mountains, make sure all the wells are cr

8    

Jim Housman → freedom74 · 7 days ago

You too need to check your facts. Cherry picking data is how the deniers : years without temperature increase. Ask yourself this: Are you taking the s funded by the most radical of the anti-science crowd? Check out the Hear pieces and still touting the "fact" that smoking is not bad for you. Are thes

11    

Vangel Vesovski → Jim Housman · a day ago

Actually, that is what the data shows. There is no statistically meaningful m

And let us not forget that it is not the 'deniers' who claim that there is an o change. It is not the 'deniers' who claim that warming will mean little snow , 'deniers' who are trying to find the 'missing heat' in the mid troposphere ar scientific argument by ignoring the scientific method and choosing to be a

As for the Heartland people I do not see the 'smoking is good for you' claim is that there is no scientific evidence that second hand smoke is as bad as i but would be happy to look at it if you provide it.

0    

massbytes → freedom74 · 7 days ago

Sounds like you have the lack of comprehension. You are wrong on both t convincing your type.

5    

[vanger vesonen](#) → [freedom74](#) · 8 days ago

The models are clearly wrong. There is no global warming problem because not be a problem.

0 ^ | 1 v · Reply · Share >

[Jed Rothwell](#) → [Bob Titley](#) · 7 days ago

Amen! As Hubbard pointed out, no major new oil fields have been discovered in decad Depression.

15 ^ | 1 v · Reply · Share >

[ttman](#) → [Jed Rothwell](#) · 7 days ago

The peak of American discovery was in the 30's. The peak of world discovery wa a problem.

3 ^ | 1 v · Reply · Share >

[freedom74](#) → [Jed Rothwell](#) · 7 days ago

Wrong, do more research. Or would you like me to google it for you?

0 ^ | 1 v · Reply · Share >

[Geolo](#) → [Bob Titley](#) · 7 days ago

His analogy on canned tomatoes in the store is certainly not accurate. The world does technology, however, is an unpredictable variable that will determine how much oil is tr undergoing a temporary respite.

I am not claiming we will ever surpass peak oil production, but never count out humar to do more with less. Fracking has allowed us to turn a declining trend in production tc regarded as trash. Combine that with more efficient vehicles, and we actually do have years ago?

What technology will we be using in 10, 20, 80 years? What currently uneconomic oil

7 ^ | 1 v · Reply · Share >

[jlarsen](#) → [Geolo](#) · 7 days ago

You can't claim that the earth has a finite amount of recoverable oil, and also clai without contradicting yourself. The only way that could not be the case is if we € that it is naturally replenished. No matter how much oil is truly recoverable, even we use it at a faster rate than the earth produces it, than this is only a temporan argument, regardless, that it is temporary is a FACT.

What are you talking about when you say you don't know if we will ever "surpas production, peak oil production is a theoretical limit, the value of which is whatev production mankind achieves (past, present or future), that is peak production.

No matter what technology is available in the future, the earth creates oil very sl which we use it, we will eventually use up all the economically recoverable oil... it How can anyone be so ignorant?

9 ^ | 1 v · Reply · Share >

[Charles Dodd White](#) → [jlarsen](#) · 7 days ago

Agreed, the key phrase being "economically recoverable." The contradictic when no longer financially feasible, the need for energy will adjust to other priorities and technologies; it just prefers kicking the can down the line and facts now.

The tomato can thing was a ludicrously muddled metaphor.

2 ^ | 1 v · Reply · Share >

[Geolo](#) → [jlarsen](#) · 7 days ago

Hmm interesting outrage over my comment.

I interpreted the original commenter's use of the term "temporary respite" anomaly we will never see again. I thought such a claim was erroneous giv rate some time in the future and or increase the efficiency of oil use.

Please re-read my statement concerning peak oil. In common vernacular, I when it was at it's highest. Technically, it is possible to surpass a previous p surpass a theoretical limit. Silly misunderstanding of terms. (also notice I ne

To sum up, I was merely pointing out that although our minds, we may not thought.

How does that make me ignorant? From my perspective, you simply have static mindset.

1 ^ | 1 v * Reply * Share >

Earthling3 → Geolo · 7 days ago

Peak oil refers to the point where our desire/need for oil outstrips our ability simply the greatest rate at which we ever have or ever will produce it.

2 ^ | v * Reply * Share >

R.g. Miga → Geolo · 7 days ago

Aside from the fact that any "human ingenuity" saving us from an energy decline foundations of civilization built in an age of cheap energy --

We can't plan on some hail-Mary invention to pull us back from the brink. That's to start smoking two packs a day because they'll probably have a cure for cancer right? Except maybe they won't invent a cure for cancer in time to save me. Or maybe they'll come up with an affordable cure and I'll die from a different smokin

That's exactly the situation we're in now. We're banking on undeveloped technology affordable, scalable energy alternative, it might have no effect on our other envi

The only surefire solution is to scale back our consumption and put limits on gro

8 ^ | v * Reply * Share >

Rebecca → R.g. Miga · 7 days ago

The only true limit on growth is birth control. Instead of giving billions to th control. Too many people is the bigger problem.

11 ^ | v * Reply * Share >

Yarr_Go_Me_Ducks → Rebecca · 7 days ago

How about forced birth control?

3 ^ | v * Reply * Share >

Rebecca → Yarr_Go_Me_Ducks · 5 days ago

Give free birth control worldwide and you will see population decrease and control AND I do not believe it is necessary.

1 ^ | v * Reply * Share >

ttman → Rebecca · 7 days ago

America's population is growing from immigration. We need to stop immigr people. But they (and their descendents) go from using resources at third when they move here.

2 ^ | v * Reply * Share >

Geolo → R.g. Miga · 7 days ago

"saving us from an energy decline will have to involve completely overhaul energy"

Two great examples of human ingenuity that have increased the effective how these technologies have overhauled the foundations of civilization. No also overhaul our foundations...

"The only surefire solution is to scale back our consumption and put limits

Technically, we already are scaling back consumption. See above reference about limiting growth, that seems strange to me.

Look, I don't advocate burning oil on your lawn as a form of entertainmen clearly limited. My simple purpose was to illustrate that humans are VERY g people can deny this, since we live in an age where we have higher output

There is an economic incentive to improve technology to both recover mc people, I am optimistic that someone will do something ingenious. (includin

I really don't think your cancer analogy is applicable. We want to live in a w in a plastic bottle. Oil is finite. but how do you propose we live our verv cor

BPollutin → Bob Titley • 7 days ago

The bigger issues is that the cost of oil still has more to do with demand than it does with the availability of Diamonds, as well as others, to keep the market price through-the-roof company that can make a buck off the process will ensure the market remains controlled.

4   • Reply • Share >**Lee Sterne** → BPollutin • 7 days ago

Diamonds are not a necessity; our "need" for them (outside of instruments for gold and misplaced vanity.

But we do "need" transportation, electricity and heating. But oil (and other carbon) is needed for aircraft propulsion.

Our refusal to make the investments to switch to alternative energy is both shortsighted and irrational.

4   • Reply • Share >**Bryan C. Winter** → Bob Titley • 7 days ago

we are preparing ourselves, and this isn't garbage at all. It makes a quite rational point. attacking something that disagrees with your preconceived notions.

Price of oil takes capital investment into account. Oil companies still make money, oil is the thing that you guys like to hate ... "economics", is the only force that weens a nation.

And a call for incremental and achievable improvements is by the far the wisest course make it happen .. markets do that already with no input from people who may or may not be thinking about market based solutions. They don't require anyone's approval to work.

Also he is totally correct in his numbers. Carbon per capita is at the lowest level it has been in decades.

23   15  • Reply • Share >**UniverseWeAre** → Bryan C. Winter • 7 days ago

No, we realize that the price of oil is high now because the cost to extract it is getting higher.

We realize that if consumers can't afford high priced gasoline that demand destruction will occur.

We realize that if enough demand is destroyed by high prices the lack of demand for oil is the same thing is happening with natural gas.

We realize that when the price decreases it becomes less and less profitable to produce and production starts to decline.

Shale oil and gas are a bubble and when they pop the US economy is going down.

46   • Reply • Share >**jsnow** → UniverseWeAre • 7 days ago

The price of oil is also going up because of inflation. Prices always increase. The price of oil is going up because we are running out of cows...

21   3  • Reply • Share >**oracle** → jsnow • 7 days ago

Milk is more expensive now than 30 years ago because oil is more expensive. As oil prices increase, the price of everything else increases.

It's not like cows eat more grass to produce the same amount of milk that they did 30 years ago.

So thanks for proving our point that Frum has no idea what he's talking about.

37   1  • Reply • Share >**jlarsen** → oracle • 7 days ago

Oil cost is only ONE input of inflation, one of many and not nearly the only one (and it's not mostly) is more expensive, because land is more expensive, water is more expensive, and so on. Inflation, the price of oil right now doesn't reflect its scarcity, because of the disproportionate increase in inflation, at least not in the long run. If anything oil prices are a leading indicator of inflation.

The cost of oil is only relevant as an indicator that we are running out after inflation has started increasing, the cost isn't relevant to the discussion if it is running out or not. It's just a symptom of the problem. I can prove opposing points.

Frum doesn't have any idea what he's talking about, but price isn't evidence of anything.



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