

BOOKSHELF

‘The New Map’ Review: Tapping the Untappable

The world’s energy map is no longer an accident of geology. It’s been redrawn by technological, economic and political wherewithal.



Fracking in California.

PHOTO: DAVID MCNEW/GETTY IMAGES

By [Joseph C. Sternberg](#)

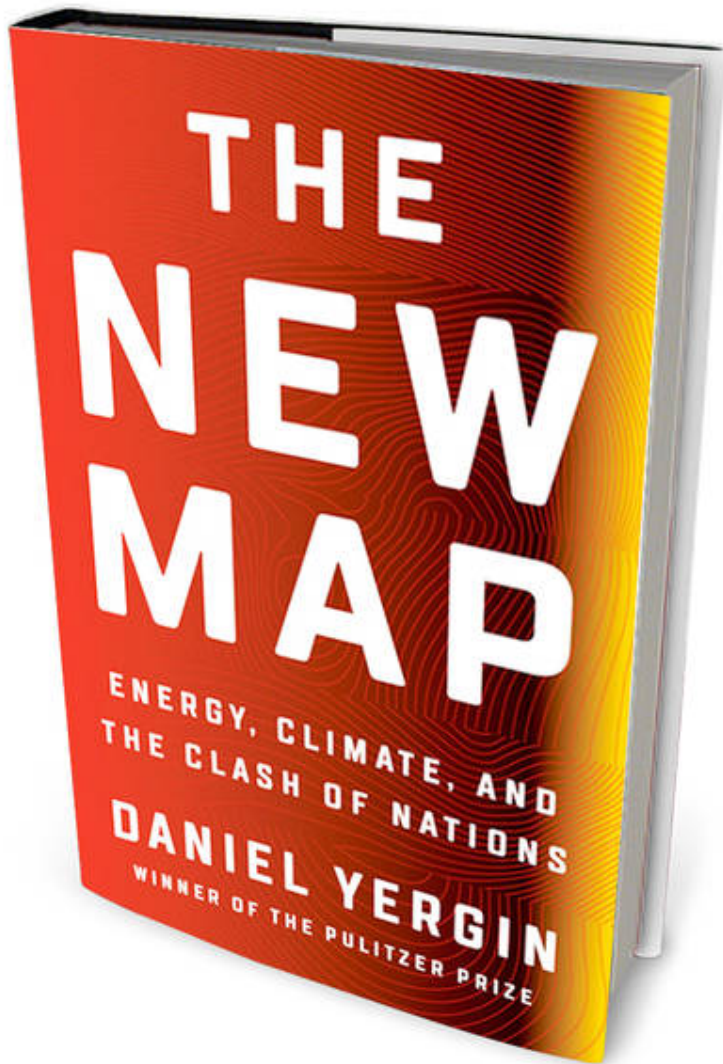
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Reports of the death of carbon have been greatly exaggerated. It’s a message many won’t want to hear in this age of Green New Deals and Greta Thunberg. All the more useful, then, that the veteran energy analyst Daniel Yergin has turned his considerable talents to explaining how the world continues to be shaped by oil in his latest book, “The New Map: Energy, Climate, and the Clash of Nations.”

In the past, Mr. Yergin tells us, what mattered was the geological surveyor’s map, where all the action went to where the oil was. Thus the desert wastelands of the Middle East were transformed into energy hubs and their chronic internecine conflicts consumed the attention of the world’s great powers.

This mindset persists today. China's aggressive territorial claims in the South China Sea have arisen in part from Beijing's paranoia about the security of its energy supply chains. That Russia has gas reserves, while swaths of Europe do not, makes no end of mischief for the Continent's relationships with Moscow and Washington, and for relationships among the European Union's member states.

Yet the world's energy map is no longer an accident of geology. As Mr. Yergin explains, it is a policy choice determined by technological, economic and political wherewithal. Thus "The New Map" opens with the U.S. shale revolution, which, though Mr. Yergin doesn't say so explicitly, surely counts as the most important geostrategic event since the collapse of the Soviet Union. This is, at heart, a very American tale of buccaneering, can-do spirit.



By Daniel Yergin

Penguin Press, 492 pages, \$38

We start in Dish, Texas, where George P. Mitchell, the son of a Greek immigrant, for years fanatically experimented with fracking at his gas-drilling company until, in 1998, his gamble finally paid off. We meet Mark Papa, an energy executive originally from Pittsburgh, who likewise drove his company to develop a way to extract oil from shale. Mr. Yergin then takes us to North Dakota, home of the energy-rich Bakken formation, and down to the Gulf Coast, where American entrepreneurs struggled to start exporting gas. We see how a new manufacturing ecosystem has developed around this cheap energy supply.

The point here is how little geology matters now. Shale gas has a habit of popping up in a surprising number of places. The U.S. has become one of the world's largest oil-and-gas producers because its blend of regulatory permissiveness during shale's early days, aided by a social and financial tolerance for experimentation (and failure), lent itself to the development of new technologies for tapping previously untappable resources.

This leads to two pressing strategic questions. First, can the U.S. continue as a major producer? After ignoring fracking early on, politicians now engage in open warfare between those who embrace this new industry for its economic benefits and those who oppose it on (often debatable) environmental grounds. Don't expect a mere presidential election or two to settle this feud.

Second, will another country be able to replicate America's shale achievement? Plenty are trying. One thread running through this book—which the author should have tugged on a bit harder—is that shale is the private sector's game. America, of course, doesn't have a state-owned petroleum industry. Even if we did, it would have lacked the gumption and appetite for risk necessary to invent fracking. Freedom from state control is what allowed the American industry to grow, guided by the wisdom of consumers, lenders and investors in an often painful process. Elsewhere, Israel is exploiting enormous recently discovered offshore shale-gas reserves, now that its government has settled a long

political fight about royalties and yanked itself out of the way. Russia's forays into the liquefied-natural-gas market come not via large state-connected giants but private-sector firms willing to experiment with drilling in the inhospitable Arctic Circle.

Mr. Yergin's account is reportorial and supremely readable—no mean feat among geostrategy tomes. But he's one of the world's foremost experts on this topic; the reader wishes he would insert more of his own views into the book. His most plainly expressed opinion comes at the end, when he remarks that “oil will maintain a preeminent position as a global commodity, still the primary fuel that makes the world go round.” Sorry, Greta, but this statement “is based on the reality of all the investment already made, lead times for new investment and innovation, supply chains, [oil's] central role in transportation, the need for plastics . . . and the way the physical world is organized.” This might once have been taken as a truism, but these days we need the reminder.

Speaking of Ms. Thunberg, what of renewables, which environmentalists imagine will have the same impact on the geopolitical map as shale gas? Mr. Yergin is convincingly skeptical. Wind and solar struggle to replicate oil and gas's reliability—a characteristic, he notes, that is “a fundamental mission of utilities”—and their supposed affordability is often an artifact not of technological advances but of taxpayer subsidies. So, too, with electric vehicles, an industry that is almost entirely a creature of subsidy programs around the world.

Mr. Yergin might also have noted that renewables won't so much free the world of strategic flash points as create new ones around rare-earth minerals, those dirty-to-mine, found-in-only-a-few-places-on-earth metals whose use is indispensable to green tech. Mr. Yergin mentions rare earths only once, and then only in passing to say that China is the world's main producer. Yet the world has already seen, in Beijing's recent trade disputes with Tokyo, how a near monopoly on rare-earth production can create strategic leverage akin to that which OPEC once enjoyed. Shale gas and oil are breaking OPEC and redrawing the strategic map around the world. A headlong rush into batteries and renewables now would simply entrench some new version of that old cartel in the field of rare earths, at least until the rare-earth industry undergoes its own version of the shale-gas shakeup.

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