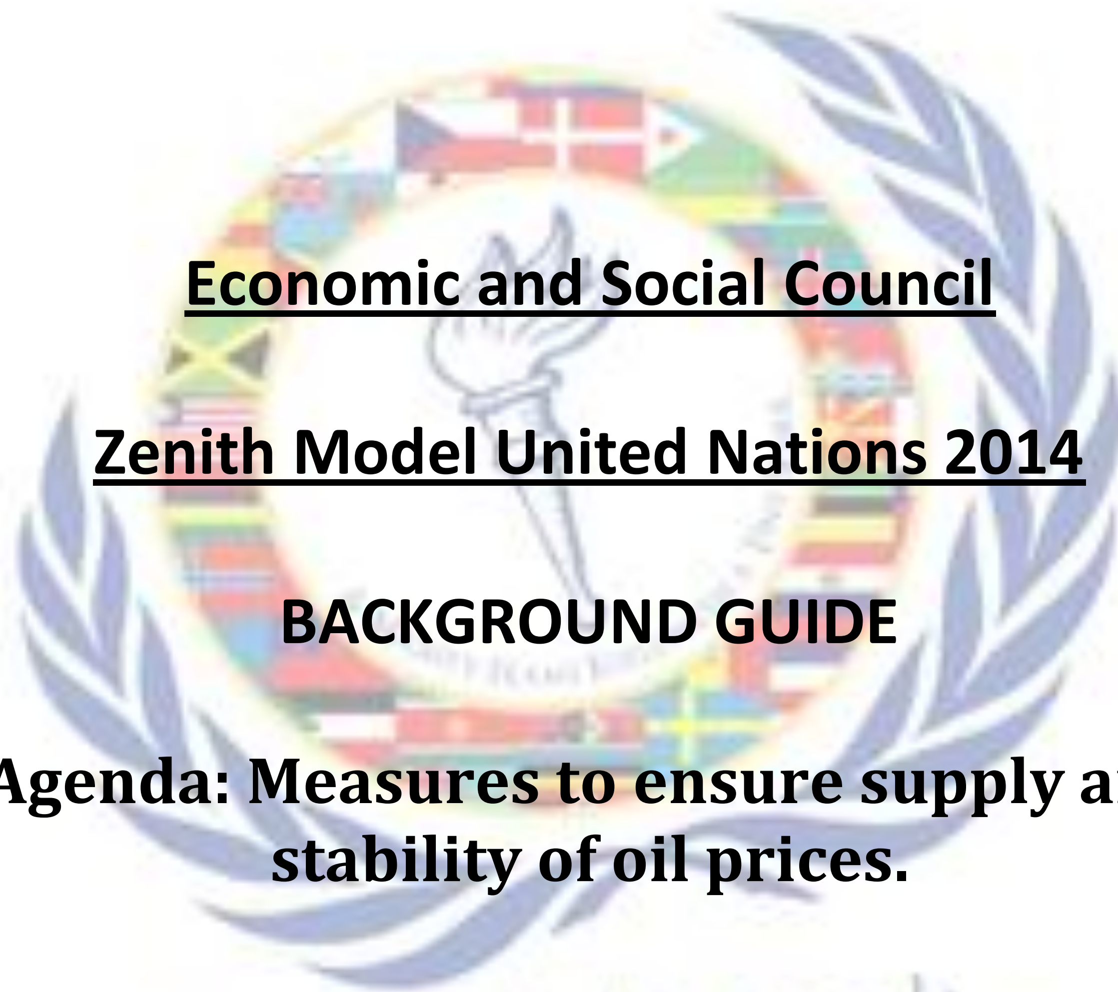

Economic and Social Council

Zenith Model United Nations 2014

BACKGROUND GUIDE

Agenda: Measures to ensure supply and stability of oil prices.

Introduction to the committee

About ECOSOC

The United Nations Economic and Social Council (ECOSOC) constitutes one of the six principal organs (one is not active, as of 2011) of the United Nations. It is responsible for coordinating the economic, social and related work of 14 UN specialized agencies, their functional commissions and five regional commissions. ECOSOC has 54 members. The ECOSOC serves as the central forum for discussing international economic and social issues, and for formulating policy recommendations addressed to member states and the United Nations system. The current president of ECOSOC is Mr. Miloš Koterec of the Slovak Republic.

Mandate

Please refer to Chapter 10 of The Charter of the United Nations for mandate of ECOSOC. The same can be found here http://www.un.org/en/documents/charter/chapter10.shtml.

Functions and Powers

The ECOSOC is responsible for:

- promoting higher standards of living, full employment, and economic and social progress;
- identifying solutions to international economic, social and health problems;
- facilitating international cultural and educational cooperation; and
- encouraging universal respect for human rights and fundamental freedoms.

It has the power to make or initiate studies and reports on these issues. It also has the power to assist the preparations and organization of major international conferences in the economic and social and related fields and to facilitate a coordinated follow-up to these conferences. With its broad mandate the Council's purview extends to over 70 per cent of the human and financial resources of the entire UN system.

Key Terms:

Inflation: Rise in general price levels in a country
Stagflation: Rise in general price levels combined with slowed/negative economic growth in a country (i.e. recession)
Peak Oil: Peak oil is the point in time when the maximum rate of global petroleum extraction is reached, after which the rate of production enters terminal decline. Optimistic estimations of peak production forecast the global decline will begin by 2020
Oil price shock: a sudden and drastic increase in the price of crude oil

Embargo: An embargo is the partial or complete prohibition of commerce and trade with a particular country, in order to isolate it. Embargoes are considered strong diplomatic measures imposed in an effort, by the imposing country, to elicit a given national-interest result from the country on which it is imposed. Embargoes are similar to economic sanctions and are generally considered legal barriers to trade. Many countries have faces oil embargos such as in 1970's by OPEC.
Nationalization of oil supplies: The nationalization of oil supplies refers to the process of deprivation of oil production operations, generally in the purpose of obtaining more revenue from oil for oil producing countries. Countries become the sole owners of their oil resources. For detailed knowledge on the strong implications of nationalization of oil supplies please consider the footnote.
Petro currency: It refers to a currency which is widely used to settle payments in the export-import of crude oil. Example: The use of US Dollar has lead to the use of the term-'Petrodollar'.

Implications of Oil Shocks:

Oil prices shocks have a stagflationary effect on the macroeconomy of an oil importing country: they slow down the rate of growth (and may even reduce the level of output – i.e. cause a recession) and they lead to an increase in the price level and potentially an increase in the inflation rate. An oil price hike acts like a tax on consumption. These effects are not trivial: oil shocks have caused and/or contributed to each one of the US and global recessions of the last thirty years (Yet while recent recessions have all been linked to an increase in the price of oil, not all oil price spikes lead to a recession.). Specifically:

1. 1973 oil crisis

The 1973 oil crisis started when the members of Organization of Arab Petroleum Exporting Countries proclaimed an oil embargo in response to the U.S. decision to re-supply the Israeli military in the Yom Kippur War. Independently, the OPEC members agreed to use their leverage over the world price setting mechanism for oil to stabilize their real incomes by raising world oil prices. Industrialized economies relied on crude oil, and OPEC was their predominant supplier. The OPEC member nations drastically cut down crude oil supply thereby raising worldwide oil prices and effectively increasing their own revenues. The price of oil had quadrupled by 1974.
This increase in the price of oil had a dramatic effect on oil exporting nations, for the countries of the Middle East who had long been dominated by the industrial powers were seen to have acquired control of a vital commodity. The traditional flow of capital reversed as the oil exporting nations accumulated vast wealth. Some of the income was dispensed in the form of aid to other underdeveloped nations whose economies had been caught between higher prices of oil and lower prices for their own export commodities and raw materials amid shrinking Western demand for their goods. Much was absorbed in massive arms purchases that exacerbated political tensions, particularly in the Middle East.

2. 1979 energy crisis

This oil shock occurred in the wake of the Iranian Revolution. Protests severely disrupted the Iranian oil sector, with production being greatly curtailed and exports suspended. When oil exports were later resumed under the new regime, they were inconsistent and at a lower volume, which pushed

prices up. Saudi Arabia and other OPEC nations increased production to offset the decline, and the overall loss in production was about 4%.

3. 1990 oil price shock

The 2001 U.S.A. global recession was partly caused by the sharp increase in the price of oil in 2000 following the California energy crisis and the tensions in the Middle East (the beginning of the second intifada). The 1990 oil price spike occurred in response to the Iraqi invasion of Kuwait on August 2, 1990 and lasted around 9 months. Average monthly prices of oil rose from $17 per barrel in July to $36 per barrel in August. On August 6, 1990, The Republic of Iraq invaded the State of Kuwait, leading to a 7-month occupation of Kuwait and an eventual U.S. led military intervention. The 'scorched earth policy' adopted by Iraqi troops wherein oil reserves in Kuwait were destroyed impacted the crude oil supply from Kuwait considerably.

4. 2003 Iraq War:

Iraq holds the world's second-largest proven oil reserves and with increasing exploration, it is expected to enlarge them beyond 200 billion barrels. Many leading critics of the Iraq war tend to claim that the US lead invasion was primarily aimed for the annexation of oil resources and for political dominance at the heart if which lies the debate of 'petroleum politics'. Please read the section on 'Petrodollar warfare' for more details.

Oil Cartels-OPEC

The Organization of the Petroleum Exporting Countries (OPEC) is a permanent intergovernmental organization of 12 oil-exporting developing nations that coordinates and unifies the petroleum policies of its Member Countries. OPEC seeks to ensure the stabilization of oil prices in international oil markets, tries to eliminate harmful and unnecessary fluctuations, keeping in mind the interests of oil-producing nations and the necessity of securing a steady income for its member nations. Equally important is OPEC's role in overseeing an efficient, economic and regular supply of petroleum to consuming nations, and a fair return on capital to those investing in the petroleum industry.

The treaty establishing OPEC was registered at the UN Secretariat on 6 November 1962, under No. 6363. Later, OPEC also established relations with the Economic and Social Council (ECOSOC) under UN Resolution 1053, adopted on 30 July 1965.

Member Countries meet at the OPEC Conference to coordinate and unify their national petroleum policies, in order to promote stability and harmony in the international oil market. Member Countries consider the current oil market situation and forecasts of market situations, such as economic growth rates and petroleum demand and supply scenarios. They then consider what changes should be made to existing production agreements, to promote stable prices and steady supplies to consumers.

The OPEC Statute requires OPEC to pursue stability and harmony in the petroleum market for the benefit of both oil producers and consumers. To this end, OPEC Member Countries respond to market conditions and forecasts by coordinating their petroleum policies. Production quotas are one possible response. It does this by setting a group production ceiling/quota or adjusting an existing production quota. This ceiling is then sub-divided into individual Member Country quotas, as agreed by the Conference. As per current agreements, Iraq is not subject to OPEC output targets.

If demand grows, or some producers supply less oil, OPEC can increase its oil production to prevent a sudden rise in prices or shortfall in supply. OPEC might also reduce its oil production in response to market conditions, to prevent a glut on the market. However, when OPEC makes its production agreements, it does so with the expectation that non-OPEC producers will actively support the Organization's measures, since this will ensure OPEC's decisions are more effective and benefit everyone. The impact of OPEC output decisions on crude oil prices must is NOT related to the prices of oil products, such as gasoline or heating oil. There are many factors that influence the prices paid by end-consumers for oil products. In some countries, taxes comprise 70 per cent of the final price paid by consumers, so even a major change in the price of crude might have only a minor impact on consumer prices.
More than three-quarters of the world's proven crude oil reserves are located in OPEC Member Countries. Moreover, these reserves are more accessible and cheaper to exploit than those in non-OPEC areas.

Military Interventions and Oil Prices: Arab spring

Humanitarian Intervention refers to a state using military force against another state when the chief publicly declared aim of that military action is ending human-rights violations being perpetrated by the state against which it is directed. At times, interventions are not humanitarian in nature and take the form of simple military intervention when one state annexes another for ulterior motives. Such political conflicts have a direct impact on the economy and its trade and in particular the oil market gets impacted which is the lifeline of most economies.
The impact of such conflicts on crude oil trade and its subsequent effect on the economy occurs in a number of ways such as:

1. Lack of political authority required for crude oil trade
2. Pessimistic expectation of business firms engaged in crude oil extraction/refinery
3. Loss of sovereignty/control over nations resources due to foreign annexation
4. Disruption of crude oil trade in times of humanitarian intervention
5. Oil embargos
6. Scorched Earth Policy. Eg. Destruction of oil reserves in Kuwait by Iraqi forces at the end of the Gulf War.

On March 2011, the price is of crude oil was at $111. With the increase in the revolutionary wave of protests in Arab countries, the shortages in oil supply and expectation of investors lead to volatile crude oil prices. Although prices were beginning to ease with the calming of the revolution in Egypt, prices spiked to $100 for the first time since September 2008 with the protests in Libya.
Due to the NATO led intervention in Libya, Libya's 1.6-1.7 million barrels of daily production, (some 2 percent of the world total) became unavailable. Libya's turmoil shows that a revolution can quickly disrupt oil supply. Libya's oil output has halved, as foreign workers flee and the country fragments. The spread of unrest across the region threatens wider disruption.
Dearer oil will stoke inflation, especially through higher food prices—and food still accounts for a large part of people's spending in growing economies like China, Brazil and India. The biggest danger lies in the Middle East itself, where subsidies of food and fuel are omnipresent and where politicians are increasing them to quell unrest. Even the most developed nations remain vulnerable in the wake of 2008 economic recession.

Thus it is clear that any socio-political conflict such as that of the Arab Spring 2011 can have wide ramifications in the crude oil market by disruptions in supply if the conflict in questions takes place in a major oil producing nation.
However it should be noted that many countries have excess oil producing capacity such as Saudi Arabia which has about 3.8 million barrels per day of excess capacity, has historically been willing to increase production to offset supply interruptions, and, after a bit of time, could do so again.

The Petro Dollar:

Since the agreements of 1971 and 1973, OPEC oil is exclusively quoted in US dollars. This created a permanent demand for dollars on the international exchange markets and is one of the reasons for the stability of the dollar. Hence the stability of the US dollar and the stability of supply and market price of crude oil are inadvertently linked.
Since the beginning of 2003, Iran has required euro in payment of exports toward Asia and Europe, though prices are still expressed in US dollars. In mid-2006 Venezuela indicated support of Iran's decision to offer global oil trade in the euro currency. At the same time, the Canadian dollar is increasingly viewed as a petrocurrency. As of 2005, OPEC continues to trade in US Dollars, but some OPEC members (e.g. Iran and Venezuela) have been pushing for a switch to the euro.
In this context, the theory of 'petrodollar warfare' has gained importance. The phrase petrodollar warfare refers to a theory that the driving forces of United States foreign policy over recent decades has been the status of the United States dollar as the currency in which oil is priced. Hence, if the denomination changes to another currency, such as the euro, many countries would sell dollars and cause the banks to shift their reserves, as they would no longer need dollars to buy oil and gas. Theoretically, this would thus weaken the dollar relative to the euro. The core of the theory is that U.S. administrations' thinking is greatly affected by fear of the consequences of a weaker dollar, particularly higher oil prices. This is seen as underlying and explaining many aspects of U.S. foreign policy, including the Iraq War.
(Delegates must note that this is merely a hypothesis)
Political enemies of the United States therefore have some economic interest in seeing oil denominated in Euros or other currencies. The EU could benefit as a collective group. However, the European economy could also be seriously damaged if the euro were to appreciate (i.e. rise is value) significantly against the dollar. If this happens, the Eurozone exports would become relatively more expensive.

Effects of renewable sources of energy on oil prices:

The principle of supply and demand suggests that as hydrocarbon supplies diminish, prices will rise. Therefore higher prices will lead to increased alternative, renewable energy supplies as previously uneconomic sources become sufficiently economical to exploit. Artificial gasoline and other renewable energy sources currently require more expensive production and processing technologies than conventional petroleum reserves, but may become economically viable in the near future. Different alternative sources of energy include nuclear, hydroelectric, solar, wind, and geothermal.

The environmental movement emphasizes sustainability of energy use and development. Renewable energy is sustainable in its production; the available supply will not be diminished for the foreseeable future - millions or billions of years. "Sustainability" also refers to the ability of the environment to cope with waste products, especially air pollution. Sources which have no direct waste products (such as wind, solar, and hydropower) are seen as ideal in this regard.

Expansion, exploration of crude oil reserves in disputed areas:

Beaufort Sea:

The sea, characterized by severe climate, is frozen over most of the year; only a narrow pass up to 100 km (62 mi) opens in August–September near its shores. The seacoast was populated about 30,000 years ago, but the population density is very low. The sea contains significant resources of petroleum and natural gas under its shelf, such as the Amauligak field. They were discovered in the period between 1950s and 1980s, and their exploration became the major human activity in the area since the 1980s. The traditional occupations of fishery and whale and seal hunting are practiced only locally, and have no commercial significance. As a result, the sea hosts one of the largest colonies of beluga whales, and there is no sign of overfishing. There is a long-standing dispute between the United States and Canada over the sea border area, but significant steps have been taken in 2010 toward its resolution.

This dispute has taken on increased significance due to the possible presence of natural reserves within the wedge, which according to Canada's National Energy Board may contain 1,700,000,000 m3 (6.0×1010 cu ft) of gas, which would cover the national consumption for 20 years, and more than 1,000,000,000 m3 (3.5×1010 cu ft) of oil. Because of this, Canada argues that "special circumstances" apply to this border, a position that the U.S. rejects. This dispute is in this respect a mirror image of the dispute between the U.S. and Canada over the Gulf of Maine, where the U.S. argued for "special circumstances" and Canada argued for the equidistance principle. (It is to be noted that in that latter dispute, both of those arguments were rejected, and the border was drawn based upon geometric principles taking into account geographic factors.) Neither the U.S. nor Canada have pressed for a swift resolution for the matter, or arbitration at the International Court of Justice, however; and the two have in the meantime cooperated in several measures aimed at preserving the maritime environment.

The US had leased eight plots of terrain below the water to search for and possibly exploit oil reserves that induced a diplomatic protest from Canada (issued by the end of 2004). On 20 August 2009, United States Secretary of Commerce Gary Locke announced a moratorium on commercial fishing of the Beaufort Sea north of Alaska, including the disputed waters. In July 2010, US-Canada negotiations have started in Ottawa with the next meeting planned in 2011. A joint geological survey of the area has been initiated, and the issue was marked as settled by the CIA World Factbook, though no official document has been released by September 2010.

South China Sea:

The Spratly and Paracel archipelago are two groups of uninhabited islands located within the South China Sea, which are subject to a complex territorial dispute involving the surrounding countries. The interests of different nations include acquiring fishing areas around the two archipelagos, the exploitation of crude oil and natural gas beneath the Spratly Islands, and the strategic control of a core position. Along with territorial land claims on the islets, the disputes also involve the territorial waters of the various countries within the region

Arctic border:

Under international law, no country currently owns the North Pole or the region of the Arctic Ocean surrounding it. The five surrounding Arctic states, Russia, the United States, Canada, Norway and Denmark (via Greenland), are limited to an exclusive economic zone (EEZ) of 200 nautical miles (370 km; 230 mi) adjacent to their coasts.

Hans Island/Northwest Passage:

A 2008 United States Geological Survey estimates that areas north of the Arctic Circle have 90 billion barrels of undiscovered, technically recoverable oil (and 44 billion barrels of natural gas liquids) in 25 geologically defined areas thought to have potential for petroleum. This represents 13% of the undiscovered oil in the world. A recent study carried out by Wood Mackenzie on the Arctic potential comments that the likely remaining reserves will be 75% natural gas and 25% oil. It highlights four basins that are likely to be the focus of the petroleum industry in the upcoming years: the Kronprins Christian Basin, which is likely to have large reserves, the southwest Greenland basin, due to its proximity to markets, and the more oil-prone basins of Laptev and Baffin Bay. Another factor affecting oil exploration in the Arctic region is the environmental concerns in drilling and exploration of crude oil. By disturbing the untapped region can have serious effects on the environment. This is another aspect the delegates have to look into and analyze.
Effects of Exploring untapped areas:

- Contributes to global warming with increase in pollution
- Kicks in fears of chemical and oil spills
- threatens coastal communities dependent on the sea
- affects the habitat of endangered polar bears, whales and other wildlife
- will open up more areas like the west coast for oil exploration
- won’t bring in energy security or reduce oil imports

EU's Iranian oil sanctions:

The European Union along with United States has imposed sanctions against Iran over the controversies around Iranian nuclear program. These sanctions which have been described as the toughest EU sanctions imposed against any other country by European officials were last strengthened on 27 October 2010 within by the EU Council. This replaces and updates the previous Council Regulation 423/2007 that was published on 27 July 2010. The new sanction put restrictions on foreign trade, financial services, energy sectors and technologies and includes a ban on the provision of insurance and reinsurance by EU insurers to the State of Iran and Iranian owned

companies.EU foreign ministers decided on 23 January 2012 to ban new contracts to import petroleum and petroleum products from Iran and to end existing contracts by 1 July 2012.
The oil ban agreed by the European Union, which will be phased in over a period of months to try to reduce the impact on some of the weaker European economies, is the most significant toughening of sanctions to date. The EU is also to bring in restrictions on the Central Bank of Iran and to expand a range of other existing measures intended to constrain Iran's ability to do business abroad.
The new sanctions, coming just as a US naval flotilla accompanied by British and French warships is testing the freedom of passage in the Strait of Hormuz, are inevitably going to ratchet up tensions. Europe accounts for about 20% of Iran's oil exports. The sanctions are more likely to hit ordinary Iranians than the country's elite Greece is heavily dependent on Iran, from which it buys about one third of its oil. Italy and Spain each buy a little over 10% of their oil from Tehran. They will all now have to seek supplies elsewhere. The ban is to be phased in to minimize disruption. And it looks pretty clear that other suppliers like the Saudis - despite Iranian threats - are willing to step up to cover the additional output required. Nobody of course wants to see an oil crisis that might set prices spiraling.
Iran's customers in Europe are among the weakest economies in the EU. And any significant price rise would only benefit Iran's exports elsewhere. Of course Iran's major customers are not in Europe but in Asia. It is here that the fate of this sanctions round will be determined. The US has sought - so far with only limited success - to persuade South Korea and Japan to scale back their imports of Iranian crude.
China, which buys over one fifth of Iran's oil, is clearly the key. It is sending conflicting signals. On the one hand, it appears to have significantly cut back on orders from Iran and sought to bolster its ties with other Gulf producers. However, it is by no means clear if this is a desire to warn Iran diplomatically or a maneuver intended to strike the hardest bargain once the Iranian oil sector is under pressure.

Impact of Credit Downgrade on Oil Prices:

Standard and Poor's (S&P) credit rating for the US was pulled down a notch to AA+ from AAA in August 2011 for the first time in the history of the rating system. The agency had expressed concerns about the nation's ability to manage its debt and hinted that the Obama administration should pull up its socks in this matter. The move was not a surprise to many since the agency had made it abundantly clear that downgrading was a possibility if remedial measures were not implemented. The fact that the downgrade occurred so early, was definitely surprising. In the aftermath, US Senators are rushing to bring in austerity measures at the earliest in the hope of getting this move revised.
The S&P downgrading of America's credit rating, as well as the rumors of a possible credit downgrade in Europe as well has had a far reaching impact on global markets and economies. The price of crude oil is no exception to this and fell nearly twenty percent in the period following the S&P move. It touched the lowest levels in almost eight months in the wake of the announcement. Traders chose to exit from the commodity and turned towards other lucrative investments such as gold and Treasury bonds. Brent was hovering around $100 and WTI was below $80 in the immediate aftermath. This was on fears that the US market might sink into recession very soon. Make no mistake, the credit downgrading equals a downgrade of the dollar. And this downgrade of the dollar, previously considered a refuge currency, could not come at a more inopportune time.

Many oil-producing nations such as Libya and Syria are in a state of turmoil and looking for ways to regain political stability. Other Arab nations such as Saudi Arabia, not yet affected by the "Arab Spring" are doing all they can to avert unrest that could cascade into a civil war like in Libya. Since all these nations' budgets rely almost exclusively on oil revenue, the petrodollar does not present itself in a favorable light to these oil-rich nations. Consequently, several major oil producing nations have announced their plans to move away from the dollar and instead accept currencies such as the Euro and the Yuan. Iran, which provides 12% of China's oil opened an oil bourse on Kish Island which trades its prized high grade oil strictly in Yuan and Euros (no dollars). This is not helping the dollar's situation in any way. If major oil producing nations begin moving away from the dollar, it will not be long before others follow suit.
In the meantime, previously US-friendly governments in the Middle-East are tumbling one after the other. New flags emerge, stamped with the crescent and the moon, symbols of fundamentalist Islam. For example, Libya's new National Transitional Council, upon the overthrow of Muammar Gaddafi immediately decreed a new judicial system based on Shari law. Following the "Arab Spring", pan-Islamic governments are gradually taking over smaller oil producing nations and these "mini-Iran" will likely stop accepting dollars for their coveted oil. Newly minted governments, eager to bring stability and assess their leadership will drop the dollar because of the negative image of its tie to previous governments. Over time this will result in a lower demand for the greenback and greatly reduce its purchasing power. The price of crude oil in dollars will spiral upwards while the credit rating continues to plummet.
History indicates that very few nations, who had their credit rating downgraded from AAA, have ever been able to recover it. And those who have managed to recapture their former glory took anywhere between a decade to two decades of fiscal discipline to achieve this. But since fiscal discipline is not even on the radar screen of the US government it is safe to predict that the US credit rating is headed even lower. Today oil is traded in dollars so for every gallon of gas, say, a Chinese motorist buys, he first has to change his Chinese currency into US dollars then buy crude oil with these dollars. Once oil stops trading in dollars the world's need for the greenback will be strongly reduced if not eliminated. When this happens, expect the value of the dollar to decline sharply, the price of crude oil denominated in dollars to skyrocket and the US credit rating to continue its journey down the rest of the alphabet.

Immediate Effects: Oil Prices Plummet

The more than five percent drop seen in the Dow Jones did nothing to allay fears. On the positive side, lower crude prices will translate into cheaper gas at the pump. It will even mean cheaper airline tickets and lower rates of transport too. However, when faced with a grim economy people are likely to cut corners. It is the fear of the country's debt spiraling out of control which has brought down oil prices. Stock prices are an indication of economic confidence and with these plunging, oil has also immediately gone down nearly twenty percent.

Medium Term Outlook for Oil

By contrast, some leading financial institutions have expressed confidence in oil price stability in the medium term. They claim that oil will touch $130 in a year's time but considering the current situation it seems a risky bet. The demand for oil, which continues unabated in countries like China

and other developing markets, is expected to support prices. Despite the uncertainties in the market, the price of crude oil continues to be higher than the $71.65 it touched 12 months ago. The destinies of oil and the dollar are closely intertwined with the US credit standing. So, any kind of aspersions cast on the well-being of the country's economy or its ability to cover debts can prove disastrous and bring about a domino effect.
Any major development in the US, which is the world's largest oil consumer, inevitably reflects on the oil trade. Besides the US, quite a few European nations are going through a significant financial crisis. The shrinking supply of oil is one factor influencing steep price rises. Oil is increasingly being seen as a viable investment opportunity and this is the other reason why prices fluctuate in a volatile manner. The reason for it being so lucrative is that it is a precious commodity.
To make things worse, the successive Federal Reserve stimulus plans have flooded investment banks with cash to "invest" in the economy. And to an investment banker sitting on a lot of cash, crude oil is a very attractive investment right now. Aside from the "stimulus" money, oil's rise will be amplified by retail investors (as usual late at the game) who are pulling cash out of the market en masse and investing into hard assets.

Questions to consider:

1. Identifying causes of oil shocks, oil peaks, disturbances in oil markets
2. Implications and corrective actions for above mentioned problems
3. Moving away from the petro dollar?
4. Future threats and challenges
5. Exploration and expansion of oil reserves
6. Oil Sanctions, political lobbies, cartels and oil superpowers in the oil market

Research Links:

http://www.economist.com/blogs/multimedia/2011/03/oil_and_arab_uprisings
http://www.economist.com/node/18231320
http://en.wikipedia.org/wiki/Nationalization_of_oil_supplies
http://www.nytimes.com/2011/06/11/business/energy-environment/11oil.html?_r=3
http://www.independent.co.uk/news/business/news/the-demise-of-the-dollar-1798175.html
http://www.mathaba.net/news/?x=530827
http://en.wikipedia.org/wiki/1973_energy_crisis