



**NEGATIVE
POPULATION
GROWTH**

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Oil, Egypt and Israel: The View in 1995

by **Lindsey Grant**

This essay may start out as a sort of black fable, but the purpose is serious. Having devoted the FORUM for more than a year to the United States and the idea of "optimum population", we seek here to change focus and to call attention to the intricate interplay among U.S. and other countries' population growth, immigration policies, food balance, environmental and resource issues, social issues, foreign policy and national security. Again, we suggest ways in which U.S. decision making can be altered to take account of those interconnected forces rather than being blindly buffeted by them.

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Scenario

I recently had reason to construct the following grim and hypothetical scenario for a naval strategic studies group. The scenario, ostensibly, is written in February 1995. Under the group's ground rules, Saddam Hussein has been eliminated but little progress has been made on the Israel-Palestine issue, and peace in the Gulf region is still "fragile." Here goes.

1. *Egypt's population has risen from 37 to 63 million in just twenty years. The stagnation in domestic food output that became apparent in the 1980s has intensified. Aside from making Cairo virtually unlivable, urban growth has continued to encroach on farmlands. Arable acreage is being reduced by erosion, and farm productivity by the loss of nutrients. Both are consequences of the construction of the Aswan Dam, which blocked the annual flooding of the Nile. Egypt depends on imports, including PL 480, for most of its foodgrains. Even in the mid-1980s, Egypt's total exports covered less than half its imports, and 70 per cent of those exports were petroleum products. As anticipated, Egypt's limited petroleum resources declined quickly, and since 1992 Egypt has been a net importer of petroleum. Remittances from Egyptians working in the Persian Gulf states have never returned to their pre-1990 level. Egypt has, in effect, no way to compete in the commercial market to import food for its rising population.*

2. *Worldwide grain stocks began to decline to dangerously low levels between 1987 and 1989. There was a temporary reprieve, resulting principally from*

bumper North American grain harvests. In 1994, however, the U.S. crop was less than the bad year of 1988, and for the second time in history (the first was in 1988) the U.S. consumed more grain than it produced. A dry winter has generated concerns that even U.S. reserves may become dangerously low in 1995.

3. *The U.S. balance of payments has worsened, primarily as a result of increasing petroleum imports. Imports reached 50 per cent of U.S. consumption in 1991 and have risen as domestic production has declined. The U.S. Geological Survey estimated in 1989 that the U.S. then had only 16 years' current consumption levels of reserves and exploitable resources, and the projection has proven regrettably prophetic. Annual crude oil production in the United States has been declining about 10 per cent per year since 1990, and imports now account for about two-thirds of total consumption*

4. *European import requirements have also been rising with the decline of the North Sea oil fields and the East European search for suppliers to replace the Soviet Union, whose production decline started in the late 1980s and has been worsened by the continued political turmoil in that country.*

5. *Rising petroleum prices are leading U.S. consumers to economize on petroleum and to shift to other fuels, but the Government as of February 1995 had not taken steps to encourage the trend. Population growth in the United States has tended to increase the demand for*

energy. Because of the rise in women's fertility since 1989 and the increased rate of immigration that resulted from the Immigration Act of 1990, the U.S. population is growing at a rate of about 12 per cent in this decade, which makes the problem of petroleum supplies that much harder.

6. A mounting crisis of confidence is generated by the triple problems of declining grain reserves, an uncertain and higher cost energy supply, and the foreign trade deficit. Foreign investors begin to move their liquid capital out of the country. The U.S. Government announces a reduction in foreign aid, a suspension of PL 480, and a policy of licensing grain exports to assure domestic grain stocks.

7. In Cairo, the government is forced to reduce the subsidized bread sales. Food riots topple the government, which is replaced by a fiery, Khomeini-style Moslem fundamentalist demagogue named Abdallah. Unlike Khomeini, however, Abdallah is a Sunni and an Arab, and he rapidly becomes the charismatic rallying point for fundamentalists and mullahs throughout the Arab world. In the disorders that ensue, terrorists succeed in cutting Saudi oil exporting capability by one-third. The leaders in Iraq, Syria and most other Moslem countries feel compelled to express their support for Abdallah, in order to save their skins. He declares a holy war against Israel.

8. These changes generate an unexpected reverberation in the United States. It had already become clear that Blacks were increasingly separating into two very distinct streams: those who were making it in the general society and tended to identify with it; and the poor ghetto Blacks who were increasingly isolated and hostile. The problems were reflected in the statistics: in 1989 less than 62 per cent of young Black males 20-24 years of age were in school or had full time jobs. The figure for their White counterparts was 76 per cent. About half the U.S. prison population was Black, though Blacks constituted only 12 per cent of the general population. The situation has been worsening since then as rising immigration has crowded poor Blacks out of the entry-level jobs to which they might aspire, and as their population has grown much faster than the country as a whole. (The poor and uneducated tend to be about twice as fertile as the prosperous and educated. This is a matter of class, not race. Black and White fertility are roughly the same if adjusted for income or education. It is simply that more Blacks are poor and uneducated.)

Out of this ferment has emerged considerable support for the Black Moslem movement. The influence extends into the ranks of Black enlisted men, though it is counteracted in some degree in the military services by a sense of belonging and of purpose. The upshot, however, is that, when Abdallah announces his crusade, about one-third of the Black members of one crack U.S. Army division sign a pledge that they will not go to war against fellow Moslems in behalf of Israel. The Army faces the difficult question of how to handle this massive, spontaneous outpouring of feeling.

I did not attend that futures game run by the Navy strategic planning group. I don't know whether they took on my scenario, or how they handled it. In any event, let me congratulate them. They are asking the right questions, and that is not a common habit.

Why the Scenario?

This scenario sounds like the vision of a man who enjoys inventing nightmares. Is it likely to happen? Almost certainly not — at least not in just that way. But all the data for 1990 and earlier are taken from published sources, mostly from U.S. Government statistics. The trend projections for the 1990s are reasonable extrapolations from those data, though of course the confluence of the trends into the "events" of 1995 is hypothetical.

I could have made it worse. I could have created a revolt in Mexico against the political stranglehold of the PRI, and sent a million refugees across the border to add to our problems and our population and, particularly, to intensify the job competition for the urban Blacks.

The scenario was meant to be scary. It was designed to make the point that the circumstances that created Saddam Hussein have not gone away. There will be other Saddam Husseins.

The scenario was meant to dramatize the interplay of demographic and environmental forces with the more conventional elements of "national security". Security does not consist simply of troop numbers, weapons inventories or dazzling military technology. It rests upon things as disparate as a stable agricultural base, a sustainable environment, skilled and contented populaces both here and abroad, and a reasonable world balance between population and resources. These are the foundations on which the superstructures of prosperity, such as an orderly world trading system, are laid. When men make inadvertent changes in their environment, such as the consequences generated by the Aswan Dam, it is not simply a matter of concern to environmentalists.

And the principal destabilizing force that has upset those balances has been the unparalleled population growth of the past few decades, accompanied by technical transformation and sustained by levels of energy use unimaginable in earlier generations.

Egypt

Why is this important? Because, judged in these terms, Egypt is very badly out of balance, and so is the United States. As the man said, where there is no vision the people perish. The growing desperation of the Egyptian situation has been apparent for years — for decades. The United States, committed to Egypt because of Egypt's toleration of Israel, tried to put off the day of reckoning by adopting a very American makeshift: throw money at it. U.S. bilateral aid to Egypt was only about \$34 million annually in the 1950s, was terminated and resumed, and rose to over \$2 billion annually following the Camp David accords.

The aid helps Egypt cover its food and foreign exchange deficits, but the deficits keep going up because of population growth, and the aid does not. It has been flat for a decade

— and declining in real terms — because of U.S. budget problems.

Egypt is in a bind. Acreage in cereals peaked in 1954. Present acreage is substantially what it was before World War II. Yields are very good indeed — more than twice those before World War II. But there were 16 million Egyptians then. Egypt produced 246 kilograms of grain per capita then; it produced only 170 kilograms in 1987 (the latest official figures.) After getting almost back to the pre-War level in 1970, the trend since then has been irregularly but ineluctably downward. Who will feed them?

Egypt, which was a net exporter of cereals before World War II, imported more than 5 million tons in 1980 and 9 million by 1987. That year, they imported more than half the cereals they ate. There was a slight drop in 1988 — preliminary data show that 1988 and 1989 were good years; but the noose has been tightening. And yet on this shaky base we have built our Middle Eastern policy.

Presidents Sadat and Mubarak have both recognized the need for population limitation but, judging by Egypt's fertility rate, nothing has been achieved. We could have helped Egypt more if we had done more to help them control the demographic engine that has driven their worsening situation. This would not be easy, given the bureaucratic and social resistances, but the alternative is to run a race that we are certain to lose.

In fact, in the past fifteen years, far less than one per cent of our bilateral aid to Egypt has gone to family planning. The Reagan administration, bogged down in ideology, once tried to zero out all assistance for foreign family planning programs. If such assistance still exists in our foreign aid program, it is because of Congress.

The United States

To shift back from 1995 to 1991, and from Egypt's problems to ours: Make no mistake. The Kuwait crisis has been about oil. It is not altruism that leads the United States to mount its expensive white horse and charge off to save distant feudal principalities from neighboring dictators. We embarked upon that risky and uncertain adventure because two-thirds of remaining world petroleum reserves are in the Persian Gulf area, and because the U.S. administration viscerally perceives the danger if all those reserves are brought under the control of one unfriendly despot.

As I said, there will probably be other Saddam Husseins. The stakes are too large, and the region too unstable, for us to face an increasing dependency with any confidence in the reliability of the supply. And even Arab oil is not forever. With respect to oil, we are in much the position that the Egyptians are with food — except that, fortunately, there are substitutes for oil.

The question is: why didn't we think ahead? Our Middle Eastern and our energy policies, and what passes for an immigration policy, are misbegotten monuments to a perhaps fatal penchant for ad hoc improvisation.

In 1956, a geologist named M. King Hubbert projected that U.S. domestic oil production would peak about 1970.

He was widely considered a crank, of course, but sometime in the mid-1970s, after the first "oil shock" and when Hubbert's projections were proving scarily prophetic, a responsible U.S. administration should have waked up to the point: more than Vietnam, or Panama, or Grenada, or UNCTAD, or the emergence of Eastern Europe, or a hundred other passing issues which absorb us from time to time, the management of the transition away from reliance upon petroleum is arguably one of the three (or perhaps two) principal strategic issues of our time. (The second is the avoidance of ecological catastrophe; the third was or perhaps is the nuclear weapons issue.)

President Carter tried to address the energy problem with his ill-fated synfuels proposal. He probably chose the wrong vehicle, and we now recognize that arriving at a reliable energy supply during the petroleum transition will require a much more complex balancing of demand (population and per capita consumption), new sources and technologies and environmental considerations. At least he tried. Do you remember "MEOW", the Moral Equivalent of War?

Are we even trying, now? No. The prevailing wisdom apparently is "business as usual; the American people don't want to hear tough news." Perhaps the politicians are right, and we should not put all the blame on them. Nevertheless, there should come a time when even the most political of leaders recognizes that leaders sometimes should lead.

For years, President Reagan stalled the timetable for increasing automobile efficiency. I do not believe any politician has suggested that we induce energy conservation and the development of new energy sources by incrementally multiplying petroleum (or perhaps "pollution") taxes, to bring them into line with the rest of the industrial world (other than Canada). Instead, our Department of Transportation labored for months and in early 1990 proposed a "transportation plan" that gave no sign that the Department had ever heard of EPA or the Geological Survey, of atmospheric pollution or the "greenhouse" or the increasingly chancy petroleum future. At DOT, it is business as usual and more highways, apparently, forever.

The Department of Energy has developed an energy plan, reportedly under very close White House tutelage. Since the draft was written after the Kuwait crisis, it recognized — as the DOT plan did not — that we have a problem of oil supply. The draft is remarkably unimaginative. The proposals: more of the same. Open up the Arctic National Wildlife Refuge to oil drilling. More deregulation for oil and gas, and tighter rules to make it harder for citizen groups to derail nuclear power plants. No new gas tax. No new mileage standards. Very little on efficiency. Very little about new and benign energy; and of course nothing about population, which is the fundamental determinant of how big the problem is. Clearly, the President still believes that the supply is infinite, and it is just a matter of getting it out. The experts, including the oil industry, know better. The head of the Petroleum Industry Research Foundation remarked to the press that increased imports are inevitable; the proposals might just slow it slightly.

With this sort of governmental thinking, my scenario is looking better and better.

Thinking Ahead

The "business as usual approach" not only promises failure in addressing the immediate problem of diminishing oil supplies. It misses the opportunity to address a whole series of problems together: air pollution and "greenhouse" effect; the foreign trade and budget deficits. The nation could have tackled all these problems with a broad approach focussed on conservation, benign energy technologies, and the control of the problem by controlling the demand side: population growth.

If we dared to bring that population aspect into our planning, we would also be addressing two other major issues of our time: the breakdown of the cities; and the state of U.S. education. With a sterner view of immigration, we could slow urban growth and reduce the competition for jobs that is leading young Blacks to drop out of the labor force. With a "two child" policy on fertility, we could begin to slow down the increase in the size of the problem. With smaller cohorts, perhaps we would be in a better position to educate the young and bring them into the mainstream.

As a society, we are still a long way from the state of mind that would encourage the government to advocate a conscious fertility policy — even though from time to time we urge such social engineering on third world countries.

Even so, did we have to exacerbate the problem by increasing immigration rates in the Immigration Act of 1990?

NOTES:

For a detailed discussion of the methods and history of foresight, and proposals for foresight machinery in the U.S. Government, see Lindsey Grant *Foresight and National Decisions: The Horseman and the Bureaucrat* (Lanham, MD: University Press of America, 1988.) A brief discussion of the failure of foresight in dealing with current issues, and of the foresight machinery in the White House, is in "The Kingdom of the Deaf", the concluding essay in the NPG FORUM series on optimum population.

Sources used in this paper include the United Nations Food & Agriculture Organization (FAO), *1948-85 World Crop & Livestock Statistics* (Rome: FAO 1987), and various FAO *Production Annuals* and *Trade Annuals* from 1951-1989. Plus the World Resources Institute *World Resources*

If we do not learn to tie such issues together, we will worsen the problems in one area of the society as we make decisions in other areas.

The problem is a lack of foresight — an inability or unwillingness to make the connections between the issues we face. I have discussed the problem in the previous issue of the FORUM and elsewhere (see Notes.) I will not belabor it here.

I do not pretend that by recognizing the issues we will make their resolution easy. What I propose is simply that we can do a lot better than we are doing if we take cognizance of the connections and bring population, resource and environmental issues systematically into planning about national security and the other issues that we now address piecemeal.

Whatever the machinery, the government's leaders must find a way of connecting national security with the underlying forces that affect it, or they may find, belatedly and after much expense and anguish, that they cannot go where they thought they wanted to go. If they do not put it together and find a way to escape from ad hoc and catch-up decision making, the Kuwait exercise is only a foretaste of the price we will pay for the failure to look ahead.

I wish us luck.

1990-1991 (New York: Oxford University Press, 1991); U.S. Department of Labor *Employment & Earnings, January 1990*. (Washington: USGPO, 1990); U.S. Agency for International Development (AID) *U.S. Overseas Loans and Grants*, and Assistance from International Organizations: Obligations and Loan Authorizations, July 1, 1945 — September 30, 1985; Duff Gillespie *et al* *Egypt Population Assessment: A Report for USAID/Cairo* (Report No. 89-040-082, March 17, 1989, Dual and Associates, Inc., and International Science and Technology Institute, Inc., 1601 North Kent Street, Arlington VA 22209); *Countries of the World 1986* (Gale Research Company, Book Tower, Detroit MI 48226); *New York Times*, February 9 and 10, 1991; and personal communications from the U.S. Department of State, U.S. AID, and the Petroleum Information Corporation, Houston, TX.

NPG Comments

Mr. Grant has chosen a rather unusual way of pointing out that population growth intensifies a wide range of problems and that the United States — along with countries like Egypt — is badly out of balance.

I fully agree that the management of the transition away from reliance on petroleum is one of the two or three critical tasks confronting our nation. Fossil fuels either will be exhausted or cannot be burned for environmental reasons, and they must be replaced by renewable energy sources.

Until now, our national energy policy has been trying to meet the requirements of ever-growing demand, an impossible task. We must do just the opposite, that is, adjust demand to available supply at a level that would be sustainable over the very long term.

That goal would require stabilizing demand for energy at a level substantially lower than today's. Demand for energy can only be reduced in two ways. One is by reducing per capita demand by greater efficiency of use, and by simplifying life styles. The other is by reducing population size.

Both solutions will be necessary if we are to succeed in stabilizing energy demand at a sustainable level while still maintaining a reasonable standard of living.

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