

# BLACK GOLD

Words by Philip Watson

Photography by Patricia Schwoerer

*Oil has become the driving fuel of big business and the defining commodity of the Middle East. But, though the black stuff is a creator of life and wealth, it comes with a dark side*

T

here is a remarkable scene halfway through the film *There Will Be Blood* that powerfully captures all that is astonishing, terrifying and mesmerising about the subject of oil. In a visceral and bravura piece of film-making, director Paul Thomas Anderson shows the drill string of a towering wooden oil derrick in southern California in the early years of the 20<sup>th</sup> century suddenly begin to rattle and vibrate.

There starts a rumbling – a monstrously deafening sound, which the real-life prospectors of the time described as being like ‘the growling of a great beast chained deep beneath the ground’ – then a violent blast of gas, and a volcanic explosion. The earth moves; the air is electric. Torrents of dense, inky-black oil shoot up through the derrick. This is a fully fledged blowout – a ‘gusher’ – raining down on the surrounding dry desert plains. Everything and everyone is shrouded in a sticky, viscous liquid.

As the oil ignites into a column of orange flames and black, billowing smoke, and the

derrick finally collapses, the scene ends with a gruesomely magnetic close-up of ruthless oilman Daniel Plainview, played unforgettably by Daniel Day-Lewis. Set almost in silhouette against the dying light, the well owner’s oil-streaked face is a contortion of awe, amazement and avarice.

His young adopted son, HW, who had been watching the drilling from the derrick, lies nearby, his hearing lost forever. Yet, at the same time, Plainview is ecstatic – he knows ‘there’s a whole ocean of oil under our feet’ and that ‘no one can get at it except for me’. Oil may often be ‘the devil’s tears’, the root of all-consuming corruption, even destruction. Yet, for Plainview, as for many oilmen before and after him, it is ‘black gold’ – the source of unimaginable power, influence and wealth.

Paul Thomas Anderson adapted his screenplay from Upton Sinclair’s landmark 1927 novel *Oil*, yet many of the issues that the book touches upon – competition, conflict, cupidity, the notion that he who controls the supply

wields the ultimate power – are just as relevant today. The difference is that they are now played out on an infinitely grander and more global scale, one that touches every country, from Algeria to Uzbekistan, Iran to the UK, and almost every citizen of the world.

The facts of oil are truly astounding. It is the world’s most important resource and its largest industry. First mined commercially in Pennsylvania in 1859, oil is far more abundant, transportable, flexible and efficient than other fossil fuels such as coal or gas, it has been our primary source of energy for over 50 years. Oil can generate light (its first general use was in paraffin lamps), heat, run vehicles, aircraft, ships and machinery, and be converted into chemical products crucial to agriculture (fertilisers, pesticides), industry (solvents, plastics) and medicine (many pharmaceuticals).

Dense, inky-black oil shoots from the derrick before the blowout explodes into orange flames and billowing smoke



Oil and its industries comprise a sixth of the global economy, and its related products seep into every aspect of modern life – shampoos and deodorants, household appliances, technology and even clothes. ‘A century ago, petroleum – what we call oil – was just an obscure commodity; today it is almost as vital to human existence as water,’ writes British author James Buchan. ‘From birth to death, our very sustenance, health, mobility and often survival depends upon oil. Quite simply, without oil, modern industrialised civilisation would collapse. Oil runs the world...’

And the world runs on oil. In 1950, we were consuming more than 10 million barrels of oil a day – oil, being so special, isn’t measured in anything as prosaic as litres or gallons. In line with its early pioneering past in the American Wild West, where the precious liquid was first stored and transported in wooden barrels, the standard unit of oil has always been ‘a barrel’, a volume equivalent to 42 US gallons (and 35 imperial ones).

**‘The truth is, oil has always thrown up more villains than heroes. For every explorer-adventurer, courageous drill worker and audacious speculator there’s an amoral JR Ewing or an evil wheeler-dealer straight out of *Syriana*’**

Today, the demand is almost nine times as great at around 88 million barrels a day. The US guzzles almost a fifth of all this, even though it has just five per cent of the world’s population; as President George W Bush put it so succinctly in 2006, ‘America is addicted to oil’. The UK limps in with a modest 1.6 million barrels – still enough to mean that every man, woman and child in Britain uses an average of nearly one (UK) gallon every day.

This global thirst for oil also fuels the world’s biggest businesses and billionaires. Of the top 10 companies listed in the 2012 Fortune 500 global rankings, seven, including BP, are oil companies; Exxon Mobil’s profits last year were almost £27bn, that’s £74m a day, £3m every hour, £50,000 every minute.

In a long line of oil moguls that stretches back to the world’s ‘richest-ever person’ – John D Rockefeller of the Standard Oil Company – and billionaire J Paul Getty, founder of the Getty Oil Company (whose formula for success was ‘rise early, work hard, strike oil’), there are contemporary tycoons such as Mikhail Khodorkovsky, jailed former chief exe-

cutive of Russian oil company Yukos, and fellow countryman Roman Abramovich, whose personal net worth is estimated at £9.3bn.

‘No other business so starkly and extremely defines the meaning of risk and reward – and the profound impact of chance and fate,’ writes Daniel Yergin in *The Prize*, his Pulitzer Prize-winning account of the history of oil.

Iran has long played an important role in the epic story of oil – and embodied many of its concomitant themes, from ancient mythology to modern embargoes, national independence through to global politics.

Oil pools were discovered by the very first inhabitants of modern Iran in the third millennium BC. A form of asphalt was used in the construction of buildings and boats, the Persians also filled pots with a volatile mixture of sulphur and crude oil, which they set alight and fired at their enemies. Ancient Iranians even worshipped the ‘miraculous’ perpetual fires created by seepages from the earth of highly flammable oil, often mixed with natural gas. Zoroastrianism, a belief based on fire worship, flourished as the official state religion.

These surface leaks and percolations were, however, just the outlets of a series of massive underground reservoirs, formed millions of years ago by the ‘pressure cooking’ of organic remains of plants and plankton buried deep within porous rocks in the earth’s crust. Modern-day Iran has roughly 9.3 per cent of the world’s entire proven oil reserves. If we consider the wider region of the Persian Gulf, and include OPEC countries such as Saudi Arabia, Iraq and the United Arab Emirates, the figure is nearer 60 per cent.

In many ways, the history of oil in Iran over the past century has echoed and symbolised the state of the nation. It was first commercially exploited in Persia – as it was known until 1935 – by a Briton, William Knox D’Arcy. In 1901, the millionaire prospector, spurred on by oil discoveries in the US, advances in the internal combustion engine, and the development of the motor car, persuaded the largely corrupt Shah of Persia to sell him a 60-year oil concession. It granted him exclusive rights to explore, exploit, transport and export any oil he found.

Working in conditions that were even more challenging and inhospitable than those of the

*‘In 1908, one well after another struck oil in Masjid-i-Suleiman in western Persia, and the history of Iran and the Middle East would be changed forever’*

oil fields of 19<sup>th</sup>-century America, D'Arcy's men battled against contaminated drinking water, desert heats of up to 120°F in the shade, drilling equipment that kept breaking down and had to be hauled long distances across rugged, often road-less terrain and Persian workers who were actively hostile to Western technology, culture and their very presence. Seven long costly and ruinous years passed.

In 1908, however, as one well after another struck oil in Masjid-i-Suleiman in western Persia, the history of Iran and the Middle East would be changed forever. The Anglo-Persian Oil Company, the predecessor to BP, was formed in London, and the following year, a 130-mile pipeline was built to a huge oil refinery and terminal on the Persian Gulf. Oil soon became – as it is now – the country's most important export and source of revenue.

Winston Churchill, who, from 1911, was in charge of modernising Britain's naval fleet – a transformation from coal to oil power that resulted in British success in the sea battles of World War 1 – saw instantly the industrial, military and political significance of oil. 'Persian oil is a prize from fairyland beyond our wildest dreams,' he declared.

It was a prize that, over the following decades, caused Iran's leaders to wise up to its enormous value. As supply continued to peak – by 1974, Iranian oil production had reached six million barrels a day – prices increased in line with global demand, oil transportation was transformed by the supertanker, and national resentment grew internally over the exploitation of Iran's natural resources by foreign powers, Iran's shahs began to negotiate deals far more in the country's favour.

Politics was never far from the shiny surface. The Iranian oil industry was nationalised in 1951 by the popular and uncompromising prime minister Mohammad Mossadegh, though his democratically elected government was overthrown two years later in a coup orchestrated by MI6 and the CIA. Continuing

dissent about foreign influence over the country, and anger at the Shah's subsequent repressive regime, culminated in the Iranian Revolution and establishment of an Islamic republic in 1979.

Since 2006, disputes over Iran's nuclear energy programme have led to UN sanctions (US sanctions have been in place since 1979); the EU imposed a comprehensive oil embargo last July. Iran's oil supplies have been redirected to countries such as China, India and South

**'Oil has a curious beauty. It is viscid, glutinous, dramatically suspended somewhere between solid and liquid'**

Korea, but production has recently fallen to just 2.6 million barrels a day, the lowest for more than two decades. The Paris-based International Energy Agency estimates that Iranian oil revenues plummeted by as much as £25bn in 2012.

Money, power, politics, control – these same recurring motifs feature in the Greek drama, and sometimes tragedy, that is the world of oil. This commodity is strangely invisible yet omnipresent, and its metaphors are to be found everywhere. As Robert Bryce, the American author specialising in energy issues, said recently: 'If oil didn't exist, we would have to invent it.'

For one, oil has a curious beauty, unmatched by few substances, natural or otherwise. Oil is viscid, glutinous, as if dramatically suspended somewhere between solid and liquid. It is slippery and free-flowing, yet it somehow seems to take on the density and depth of more unmalleable materials, like molten lead. Think of Richard Wilson's art installation *20:50* at London's Saatchi Gallery – a room flooded in, and mirrored by, a lake of disorientating, saturnine, jet-black sump oil.

Oil can be dark brown, and can even take on yellow, red or green hues, yet it is its indelible blackness that often gives it more sinister associations – this is, after all, 'black blood' that flows directly from the underworld. Oil is both a blessing and a curse, a liquid that can empower and transform, which can also suffocate and destroy.

As horrific oil spills such as the 1989 Exxon Valdez tanker disaster and 2010's BP oil rig explosion in the Gulf of Mexico have proven – it's estimated the latter released almost five million barrels of crude oil into the sea – oil has the power to devastate on a mass scale.

Add other current controversies into the malodorous mix, such as greenhouse gases, climate change, the ongoing debate over peak oil – the point at which 'humanity overtakes

geology' and production enters a terminal decline – fracking, the subject of Matt Damon's latest movie, *Promised Land*, as well as oil's propensity to prop up despots and dictators, and even cause wars, and black gold becomes something to be treated with both responsibility and respect.

The truth is, oil has always thrown up more villains than heroes. For every explorer-adventurer, courageous drill worker and audacious speculator, there's an amoral JR Ewing, evil Elektra King (the Bond seductress and vengeful oil heiress in *The World Is Not Enough*) and a self-serving analyst, operator or wheeler-dealer straight out of the 2005 George Clooney oil thriller *Syriana*.

There's also Daniel Plainview, the devilish and duplicitous protagonist of *There Will Be Blood*. The oilman brings untold prosperity and opportunity to those who sell him land and work for his wells. Yet, ultimately, he is corrupted and benighted by that gift by his burning obsession and bitter greed. The moral of the story, and of the history of the oil industry, is plain for all to see.

THE END

*Philip Watson is a travel writer living in Ireland. His 2.7L Mercedes coupé takes diesel and has been known to do 53 miles to the gallon*