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Matt Simmons Identifies Oil Hoarders

Conservation production essentially is the recognition that oil production can not be maintained at its present rate and must be scaled back in order to stretch out remaining supply for as long as possible, thereby buying more time to find alternatives.

“We must start discussing the concept,” he said.

Simmons named several oil producing countries that already appear to be practicing conservation production without publicly admitting that they are doing so: Mexico, Venezuela, Kuwait, Iran, Russia and Indonesia.

Simmons said that in addition to rising demand caused by the expanding global population, the world is in this fix because, when oil prices dropped in the 1980s, producers felt it necessary to produce the maximum amount possible in order to limit their financial losses. Based on his personal contacts, Simmons said the producing countries’ technicians tried to warn their rulers that such production flows weren’t sustainable, but were dismissed as being “Chicken Littles.”