

## Peak Oil - the convergence of three trends

### Long answer:

- 1) Proven reserves are pumping at capacity and can't ramp up any more.
- 2) Demand is growing faster than production rate, especially in China and India.
- 3) New discoveries are smaller and harder to extract, and incapable of replenishing the drawdown rate of proven reserves.

### Short answer:

Supply is no longer meeting demand, and rapid price escalation is coming soon (five years)

## Light Sweet Crude Oil - prices per barrel

April 1980	\$38.00	\$103.76 (adjusted for inflation) - Iran-Iraq war
February 2002	\$ 20.00	
January 2007	\$ 50.00	
1 November 2007	\$ 96.00	(stock market plunged 200 points)
2 January 2008	\$100.00	(stock market plunged 221 points)
20 February 2008	\$101.32	(stock market plunged 458 points after being closed Monday)
4 March 2008	\$103.95	
5 March 2008	\$104.52	
6 March 2008	\$105.10	
10 March 2008	\$107.93	(stock market plunged 161 points)
11 March 2008	\$108.75	
12 March 2008	\$109.85	(Euro at record high of \$1.55 against dollar)

## Where does this leave us?

Where does this leave us as we enter the new period of history I have several times alluded to: the post-cheap-oil world and eventually a world altogether without recoverable fossil fuels? You could say up a cul-de-sac in a rusted GMC Denali without a fill-up. Or you could say, more to the point, in a society that will have to get its thrills and satisfactions in other ways, involving fewer prosthetic projections of our will to power. The will to power itself will probably be subdued by something more elemental: a will to stay warm, clean, and well-nourished in the era of post-oil-and-gas hardship and turbulence we are entering, which I have taken to calling the "Long Emergency."

In this new era, coming soon to a 21st century region near you, the formerly industrial nations will have a great deal of trouble keeping the lights on, getting around and feeding their people. Vocational niches by the hundreds will vanish, while the need to make up for a failing industrial agriculture, with all its oil and gas inputs, will require a revived agricultural working class in substantial numbers. This is, in effect, a peasantry, and the word itself obviously carries unappetizing overtones, especially among those who used to be certain that the perfectibility of both human nature and human society were at hand. It all seemed that way, I suppose, in the early 1960s, when the United Auto Workers was setting up vacation camps along the Michigan lakes, and Dad drove home from the Pontiac showroom with a new GTO, which his son, Buddy, used to cruise the strip on Friday nights while "Born to Be Wild" rang out of the radio and into the warm, soporific San Fernando night.

All over. All over but the keening for our soon-to-be-lost machine world. We'll have to find new satisfactions now looking inward and reaching out with our limbs to those around us to discover what they are finding inward and outward about themselves. We'll certainly find music there, and dancing, and perhaps some fighting, and we will still have the means to make bases and balls and sticks for hitting them, and gloves for catching them, and twilight evenings in the meadow to play in. Amid a great stillness. With the moon rising.

---

*James Howard Kunstler*