

## A HEADS UP (A Problem Ahead)

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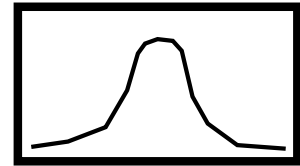
First in a series

by Michael Keehn

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We have a problem coming, a big one. I don't think we are yet aware of it, although some of us may be. Although it's already facing us, I'm finding it difficult to write about it because the consequences of this problem are vague and difficult to foresee. But some are starting to be visible.

In short, PEAK OIL PRODUCTION has been reached. Like any resource that is non-renewable, production of oil is a bell curve. On the *up side* of the curve, exploration is finding new oil fields and oil deliveries are increasing. However, once the peak or top of the curve is reached, the oil that can be profitably harvested has reached its maximum. We then begin our trip down the back slope. On the *down side* of the curve, all the profitable oil fields have been discovered, no new oil sources are being developed, and oil deliveries are declining. The tip top of the bell curve is where "peak oil" lies. "Peak oil" has been reached and we are now on the down side of the curve.



The IEA (International Energy Agency), in a document titled "World Energy Outlook, 2008", reported oil production is in decline. In that particular year, there was, according to this document, a global 9% decline in oil production. That, ladies and gentlemen, is catastrophic. It does not mean that the United States suffered a 9% decline, but other less powerful countries did. Some of them probably more than a 9% decline in their oil deliveries. Oil rich nations of the middle east may not have suffered any reduction to their oil consumption. But oil production is in decline and will continue.

And now, of course, China is becoming an industrialized nation and its oil needs are growing daily. Jim Baldauf, President of ASPO-USA (Association for the Study of Peak Oil and Gas) stated, "We are at the point of no return... While global demand is accelerating, worldwide oil supplies have reached a plateau and are now in decline."

We have reached the end of an era of low-cost, easy-to-get oil. This is an event fraught with dangers. Our economy as well as most economies of the world are dependent on an affordable energy source, and that source is now running out. It will not run out in a year or two, or even five years, but it will continue to decline. Remember, it took us a little over a hundred years to use half of the available oil so its not going to disappear overnight. However, oil is going to get more expensive as time progresses and that is probably going to take much less than a hundred-years. At some point in the future we can probably expect price of goods to increase significantly, perhaps very rapidly as in a spike. When that future will arrive is difficult to predict, but it's probably wise to be prepared.

When oil gets too expensive for people to afford the products produced, that's when \_\_ it hits

the fan. Businesses will then close their doors. I suspect that almost overnight the economy will fail. When it does, there will probably be havoc.

Dale Allen Pfeiffer, a Michigan Geologist, has studied, investigated, and written about energy depletion and the possibility of resource wars. Witness Afghanistan and Iraq, and the psychological profiling of the American people to support a war with Iran. OK, I'm an idiot and do not believe these two wars and preparation for a third war has anything to do with oil. It has to do with non-existent "weapons of mass destruction", terrorism against an invading foreign force (us), and nuclear arms (remembering that we are the only nation who has used nuclear weapons on a civilian population).

In his analysis, Pfeiffer has concluded that energy depletion (declining oil production) will have major impact on the socioeconomic systems dependent on oil. Further, the impact will not be reduced or resolved by turning to renewable energy alone. This prediction suggests that our social and economic order is going to undergo some significant changes. We'll give this some consideration as we progress.

If this be the case, what are our options? Well, it should be obvious that we must cut oil consumption. This, in turn, will require us to abandon our current socioeconomic system. This current system is based in the belief of continual growth and a never-ending source of cheap energy.

Now, what does this mean to us? I don't know exactly, but it should be evident that we will eventually return to a societal and economic system that is not solely dependent on oil. It may be necessary to return to an earlier life style. Perhaps as far back as the 1850's.

If the currency (Federal Reserve Notes) crashes with the economy as is likely, what then? Take a Federal Reserve Note out of your wallet and look at it. Now imagine that no one is interested in taking it for goods or services because it has no real value. Can you wad it up and chew it, getting nourishment from it? Can you stuff it in your gas tank and drive somewhere? The currency in a failed economy will change. It will most likely change back to lawful money, gold and silver, but it's likely to embrace goods and services as well. If you have skills that are not oil dependent, you may be able to market those skills and trade them for food and other survival needs.

Pfeiffer believes it will be possible for human society to achieve equitable stability while maintaining a reasonable quality of life. To reach this goal, he recommends direct action on a grassroots level, as opposed to a reliance upon government and business.

Pfeiffer is suggesting that it will be necessary for us to become responsible for ourselves and end our dependence on government.

Since oil will be in short supply, we may see an emergence of many practices from our historical past, and it may be to our benefit to remember them, with study if necessary. For example, I can visualize the re-emergence of the steam engine. We may light our homes with candles in the

evening. Transportation may be horses, or horse drawn wagons or buggy's. There may be horse drawn public transports. We might even see rickshaw service emerge. Who knows? But our life styles will be altered.

Tune in next week for more discussion. And do not panic. Remain calm, collapse isn't going to happen tomorrow. It's just time to start observing, thinking, and perhaps planning. Believe me, I hope I'm wrong and this series of columns is just hot air, but the evidence is that oil production is in decline. And if so, it deserves discussion.