Peak Money and the Shambles from Peak Oil

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Culture Change Letter #220 -
We've outgrown ourselves and we can't crawl back inside. The shell shatters inward as our economy and aggressive culture implodes.

After the peak, it's all down hill from here. Back in the summer, with record oil prices that meant some people somewhere were making a whole lotta money, one might have suspected the peak of funny-money and paper/electronic wealth would happen sometime. Turns out it was weeks away.

Now what? There's confusion about what's going on and what will happen, especially for those who trusted corporate media. After all, who could wrap their minds around a corporate bailout of a trillion dollars that, despite its absurd size, didn't even approach the size of the loss in derivatives' value of over $500 trillion on Wall Street?

As peaks go, such as with crude oil extraction of 86 million barrels a day globally, physical limits can be anticipated from a scientific basis. But money -- what we love even more than petroleum products -- was seemingly limitless and had become abstract in its infiniteness.

The former supplies of cheaply produced, abundant energy played a major role in inflating wealth over the years. Thus, peak oil brought about peak wealth and peak money. It is no coincidence that we find ourselves at post-peak money and see lower oil prices attained through demand destruction.

Astronomical figures for dollars that were exponentially expanded by modern digital finance are beyond comprehension. The unreality of trillions of dollars, that no one gets to see and that aren't used for the benefit of real people, has been an unspoken factor in eroded consumer confidence. So the fabulous wealth in the U.S. since the housing-market bubble, enjoyed by the 1% of the population that possesses 38% of the wealth, has destroyed itself. No matter how much was shared with the average Joe, the greed has eaten itself. A new era is dawning, featuring cultural change much more than technological change.

Housing bubble boom for assphalt sprawl

The speculative investment on the housing boom fueled the recent wealth, but the housing boom could not have happened without cheap oil to build and maintain the urban sprawl constructed with "unlimited" asphalt for car-based living. As part of the petroleum feast, agricultural production through cheap petroleum fed suburbanites and almost everyone else.

With that under their noses, the major corporate media and even "progressive" media still disassociate energy from the house-of-cards economy. Although, if anyone stops to think, it's clear that higher prices for energy might have taken a huge toll on consumer demand. It's the failure to spend enough (through debt? Fine!) that economists and politicians blame for our troubles such as massive layoffs.

Now the Golden Goose of purchasing power has been cooked, over the coals of fossil fuels. Why not celebrate the end of the consumer economy? Eat the goose before it rots, however you choose, such as to get out of Dodge. Let us fortify ourselves for the awesome task of reorienting our lives for the "new" local-based survival strategy.

Really, no more money?

Living the future now means not relying on money. Not easy, but as people see their dollar wealth evaporating and the slave-labor option denied, people are already looking at local gardening, bartering, and more.

When and where is someone with no money respected as much as anyone else? I've witnessed it in Earth First! and other collectives. Young people are especially likely to value experiencing life and adventure rather than count future money. It's time we all compared notes, having turned off the television.

The demise of the economy is being treated as so tragic, when the far greater concern should be for Earth's changing climate. In fact, when we consider the economy's slowdown in shipping, manufacturing and travel, the only responsible stance is to want more economic collapse so that greenhouse gases continue to be slashed.

Some of the positive implications of a depression include a return to the most basic, hands-on economic reality. Until we actually get our hands in the soil, for example, the experience of barely surviving helps one to question the fantasy world of artificial plenty. A middle-class or very rich person might cling to the myth of ever-rising material prosperity only for the moment, as collapse unfolds.

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Radical times have arrived: "Obama's 'Secretary of Food'?" by Nicholas Kristof, Dec. 10, 2008:

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References:

"The market is worth more than $516 trillion, (£303 trillion), roughly 10 times the value of the entire world's output: it's been called the "ticking time-bomb." By Margareta Pagano and Simon Evans, The Independent, Oct. 12, 2008:

independent.co.uk

Note: before finalizing this posting, I decided to check whether "peak money" had already been used online. Voila, my friend Jim Kunstler had done so a month ago! I'd been thinking of peak money for a little while, but must confess I've been failing to check out the popular and fun Clusterfuck Nation column that Jim produces weekly. Check out "Peak Money" Nov. 12, 2007, and I'll do the same:

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