Oil prices and responding to the strange lack of response

Contributed by Jan Lundberg
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$100-a-barrel crude oil is no longer rhetoric but reality. Almost nothing is changing in the life of the consumer or in government policy, so it's time to assess what the heck is going on. "What is going to happen?" is one worthy question. But it is time we take a break from manufactured distractions to part the curtain of delusion, and ask the more empowering question: What shall we make happen?

Take a moment to ignore the ongoing noise from corrupt commentators tied to our terminal economic system. Do it right and rebuff the seductive feel-goodism from greenies making a living from "sustainability." The peak oil movement itself has peaked, and it's worth examining why. The players, especially the mainstream reporters and editors, are compromised by who's paying the bills: their corporate sponsors and advertisers. Mother Earth shows up as an afterthought in the design of programs and agendas, including among some peak oilists who may anticipate some new energy future as they discount climate change.

But in the main, peak oil and petrocollapse are having a tough time competing for major attention because fears, led by our climate's scary unraveling, mount with no end in sight. Ironically, the cause of the problem and our real options are hidden and exacerbated by (A) the tendency to compartmentalize ecology and (B) be seduced by the economic advantages of selling so-called "green" solutions to the symptoms. With all this in mind, I offer nine bulleted realizations below that may shock. They are based on my thirty-five year career watching the oil industry and my response up to this moment.

Some commentators still deny peak oil as well as climate change, and get away with being anti-Mother Earth today. Earth to Business reporters: "Greenhouse emissions are rising faster than the worst-case IPCC scenarios." [The Climate Institute, Australia, Nov. 15, 2007]

Let me burst a misconception about oil prices especially in the U.S.: Almost every oil analyst, including Trilby Lundberg, as well as almost every economist, suggests that oil and gasoline price-levels when adjusted for inflation reflect their true heights. But always omitted is the fact that huge subsidies for petroleum, both hidden and direct, approach the size of the Pentagon budget each year and make for an unacknowledged, "astronomical" cost we've been paying all along. If we grasp that real oil costs are massively understated, the implications are that the economy and our quality of life are right where we're beginning to realize they are: going down the toilet.

Periodically we are told that because of more efficiency in energy per capita used to generate the Gross Domestic Product, the economy is immune to high oil prices. This is a bogus notion, as people have to work harder and longer than ever because of, I believe, the high hidden cost of energy. The calculation that U.S. energy efficiency is over 50% greater per dollar of GDP compared to 1973 (after adjusting for inflation) implies that such efficiency is significant enough to propel the economy right along with record high oil prices. The claim is also another way to deny peak oil's supply squeeze, as if economics will right everything. There has indeed been energy efficiency improvement since the Arab Oil Embargo, but the real reason for our not feeling the pinch so hard as oil gets way up in the known, official price is that we have ALREADY been paying through the nose all along via subsidies, hidden and otherwise. The tremendous increase in consumption has created vulnerability for supply crisis and economic and ecological collapse on a colossal scale, ignored by mainstream economists and oil "market experts." Per capita efficiency gain is cancelled out by growth.

Mass media coverage of the recent oil spills in the San Francisco Bay and the Black Sea is merely about the tragedy of the visible pollution. These events do not seem to teach us quite yet that fossil fuels belong safely in the ground. Environmentalists get their chance to wring their hands, but aren't shown by the TV cameras to be living without petroleum (to the extent possible) as a statement to show we can and must live in harmony with nature. There is no price we can put on the environment or public health when oil is spilled and burned; if we did, the price of oil would be beyond astronomical.

But let's return to the jumping-off point where we admit peak oil is a fact and a serious challenge. I am a petroleum-industry analyst from the oil patch (supply section, if you please). And, more importantly, I've had an even longer career fighting against the expansion of the polluting petroleum industries. So perhaps you will risk trusting this writer's perspective and predictions. Alternatively, keep on sampling the utterances and researches of so many "market experts" and concerned citizens on our energy dilemma. They were not oil-supply analysts, nor anti-oil environmental activists with a track record. But they can have light to shed on pieces of the puzzle. Hell, everyone has an opinion because we're all observing the oil situation and we all think we understand it. But consider this: the test of an approach's worthiness is whether it is action oriented; if the actions are realistic and pack a wallop, or they just dance around while the sands of time run out.

What is it that we need to get that's still unclear in this age of brazen internet journalism, blogging and hard-hitting books? -- when we've glimpsed dizzying climate-chaos and the unraveling of a superpower empire? I'll make a point-by-point stab at it:

• Petrocollapse is to peak oil what climate chaos and a sudden new planetary state are to climate change. People are in denial about both "extreme" cases, and there's a common reason: refusal to accept the unknown as well as the need to act as if our lives depend on immediately jumping out of the boiling pot.

• We're at the short global peak-oil plateau, in our second or third year. So petrocollapse is standing at the door ready to devastatingly equalize the contradictions of resource-limits and unending growth. This period is NOT the beginning of "the second half of the age of oil," or even a time of "energy decline" (as if the oil industry can offer steadily lower output of crude and products, which it's not prepared or designed to do).

• Peak oil has been erroneously characterized as a geology issue. At root it is so, but the phenomenon leaves the ground and turns into a monster of Apocalypse. The oil market will take control of the ugly new day of unprecedented, sudden shortage, as we see supply dry up and wreak enough havoc to pull down the teetering economy and send all oil-dependent people panicking. What will they eat? You or me? Depaving to create food gardens will be done by the few survivors of petrocollapse and climate catastrophe.

• We are not about to enter a "transition to clean energy," although the breakdown of the petroleum infrastructure will clean up most of our energy-output pollution. Neither the renewable-energy technofix nor the dirtier alternatives to conventional petroleum are ready for (or capable of) substituting cheap oil that's gone. Sorry, but AMTRAK will not see the great expansion it should have had decades ago. It's too late, no matter what the energy technologies envisioned or attempted.

• Rather than see continued growth of population and the continuation of today's volumes of world trade, both are going to be choked off and wither quickly. Cheap energy is history, and because of today's mind-boggling demand, abundance is to shortly become a thing of the past -- even though the stores and shops are well stocked for the moment. Go have a last look fast, and stock up on some sensible essentials -- if that will help toward forming a real community utilizing the stressed ecosystem to provide the food, clothing and shelter we need.

• The system we live under is a very sick master on his last legs. To plan on his existence and make some "good money" for a "nest egg" is to bow down to his putrid, merciless form when it's not far from rigor mortis. Meanwhile, his system is taking our lives and the web of life down, for the profit of the few. Almost everyone claims to be helpless to change his or her ways because "bills must be paid." But slashing consumption and keeping purchases local aren't very difficult and wiould deal a final blow to the system, and help save the climate maybe. Oh yeah, the climate we once could count on.

• Do not imagine that the other side of petrocollapse -- or climate-disaster a la a national Katrina or financial-system meltdown -- must be a place for continued ruling-class or police-state hegemony. Remember that the Pentagon's Defense Fuel Supply Center is the number-one oil consumer in the world (something I learned when selling them special reports of my company's data), and without ample oil for military aggression, we will witness the emasculation of modern imperialism. The nations enduring the 1,000-plus U.S. bases are about to have their countries back.

• Have faith that a culture change for a sustainable future is the only way things can go: our return to a cooperative, tribal-based species sharing the land (no longer overpopulated) is not a pipe dream. If I'm wrong, we won't have another chance to pull out of our dive toward extinction, so I must be right. If I'm wrong, no one will be around to speak to my mistaken, optimistic viewpoint.

We can attribute the lack of response to $100 oil to any number of factors: apathy, dumbing down, fear, insanity, addictions, and the beginning of system collapse. The soon to be waning power of The Man to boss us and keep our noses to the grindstone is an historic development. This old-guard factor may be the best key to understanding: people still have a natural spirit to tend toward peace, but have been pushed into competition by virulent capitalism and overcrowding. Every day there's more control of the population through intrusive laws and technologies for domination. ("One nation, under surveillance" - a bumper sticker on a homeless man's bike-cart in Port Townsend, Washington.) Although $100 oil is a big development, people are still distracted, stressed and have a lot on thieir plates (for now).

The power of the people to resist and create working models for community economics and self rule is immense, but almost always quite suppressed. Like with the Wizard of Oz, a manipulative force oppresses us, so we are easily distracted -- for it can be dangerous, and bad for one's economic health, to squawk about the hidden and flag-draped powers that be. But the world has been altered so as to offer nowhere to hide. Most of us just want our reasonable necessities met, to have our comforts and security -- but it can't really exist anymore! That's the contradiction we can't

wrap our minds around.

Human consciousness is unlimited, particularly compared to the materialistic, artificial constructs prevailing today. The explosion in consciousness that occurred in the 1960s had to be stopped, and stopped it was. One reason the System constantly distracts and divides us is its fear of people's becoming really aware and taking action. The potential is so great that any mind-numbing means the corporate state has will be brought to bear to suffocate and jail it. The artistic/community enlightenment going on in California around forty years ago was not a pop-media story that ended when people "grew up and got jobs." True, people sold out. But contemporaneously, for example, the book Ecotopia (Earnest Callenbach) was brewing and later came out of the movement. Eventually, deep green neotribalism did too. And the music didn't die; corporate radio forbade it and made revolutionary-consciousness music underground again.

It is time to reject the oversold convenience of plastic consumer heaven, to lighten our impact and dump the false values we've been fed. Ecologically, it's time to do such things as take short, cold showers to cut greenhouse emissions. It's time to eat REALLY local by sprouting beans in your kitchen. Drink water out of the tap instead of buying container-drinks. Take down the global-warming economy by forming a movement not to buy new cars. Don't support the war machine with taxable income, and take a little time to express solidarity with the war victims over in Iraq and Afghanistan. Is the U.S. military the mercenary of the oil industry, or do our troops protect us? Is it not time to protect ourselves and create our future in the post-petroleum, climate-distorted world? The alleged real world of injustice, stupidity and profitable death is on the way out, if you want. "War is over if you want it." - John Lennon

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Culture Change's public health/peak oil columnist Dan Bednarz made these additional observations after reading a draft of the above polemic:

1. Poor and low-income people are hurting. I know that food pantries are incredibly stressed because food prices are rising, donations are beginning to in some locations slacken off, and the gov't food programs are cutting some people off because they are purchasing less food since their budgets are not increasing. I'm told these gov't workers don't want to step forward for fear of the Bush Admin.

2. Mainstream folks here and there are getting worried, but this is an incredibly bitter pill for them to swallow: the end of life as they know it. And I mean liberal as well as right wingers. Our local public transit system is raising fares again in January and articles are appearing in the paper about "heat or eat" being close for many people.

3. Also, the drought across much of our nation may be bringing climate chaos to us much sooner than expected, like in a few weeks. Read this for reference:
tomdispatch.com

4. I'd go after those making a buck from "Sustainability" a bit more. They are pacifying many of those who are deeply concerned about the environment, have communitarian values, and care about future generations. These Sustain-a-babblers are diverting much of the nation's committed and responsible people. They simply do not do the math; their alternatives are empirically unsubstantiated and shallow.

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Culture Change Interview on YouTube - "A No-Nonsense Look at Climate Change and Petrocollapse" with Jan Lundberg and Janaia Donaldson, Peak Moments TV:

youtube.com/watch?v=n1KD_rBb2xk

Australia's Courier Mail - "Climate change worse than predicted," November 15, 2007:

news.com.au

Editing help on Jan's essay for its first four paragraphs was from Sally Erickson, producer of "What a Way to Go - Life at the End of Empire," reviewed in Culture Change at

culturechange.org. Her widely read blog is at

whatawaytogomovie.com