

World of Energy – Connections to the Financial Tsunami
Talk by James Kunstler at the Capital Region Energy Forum meeting of January 12, 2009
Italian American Community Center, Albany NY

Mr. Kunstler believes that 2008 was a watershed year where world oil production peaked and started an inexorable decline, taking with it many assumptions that have underlain the world economic environment of the last many years. Thus, it is no coincidence, in Mr. Kunstler's view, that a world financial meltdown has come about in this same year. The fact that oil is currently in oversupply relative to demand, should not distract us from seeing that declining oil is at the root of major changes ahead. In particular, lifestyles that are tied to convenient personal transportation over substantial distances based on automobiles no longer make any sense. Alternative energy sources will not emerge that can sustain those lifestyles for any period of time. Indeed the whole interdependent subsystems of our economy will need to be thoroughly rebuilt with a view to eliminating our addiction to oil. For example, small cities that are relatively self-contained will replace both urban sprawl and large cities. Globalization will be replaced by localization. Mechanized agriculture will be replaced by more labor-intensive food production close to local markets. The returns for further advances in information technology will decrease. The credit economy will be replaced by a cash economy. Trains and boats will replace automobiles and airplanes. This transition will be difficult but the first step is to understand the direction we are going and adopt policies that move us toward this future economy. Above all we must avoid wasting resources in a vain attempt to prolong our current profligate oil-dependent life style.