



Looking for Equilibrium in Oil's Hubbert Hysteria...if there is any...

Posted by [Prof. Goose](#) on June 8, 2005 - 1:45am

Today on [321Energy](#), I found a [link to an interesting historical/contextual article](#) discussing the possibility of "equilibrium" in peak oil theorizing...also known as the "baby bear" strategy: not too utopic, not too dystopic...juuuuust right. There's also some interesting historic points and a summary of those who say we peakoilers are crying wolf.

(goodness, how many fairy tales can I allude to in the same blog post?)

Here's a few snippets from the article by Tim Wood at the Resource Investor:

"Clearly if the present equilibrium remains undisturbed then Peak Oil is a reality. But we have more than a century of confirmation that mineral equilibria are never constant. Demand and supply are in constant flux based on cost, price and technology as the three leading drivers.

There appears to be a heathen haste to isolate oil as the one mineral that escapes market logic. Let's not forget Jimmy Carter declaring in 1977, with all the conviction a pessimist in a sleeveless sweater can muster, that it was likely that the world's oil reserves would be gone by the 1990s.

This does not rule out the impact of short-term shocks, such as the 1973 and 1979 market quakes, but in the long-run we are shown over and over that supply and demand problems eventually resolve toward something better. Just consider how oil consumption per dollar of GDP has dwindled over the past three decades.

{snip}

If we're only half optimistic then we have over a century of oil left at present consumption rates. If we're half pessimistic then it's perhaps half that time in which to become less dependent on oil. Whatever your persuasion, let's not assume the trend is linear. Simply examine the exponential decrease in PGM consumption in auto-catalysts and fuel cells to see that our energy future will not be a linear event."

It's never a bad thing to sit back and take in what the folks on the other side of the conflict you are fighting are saying or doing...but to me, every bit of the "crying wolf" side's argument consists of "the market will solve the problem."

The catch is, if the market solves this problem, the population of our planet will be cut by a very large number.

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