

## The Oil Drum: Campfire

### Discussions about Energy and Our Future

#### Do you "Go with the Flow" or "Stock up just in Case"?

Posted by [Gail the Actuary](#) on September 4, 2010 - 10:46am in [The Oil Drum: Campfire](#)

Topic: [Demand/Consumption](#)

Tags: [kurt cobb](#) [[list all tags](#)]

*This is a guest post by Kurt Cobb. It originally ran on his blog, [Resource Insights](#).*

A frequent critique of those who claim we still have enormous stocks of resources left to exploit is that the flow or rate of extraction is far more important to the health of the world economy than the size of the stocks. If we can't get it out of the ground at the rate we'd like to, then that is the key restraint. Hence the concern about peak production of resources such as oil, natural gas, coal, phosphorus, and even gold.

It occurred to me that this argument might be due in part to differences in personality, but also to flaws in one's understanding of how the world actually works. Let's think for a moment about how the world actually works. All life on Earth (except that of certain deep-sea creatures living off the heat of the Earth's core) ultimately depends on the daily flow of sunlight. The sunlight enables plants to create food for themselves and for animals. There are storage mechanisms for when the light is gone at night or when it's seasonally weak and short-lived in winter. But, generally nothing could survive long without the Sun.

So too, our entire civilization lives on flows of energy, food, water and other resources. While it has the capacity to store resources, the end of the needed flows would mean the end of our civilization in short order.

Given all this, why is it that some people believe they can really store up much of anything? Yes, it is wise to have emergency supplies in case of a power outage or other disruption that might make it difficult to get food, heat and even water. But can one really stock up for a lifetime?

---

The illusion that we can stock up for a lifetime is given to us by money. We are told that if we save enough, we can have a comfortable old age. But what is money other than a claim on the current flow of goods and services? It's not really a stockpile of anything. So, its value depends entirely on the smooth flow of energy and resources through the economy.

And yet, there are people who believe that money will somehow make them immune to the breakdown of this flow. Yes, enough money might make it easier for someone to get scarce goods during such a breakdown. But, ultimately a community that fails to function won't be able to provide you with anything no matter how much money you have.

This is the fear behind the thinking of the lone survivalist. And yet, even stockpiles of food and other goods will eventually run out. Without a functioning community capable of defending itself

Today, however, it is far too easy to just "go with the flow," rather than prepare for possible disruptions. This is the philosophy behind the [just-in-time inventory](#) approach which is still so dominant. Prudent stockpiles of essential materials including food have been the hallmark of civilization. Without such surpluses and the ability to store them, what we call civilization could never have arisen. Civilization *depends* on the ability to store surpluses.

Today's cornucopians provide a useful cheering section for the just-in-time religion since they are the ultimate "go with the flow" crowd. They like to cite the principle of substitution as their defense against running low on critical resources. No need to worry about using up nonrenewable resources, they say. But, what they always seem to leave out is that [substitution takes time](#). What if we don't have enough time for a smooth transition from one resource to another? Won't happen, the cornucopians say. You see, the marketplace is just like magic. Things show up the instant they are needed! ([This is true until it isn't.](#))

What I'm getting at is that the balanced personality would recognize that all of us live on flows of energy and resources and that our cooperation to keep those flows moving is critical. But that same balanced personality would also recognize the potential for serious problems should those flows be curtailed. Therefore, the balanced personality would want three things:

1. That we have a reasonably large stockpile of critical goods in case of a temporary disruption of flows,
2. That what we rely on for our survival be, by and large, renewable, and
3. That our demand for renewable resources would come into balance with the supply we can reasonably expect--considerably less than fossil fuels have provided us.

It's hard to find such balanced thinking in the world we now live in. But that balance is precisely what we will need most in the years to come.



This work is licensed under a [Creative Commons Attribution-Share Alike 3.0 United States License](#).