



From The Wilderness

A Nonpartisan Non-sectarian MAP for the Here That Is, Into the Tomorrow of Our Own Making

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■ *Special Edition* ■

A.S.P.O. IN LISBON

By
Jamey Hecht, PhD



Richard Heinberg and Julian Darley of the Post-Carbon Institute

"This is just silly," said Michael Lynch, president of Strategic Energy and Economic Research in Winchester, Mass. "It's not like industrial civilization is going to come crashing down."

-- Associated Press article of May 24 2005, "GLOBAL ENERGY CRUNCH: Oil peak predicted; Some analysts predict irreversible slide for world's reserves" By Matt Crenson

[June 16, 2005 1400 PST (FTW) -- LISBON] **W**hen FTW covered the third annual meeting of A.S.P.O. last year in Berlin, we found a bracingly clear picture of the impending world oil shortage. The analysis was powerful, but it remained inside the scientific culture that produced it; journalists were left to wonder how on Earth the dire facts would ever get through to the public without a massive nongovernmental outreach program of some kind. As Michael Ruppert wrote in his [report](#), "It felt strange to discuss Peak Oil in a purely data-driven way while knowing how utterly it will shatter our growth-driven industrial civilization."

During May 19 and 20, 2005 in the central building of Lisbon's Calouste Gulbenkian Foundation (Av. de Berna 45 A), A.S.P.O. had a

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AND THE BAND PLAYED ON: Roscoe Bartlett Meets Bush on Peak Oil

By
Michael C. Ruppert

July 1, 2005 0800 PST (FTW) -- **W**ell, this is a real head scratcher. A story pops up today saying that Congressman Roscoe Bartlett of Maryland just had a private one-on-one with George W. about Peak Oil. I spent just over an hour with Mr. Bartlett in his office in Washington two weeks ago. I was there for a family reunion after the death of my father. (Three generations of my father's family have lived in D.C. since coming from Germany. Three - including me - were born there. Irony: my father flew in B17s bombing Germany during WWII.)

Bartlett seemed incredibly well versed on the subject of Peak Oil and Gas - aware; and he also sang the praises of many people well known to us at *FTW* like Richard Heinberg, Julian Darley, Dale Allen Pfeiffer and Matt Savinar. None of us are conservative Republicans to say the very least and I'd pay good money to see Roscoe Bartlett sit down with Stan Goff or Jamey Hecht for an hour. But that's only part way through the looking glass. It got deeper. More irony.

Bartlett asked the right questions. He shared the right doubts. He asked my opinions. I praised many of us out here, offered to send him more information. I told him who could answer his questions. He asked for help before I could even make the offer. What else could/would I do? He was paying attention. He delayed his next appointment for a few minutes because he hadn't finished with me yet. It was a big one.

In short, I liked him. I told him he had become my second favorite Republican after Ron Paul of Texas (Houston to be precise) who doesn't seem to believe in Peak Oil. So this sudden meeting between Bartlett and Bush puzzles me. Bartlett has made, I think, six special order presentations on Peak Oil on the floor of the House. I had seen two. A map I had made for *FTW* had been shown in one of them.

Bartlett's staff knew who I was and that I had written a book charging George Bush and Dick Cheney with murder: with premeditation; and on multiple counts. His staff knew that I have a 29-year record of opposing the Bushes. GHWB was the Director of Central Intelligence when the CIA attempted to recruit me into a drug protection operation in 1976. That's what ended my LAPD career and nearly my life... on more than one occasion.

<http://www.fromthewilderness.com/ssci.shtml>.

But there in his office (along with many other charts produced by peak oil activists) was one of our *FTW* [world maps](#). I guess it went to the White House with Bartlett and the rest of the charts and graphs. Who could write such irony?

(Cont'd on page 9)

bigger crowd (around 300), more media presence (ten media crews including the *BBC* and *Al Jazeera*), and a range of attendees that represented humanity from Nigeria to Beijing. For a while, the same dynamic held: graphs filled a giant screen beside a lectern as speaker after speaker presented rigorous accounts of hypothesis-testing, data, methodology, and conclusions. After all, if you're going to scare the hell out of people, you'd better know what you're talking about. And you'd better be able to show it. After three days of mathematically powerful modeling, surveys of the discrepancies between industry and government statistics, histories of the political distortions affecting reserve reporting, and regional studies of basins and traps, nobody could blithely walk out the conference doors with much hope for world economic growth.

In Berlin in 2004, A.S.P.O. "had their work cut out for them; not with the audience but with those who had come to deny." Nobody came to Lisbon to deny Peak Oil.

Reporting from A.S.P.O.'s Berlin conference last year, Michael Ruppert wrote:

Colin Campbell, the "godfather" of the Peak Oil movement, with a bit of pique, divided the conference presenters into three camps: the Surveyors who were reporting hard data and not abstract modeling; **the Economists who were denying reality and asserting that money produces energy and not the other way around**; and the Pretenders "who know full-well what the situation is, but pretend otherwise for short-term political objectives."

The Lisbon sessions corrected for this amply, as Charles Hall gave a spirited demonstration that neoclassical economics is one huge tragic mistake. "Wealth does not come from capital, nor does it come from labor: it comes from the Earth." Interested readers are referred to a pair of Hall's recent papers on this issue:

- Hall, C.A.S. 2004 [The Myth of sustainable development: Personal reflections on energy, its relation to neoclassical economics, and Stanley Jevons](#). *Journal of Energy Resources Technology*. Vol.126, p. 85-89;
- Hall, C. A. S., Pradeep Tharakan, John Hallock, Cutler Cleveland and Michael Jefferson. 2003. [Hydrocarbons and the evolution of human culture](#). *Nature*. 426 no. 6964, p. 318-322.

With Lisbon, the Peak Oil story self-assembled into a coherent narrative: traditional economics is based on the illusion that demand creates supply; finance capitalism compounds that illusion with an even bigger one - that fiat money can bear value through debt indefinitely, because tomorrow's growth will pay for today's debt. As cheap and abundant energy becomes unavailable, the whole house of cards will be shaken, and the solutions will have to come from outside a collapsing system.

The proceedings began with a welcome from a gracious host, **E. Rui Vilar** (President, Fundação Calouste Gulbenkian, Portugal), who eulogized the legendary Armenian petroleum entrepreneur for whom the hall and its enviroing botanical gardens were named: "Calouste Sarkis Gulbenkian: a pioneer in the Oil Industry." Apart from a large corpus of quotable remarks - e.g., "oilmen are like cats: you can't tell from listening to them whether they are

fighting or making love" - Gulbenkian's legacy seems to have been the brokering of relatively peaceful arrangements for mineral exploitation among competing claimants in the wake of the First World War. It was not lost on Mr. Vilar's audience that the world could use the services of such a broker right now.

You can imagine how awkward it gets when the oil industry is called upon to host the news of its own peril. Our Portuguese hosts included **A. Costa Silva**, a representative from Partex Oil and Gas, a corporation whose genealogy proudly claims Gulbenkian himself. There we were, pleased to be in the presence of an industry player enlightened enough to prefer natural gas over oil, to use the term "depletion," and to speak at an A.S.P.O. conference. But at one point in the Partex presentation I heard these words: "therefore, it is very important to note that Peak will probably come in this century."

For my money, I'm with Professor Deffeyes on this one: Peak at Thanksgiving Day, 2005.

Next, Professor **Rui N. Rosa** (Chair of Organizing Committee, A.S.P.O. and Geophysics Centre of Évora, Portugal) gave a welcome address that was followed with an announcement of the absence of Ali Samsam Bakhtiari, the Iranian analyst of Middle Eastern oil affairs who was to have presented a paper called "Iran and Iraq: Oil Reserves, Production Capacities and Future Output." The large audience went silent with respect as Mr. Rosa read out a statement provided to him by Mr. Bakhtiari via email. It included the words, "I am now effectively a prisoner in my own country." Geopolitics would be impossible to ignore in Lisbon, as one of our own number had become captive to its perverse ironies. If anyone can guide Iran through the vicissitudes of Peak Oil's new economic reality, it is Ali Samsam Bakhtiari.

A.S.P.O.'s President, **Kjell Aleklett**, told the story of A.S.P.O.: *From Uppsala to Lisbon* as a clear escalation of interest and support that has run parallel to the unfolding crisis. Compared to the coming crash, the growth of prices and public awareness has been excruciatingly slow. But compared to the usual pace of events during the soft-price period of 1986 - 2003, it's been brisk indeed. And the funny thing about a peak, as everyone knows who has ever ridden a rollercoaster, is that it's so different from the downside it suddenly shows you, dropping out and away toward the unknown.

Judging from the Keynote Address by A.S.P.O. founder **Colin Campbell**, there is a consensus coalescing around Ken Deffeyes' suggestion that Peak Oil can be understood as centering around 2005 / 2006. But whatever the date (and the same consensus says that the exact date of Peak is not as important as the gap between supply and demand), this is the calm before the storm:

We can say, in other words, that the world has reached the end of the First Half of the Age of Oil, which lasted 150 years since the first wells were drilled in Pennsylvania and on the shores of the Caspian Sea.

It saw the rapid expansion of industry, transport, trade, agriculture, and financial capital, much made possible by the abundant supply of cheap and convenient oil-based energy. And as A.S.P.O. has [pointed out](#) on several occasions, the world population expanded six-fold-exactly in parallel with oil.

The Second Half of the Age of Oil now dawns, and will be marked by the decline of oil and all that depends upon it. This includes financial capital as the decline of oil-based energy removes the essential confidence that there will be Expansion Tomorrow to support Today's Debt, a critical relationship. It spells, in other words, the End of Economics, as presently understood and practiced. That in turn calls for entirely new political structures and policies to replace those based on outdated economics.

With this speech it was clear we were no longer in Berlin; the analysis-only phase of A.S.P.O. had yielded to a broader program that now included dire predictions of financial collapse and industrial breakdown. This is just what was needed, and the planners had provided a rich spread of it. Here are some of the presentations that bore most directly on the economic prospects for the near-term:

- **Richard Heinberg** (author, professor and educator, USA): *The Likely Impact of Peak Oil on the United States*
- **João Matias** (Technological Forecasting and Innovation Theory Working Group (TFIT-WG), University of Beira Interior, Covilhã, Portugal): *The Fifth Kondratieff Wave - The Fossil Fuels Apogee*
- **Charles A. S. Hall** (State University of New York, College of Environmental Science and Forestry, Syracuse N.Y.; USA): *The need for biophysical economics*
- **Robert U. Ayres** (Professor (and Novartis Chair) Emeritus, INSEAD, Fontainebleau, France, and Institute Scholar at the International Institute for Applied Systems Analysis (IIASA), Laxenburg, Austria): *Implications of Higher Oil Prices for Future Economic Growth*
- **Chris Sanders** (Sanders Research Associates, UK): *Energy Economics in the Second Half of the Age of Oil*
- **Robert L. Hirsch** (Senior Energy Program Advisor at SAIC - Science Applications International Corporation - and consultant, USA): *Peaking of World Oil Production: Impacts, Mitigation, & Risk Management*
- **Rui N. Rosa** (A.S.P.O. and Geophysics Centre of Évora, Portugal): *The Urgency for Energy Economics*

While Lisbon was marked by the attendance of several parliamentarians and former government ministers, special mention should be made of Robert Hirsch, who holds or has held major posts at Science Applications International Corporation, Exxon, Atlantic Richfield, RAND Corporation, and the U.S. Energy Research and Development Administration, among others. Hirsch is the primary author of a much-noted [report](#) produced at the request of the US DoE. Along with the recent presentations of Representative Roscoe Bartlett on the floor of the U.S. House of Representatives, Hirsch's report is among the few public signs of Peak Oil awareness in or near the American corridors of federal power.¹

Of course, it is FTW's contention that, at the very heart of the American government, the secret sessions of Mr. Cheney's National Energy Policy Development Group (or "Energy Task Force") were focused directly on Peak Oil as an unprecedented crisis for which the Vice President and his partners chose the murderous supply-side solution that has cost so much in blood and treasure between the Tigris and the Euphrates. This week, the number of American dead - utterly dwarfed by the number of Iraqi civilian casualties - topped 1,700. Among the attendees at

A.S.P.O. Lisbon was an advisor to that task force, energy investment banker **Matthew Simmons**, whose courageous push toward glasnost has done much to illuminate the shadows of Saudi Aramco and its artfully obscure reserve data. Simmons' new book, *Twilight in the Desert: The Coming Saudi Oil Shock and the World Economy*, will strike a major blow for transparency and help to force a new reckoning with our global predicament. But Simmons denies that Peak Oil was even mentioned inside the Task Force. I asked him about the NEPDG and other issues:

MS: Part of what we're going to do in this new war on energy [sic], is go on the biggest R & D explosion. We don't have any idea how it will work, but we've spent so little time doing serious R&D on trying to create new forms of energy.

JAH: Is there any political sign inside the Administration that anyone's willing to act on that?

MS: Not really, because nobody thinks this is a problem. No one in the United States thinks it's a problem. I mean, I do - I'm, all the time - I was in the Senate giving a lecture at a Hearing last Thursday afternoon, on the urgent need for date reform. And I basically said, I'd rather see the United States go without traffic lights for the next two years, or shut down their air traffic control system, than have one more year with no data. But I'm really one of the very, very few people. And, you know, just to pick on someone who has a very loud kind of voice who is every bit as prominent in the United States, if not more so, than I am, Dan Yergin - Dan Yergin is giving talks saying that, given the ingenuity of the technology, we can basically grow oil demand by 50% and halve the cost! So if you're sitting as a Senator or a cabinet officer and you read Dan Yergin and you read Matt Simmons, you say - hmm. I like Dan; I like Matt; the answer must be halfway in between.

JAH: This is the mystery of the Vice President's Energy Task Force, to me: that that much brainpower could get together in the same room, and the sequel be a military race which is itself very energy intensive -

MS: We didn't have anything to do with that. I know most people don't believe that.

JAH: So those meetings were lucid, perceptive, fact-driven meetings -

MS: I don't have any idea what those meetings were like because they were all cabinet officers, but I spent a lot of time in the nine months preceding the inauguration being the [inaudible] one of the most prominent providers of energy data, trying to get these guys to make sure they were connecting the dots, and I had the opportunity of editing every single word that went into Governor Bush's Comprehensive Energy Plan. There were very few differences between the Comprehensive Energy Plan (that was put together in haste, while he was running for office), and the detailed energy plan by Cheney, other than - and again, I was one of the few people who knew both documents backwards

and forewords - there was an enormous tilt from a reliance on hemispherically available natural gas to diversifying ourselves away from relying on natural gas and a turn to nuclear and the urgency of doing Yucca Mountain. Why? Because President Bush himself observed that a drilling boom happened for natural gas, and after eighteen months, it had no impact on supply. And you know, everyone was wrong there, too. And over the previous year and a half, I was telling everyone I knew, watch natural gas! We're peaking! -

JAH: Watch Uzbekistan -

MS: And 98% of the other people in the United States who were involved in natural gas were saying, oh, *we have got so much natural gas you can't believe it*. So, what they were trying to do in that energy plan was not a twenty-year lead, it was a four-year fix, to get us out of the hole we were in when Bush took office. With the knowledge that America hates talking about energy. It's really tough as a politician -

JAH: But it's his second term. I just can't figure it out.

MS: Well, one of the problems is Bush is probably still getting people daily giving him advice daily to just beat the hell out of the Saudi Arabians and they'll produce more oil. And my answer is that you can beat the hell out of them and they can't produce any more. It'd be dangerous if they did. So it's very tenuous trying to - I think he was - it would have been so unbelievably easy to drop ANWAR; ANWAR was a toxic issue in the United States. But he knew that ANWAR was about the only supply thing that you could humanly do that if it worked might actually bring another million barrels a day of domestic oil, and save Prudhoe Bay. Because at risk is Prudhoe Bay. Because you get *that* production down to under around 500,000 barrels a day, and it won't make it over [Brooks Range](#). So, I give him a lot of credit. Once he'd killed it in a month, to go from natural gas, to we've got to go nuclear - I mean here's a guy who was basically elected by the skin of his teeth, and he basically presses the "go button" on Yucca Mountain, knowing full well he's writing off five electoral votes in Nevada. Everybody in Nevada hated Yucca Mountain. Why? Because they were afraid it might hurt the tourist business. But Bush was saying, *we gotta do this*. We've gotta return to nuclear power. So I think that some of his actions that look so wacko to so many Americans, and especially to people outside America, I actually look at in kind of a different light and say, some of it was some pretty gutsy political action.

JAH: Unless one [concludes](#) that, [having commissioned a software program that was going to essentially steal the 2004 election](#), he could afford to affront the Nevadans.

MS: If you believe that, then you ought to believe that there's a colony on the Moon that directed

picking John Kerry, the single weakest candidate since Al Gore. I think the Republicans were unbelievably lucky that we ended up with Al Gore and John Kerry. Collectively, you couldn't have two more incompetent people trying to run the United States. What's scary is how close both of them came to being elected.

JAH: It's also the case that [the former [Rocky Flats](#) Nuclear Weapons Plant cleanup program] runs on software which is produced by a company called [Ptech](#)², which was raided by Operation Greenquest in December of 2002, and it turned out that their major financial backer was Yassin Al-Qadi, who was on the State Department's Specially Designated Terrorist Watchlist - which doesn't spell necessary disaster for [the entire nuclear industry, or] Yucca Mountain, but it's somewhat unsavory...

MS: You know, I've gotten to know relatively well a cadre of the civil servants at the Department of Energy. People who have been there for twenty or thirty years, and they are totally apolitical. And the amount of scientific work that went in to proving Yucca Mountain for ten thousand years is far beyond any one software program. So I think, from the start, most people thought give me a break - we've been having nuclear tests for forty years. So the shrillness of Yucca Mountain was just one more great fundraiser for the Sierra Club. And it was a great fundraiser for the Sierra Club. And it scared the bejesus out of everyone in Nevada. And one thing that scared the bejesus out of them is that we were in danger of having nuclear waste traveling from [for example], Maine, to Yucca Mountain. And I said, well, I drive by Wiscasset [Maine], every week during the Summer, and it scares the bejesus out of me; I know we've destroyed Maine Yankee [Atomic Power Company], but I know that right there, unguarded, is a bunch of nuclear waste. Seems to me that if that's your concern, we could take a page out of Wells Fargo (when they used to have stage coaches), and get some Federal Marshals with Uzis and say, 'by the way, this is nuclear waste and anybody who gets within a hundred feet gets both eyeballs shot out.' And I bet you we could store nuclear waste at Yucca Mountain with no problem.

But the idea that we have these scare tactics! When you say, wait a second. Come to Wiscasset and go look at where the nuclear waste is stored and if you think that's a safer place, then you ought to take some home and eat it.

Simmons continued on the nuclear issue:

MS: Three Mile Island worked. The tragedy of Three Mile Island was that it showed you could have an accident. But the positive thing was, it showed the safety system worked. And today we wouldn't build nuclear plants anything remotely like we were building back in the '70's. They're the single best energy efficiency we've ever created. I've never been a total believer that we have all the data we should have before we buy in to say that

global warming is the worst thing since mankind, but I'd be the last person to say don't pay any attention to it. And if there's any validity that that's an issue, and you ignore nuclear, then we're gonna basically turn to coal, or we're basically gonna camp out in yurts. I mean, at some point we're going to have to be energy adults. People call me a fear monger about oil, but I'm a realist about oil.

JAH: That's what Helen Caldicott says about nuclear.

And that was that. Now let me point out a few interesting elements here before moving on.

While a new infusion of "serious R&D" would certainly help the renewables industry, the trouble is not that nobody knows how to build an efficient, well-sited wind turbine farm, install solar panels on all public buildings, replace the whole fleet of federal and state vehicles with hybrids, hook up every gym in the nation to on-site capacitors, and implement a massive public works project to undo the damage of Ford and Firestone and GM by building a new infrastructure of freight and commuter light rail. The real trouble has much more to do with the American people's energy wasting habits, and with the fact that the Bush administration is dumping hundreds of billions of dollars - the very capital that Peak Oil mitigation desperately requires - into an orgy of racist violence in Iraq that has locked-in a longstanding humanitarian disaster in that country. "Task force"? What was the task?

One might also dispute the claim that the primary reason the men and women of Nevada overwhelmingly opposed the use of Yucca Mountain as a permanent nuclear waste repository was because of their fears for the tourism industry. The major tourist attractions of that state are, after all, gambling and prostitution; those activities don't tend to be mediated by much of an environmental consciousness. The people who live there might instead be more concerned with things like leukemia, birth defects, diminished longevity, and cancer. All their water comes from an aquifer that runs under the mountain. That's why the state vetoed the project. A propos of Three Mile Island, Dr. Caldecott once said: "When you get your cancer, it doesn't come with a label on it that says, 'I was made by some strontium-90 in a piece of cheese that you ate ten years ago, from a dairy near the nuclear power accident.'" And the analogy with Maine is misleading. Waste leaves *from* Maine. It travels *to* Nevada, *from* everywhere else. At a [town meeting](#) on the Yucca Mountain project, one Nevadan (an "energy adult," surely?) put it this way:

I call it the funnel tunnel syndrome, all the shipments coming to Nevada, and then you're saying, well, take this information and go tell them it's safe, and they say, yeah, *but we're going to get all the shipments*. The people that live in Maine, they're only getting maybe 30, and it's only once they ship from Wiscasset and that's done, that's done. They're never going to see another shipment.

Furthermore, the Nuclear Regulatory Commission (to which the DoE is now applying for an operating license for Yucca) is far less trustworthy than the Saudi oil officials about whose obfuscations Matt Simmons has been so illuminating. Indeed, NRC corruption is legendary. And which agency is responsible for determining how much water flows through the mountain as a vector for possible dispersion of radioactive contaminants?³ The U.S. Geological

Survey, whom everyone interested in Peak Oil has learned to distrust. Surely, hundreds of Federal employees in the energy sector meet Matt Simmons' laudatory description: "I've gotten to know relatively well a cadre of the civil servants at the Department of Energy. People who have been there for twenty or thirty years, and they are totally apolitical. And the amount of scientific work that went in to proving Yucca Mountain for ten thousand years is far beyond any one software program." But here is a very recent [look](#) at the internal workings of Yucca Mountain:

E-mails by several government scientists on the Yucca Mountain nuclear waste dump project suggest workers were planning to fabricate records and manipulate results to ensure outcomes that would help the project move forward.

"I don't have a clue when these programs were installed. So I've made up the dates and names," wrote a US Geological Survey employee in one e-mail released Friday by a congressional committee investigating suspected document falsification on the project.

"This is as good as it's going to get. If they need more proof, I will be happy to make up more stuff."

In another message the same employee wrote to a colleague: *"In the end I keep track of 2 sets of files, the ones that will keep QA happy and the ones that were actually used."* QA apparently refers to "quality assurance."

The e-mails were in a batch of correspondence released in advance of next week's hearing by the House Government Reform Subcommittee on the Federal Work Force and Agency Organization, chaired by Rep. Jon Porter, R-Nev.

The Native American community and the broader environmental movement are not alone in their opposition to nuclear energy and its waste-disposal fait accompli. Here is the Nevada Department of Justice:

The defeat of the Yucca proposal is mission number one for the Nevada Department of Justice. There are some who believe the project is inevitable and that we ought to "negotiate" for benefits in exchange for warehousing the nation's nuclear waste, however, for the NDOJ, this is not an option:

The NDOJ upholds the law, and the lawsuits filed over Yucca are due to the Department of Energy's disregard for it-federal laws such as the Nuclear Waste Policy Act, and Nevada law as well.

Those who support a negotiation for benefits would be wise to investigate the DOE's record on such agreements: fifteen promises made yet not one agreement fully satisfied.

The point is that in the redoubtable Mr. Simmons - to whom we all owe a debt of gratitude for his tireless work on Saudi oil depletion and his publicizing the dire facts thereof - we have an example of a very significant link between advocacy of nuclear energy, and

neglect of the [Powerdown](#) imperative. As Julian Darley told me in Lisbon, "the problem is big energy." The choice is not between nuclear-powered suburban sprawl on one side and "camping out in yurts" on the other. That's what's called a false dichotomy, and it drives people into the nuclear camp for lack of the third alternative. The converse is another false dichotomy: we'd better burn coal galore, because the only real alternatives are camping out in yurts or getting irradiated.

Drilling in ANWR is not mitigation. It may postpone the crash, but it accelerates the world Peak because it accelerates depletion. Its only redemptive value would be the time (six months to a year, by some estimates) it would afford us for real mitigation efforts. And among the major lessons of Lisbon was this: the only real mitigation of Peak Oil is a massive de-consumption and re-localization program (Powerdown) including the proliferation of small-scale, local renewables. That's why the [focus](#) of *From The Wilderness* is shifting toward [survivability](#) and planning. In the coming months and years, groups with this focus will be playing an ever-larger role in the reality-based political discourse of the industrialized world. For all the depth and power of the official presentations at A.S.P.O. this year, some of the conference's most stirring moments occurred in the hotel lobby where the [Post Carbon Institute](#) and [Community Solution](#) held their informal planning meeting. All the facts lead toward such a spot: learn enough about Peak Oil, and you find yourself sitting in a circle of chairs among other people who are trying to figure out how to plan for what's coming.

After all, the only exits from a reluctant acceptance of Peak Oil are the abiotic theory, -which has been thoroughly discredited in [these](#) and [other](#) pages - and the claim that depletion is not a big problem because of "[reserve growth](#)" whereby oilfields turn out to be larger and/or more thoroughly exploitable than geologists initially expect. But that argument turns upon the claim that optimistic reports are inherently more honest than pessimistic ones, and that we ought to embrace the happy signals reported by exporting countries since the [wild upward revisions](#) of reserve estimates in 1988 and 1990.

A.S.P.O. founder Colin Campbell are wrong to neglect such reserve growth: "Campbell notes that Prudhoe Bay's proved reserves have grown, but are actually just approaching the operators' initial estimates of 12.5 billion barrels (Campbell 2000). Aside from the lack of citation for this anecdote, it is assumed, not demonstrated, that the reported reserves will not surpass that number. However, BP recently put them at more than 13 billion barrels." Lynch cites a recent BP report: "[Arctic Energy: For Today and Tomorrow](#)" in support of this assertion.

That report does indeed give a figure of 25 billion barrels for "Original Oil in Place" and 10.839 billion barrels of cumulative production down to January 2004, yielding a total existing reserve of 14.161 billion barrels. As Lynch says, this is more than 13 billion. Now, those BP oil figures include gas liquids, but that's not the major problem. Nor is the fact that the same report states that Prudhoe Bay is declining at a rate of 3.5% per year. Nor the ugly statistic, from the same BP report, that Prudhoe Bay is currently producing 474, 000 bbl/day of oil, as against 1,200,000 bbl/day of water. The problem is that "reserve growth" means the recovery of previously inaccessible oil in young fields, but (a) the young fields are so small that even an impossibly high recovery rate will likely not postpone Peak long enough to buy sufficient time for a peaceful Powerdown; (b) worldwide discovery peaked in 1964; (c) the technological advances upon which Lynch bases his notion of reserve growth may indeed extract more oil from existing fields, but that only accelerates depletion and eventual decline. Lynch tends to chastise Campbell, Laherrere and Deffeyes and others for using the Hubbert paradigm, as if the finite nature of the world's oil required a perfectly smooth bell-curve:

"There are a number of points that are taken by the Hubbert modelers that are crucial to their work which have no evident empirical or theoretical support. For example, Campbell and Laherrere (1998) states that 'in any large region, unrestrained extraction of a finite resource rises along a bell-shaped curve that peaks when about half the resource is gone.' The first shortcoming of this argument is that no countries have 'unrestrained extraction' everywhere, a host of regulations and taxes, among other policies, affect the level of exploration and production. And in fact, few countries exhibit production in a classic bell curve, which is sometimes admitted by Hubbert modelers."

"DEMAND DESTRUCTION"

Of course there are always restraints on extraction, including prices, regulation, politics, and taxes. That's why the bell curve is not smooth or symmetrical. That's the point. Under ideal conditions, production follows a bell curve; the conditions are not ideal, since they are distorted by extrinsic factors; but it is precisely Hubbert's curve which those factors distort.

The most critical of the distortions - as we head into a period when these merely analytic points become urgently practical - is "demand destruction." Where Robert Hirsch speaks of three scenarios - a mitigation program introduced 20 years prior to Peak, 10 years prior to Peak, or no mitigation until Peak arrives - **Chris Skrebowski** and others have concentrated on the role that high prices will play in slowing down economic activity and thereby softening the pressure on oil production. If liquid fuels cost enough, economies will slow down until consumption decreases and the former swing producers (especially Saudi Arabia) may recover some spare capacity. At that point prices will come down again, and the growth cycle will convulse again - reducing the incentive to develop renewables and downscale our economies.

	A. Dhabi	Iran	Iraq	Kuwait	N. Zone	S. Arabia	Venezuela
1980	28	58	31	65	6.1	163	18
1981	29	58	30	66	6.0	165	18
1982	31	57	30	65	5.9	164	20
1983	31	55	41	64	5.7	162	22
1984	30	51	43	64	5.6	166	25
1985	31	49	45	90	5.4	169	26
1986	30	48	44	90	5.4	169	26
1987	31	49	47	92	5.3	167	25
1988	92	93	100	92	5.2	167	59
1989	92	93	100	92	5.2	170	58
1990	92	93	100	92	5.0	258	59
1991	92	93	100	95	5.0	259	59
1992	92	93	100	94	5.0	259	63
1993	92	93	100	94	5.0	259	63
1994	92	99	100	94	5.0	259	65
1995	92	98	100	94	5.0	259	65
1996	92	93	112	94	5.0	259	65
1997	92	93	113	94	5.0	259	72
1998	92	90	113	94	5.0	259	73
1999	92	90	113	94	5.0	261	73
2000	92	90	113	94	5.0	261	77
2001	92	90	113	94	5.0	261	78
2002	92	90	113	94	5.0	259	78
2003	92	126	115	97	5.0	259	78
2004	92	126	115	99	5.0	259	77

OPEC Reserve Reporting

Competing for Quota

Kuwait 1984
Produced = 23 Gb
Remaining = 64
Found = 87 (~90)

A [SLIDE](#) FROM COLIN CAMPBELL'S PRESENTATION, INDICATING HIGHLY DUBIOUS, DRAMATIC UPWARD REVISIONS OF OIL RESERVE ESTIMATES.

For example, Michael Lynch (an ardent cornucopian who was not at the A.S.P.O. conference) insists that "reserve growth" will postpone Peak for the foreseeable future; for Lynch, pessimists like

A [SLIDE](#) FROM CHRIS SKREBOWSKI'S PRESENTATION, INDICATING JUST HOW MUCH SUPPLY SHORTFALL AND PRICE INCREASE WILL BE REQUIRED TO REDUCE DEMAND SO THAT IT MATCHES THE DIMISHING SUPPLY:

The CIBC answer

- Assessed the likely supply shortfall and the oil price needed to reduce demand
- 2006 1mn b/d and \$61/barrel
- 2007 2.8mn b/d and \$70/barrel
- 2008 4.8mn b/d and \$80/barrel
- 2009 6.7mn b/d and \$90/barrel
- 2010 8.9mn b/d and \$101/barrel

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This suggests that the downslope after Peak will be a descending series of spikes as demand overshoots supply and price suppresses demand - with supply declining all the while. It will be like riding downhill in a vehicle that has no tire pressure and no shock absorbers - and plenty of dead-weight, and not a lot of fuel.

Former British Environment Minister **Michael Meacher** began his presentation with a reaction to these same figures:

Market forces will undoubtedly exert strong signals, but are unlikely to be able to prevent abrupt dislocations without powerful accompanying strategies ruthlessly enforced in the face of vested interests. [CIBC](#) predicts that likely supply shortfall will be some 9m barrels per day by 2010 and that the oil price needed to reduce demand will be around \$100 per barrel, and of course thereafter figures steadily rise further. But with oil prices at say \$100/150 per barrel, economies of heavily oil-dependent countries (the great majority in the world) will be forced into a tailspin of decline, leading to violent uprisings, revolutions and mass migration on a scale we have never seen.

But Meacher went on to provide some strikingly bright prospects for conservation:

Potential for conservation is enormous since the volume of energy wasted is prodigious, e.g. US power plants discard more energy in waste heat than is needed to run the entire Japanese economy. Only 15% of the energy in a gallon of petrol ever reaches the wheels of a car. Less than a quarter of the energy used in a standard oven reaches the food. It has even been estimated that a mere 3 mile per gallon improvement in the fuel economy of US cars and light vehicles would be enough to forego oil imports from the Middle East entirely - a better solution than launching a war in Iraq! If we could reduce energy intensity by just 3% per year, we could meet world demand in 2100 with only a quarter of the energy used today.

Not all talk of renewable energy sources is dreamy talk. While he

acknowledges the enormity of political inertia and deep-political reaction that stands in the way, Meacher brings out some inspiring statistics which I hope are correct:

The potential for a huge global shift to renewables is greatly under-estimated. The US Department of Energy estimated that three states - North and South Dakota and Texas - have enough harnessable wind energy to meet the entire US electricity requirements. Similarly, it is estimated that Europe's off-shore wind potential in waters of 100 feet depth or less could supply all of the continent's power, while China has so much wind energy that it could double its national electricity generation by harnessing it. Regarding solar power, where the price has already fallen 10-fold since 1980, a recent study (by accountants KPMG) estimated that construction of a 500 MW plant (at a cost of only \$0.7 billion) would bring the wholesale price down to that of conventional energy.

By the time of next year's A.S.P.O. conference, many of our hypotheses about the economic and political side of Peak Oil will have been tested. Unless, as Mike Ruppert recently suggested, there should be such a scarcity of jet fuel and ground transport that international conferences become impossible.

¹ ROBERT L. HIRSCH

Dr. Hirsch is a Senior Energy Program Advisor at SAIC and a consultant in energy, technology, and management. Previously, he was a senior staff member at RAND, where he did energy policy analysis. Prior to that, he was Executive Advisor at Advanced Power Technologies, Inc. (APTI), where he developed and evaluated startup business opportunities and provided programmatic support to the Department of Energy's Environmental Management Program.

His primary experience is in research, development, and commercial applications. He has managed technology programs in oil and natural gas exploration and production, petroleum refining, synthetic fuels, fusion, fission, renewables, defense technologies, chemical analysis, and basic research.

Previous management positions include:

- Vice President of the Electric Power Research Institute (EPRI).
- Vice President and Manager of Research and Technical Services for Atlantic Richfield Co. (Oil and gas exploration and production).
- Founder and CEO of APTI, a \$50 million/year, employee owned company recently sold to BAE Systems (Commercial & Defense Department technologies).
- Manager of Exxon's synthetic fuels research laboratory.
- Manager of Petroleum Exploratory Research at Exxon (Refining R & D).
- Assistant Administrator of the U.S. Energy Research and Development Administration (ERDA) responsible for renewables, fusion, geothermal and basic research (Presidential Appointment).
- Director of fusion research at the U.S. Atomic Energy Commission and ERDA.

He has served on advisory committees for Department of Energy programs and national laboratories, the General Accounting Office, the Office of Technology Assessment, the Gas Research Institute, and NASA. He holds 14 patents and has over 40 publications. He is immediate past Chairman of the Board on Energy and Environmental Systems of the National Research Council, the operating arm of the National Academies, has served on a number of National Research Council committees and is a National Associate of the National Academies.

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(March 2005)

² Ptech is a revolutionary artificial intelligence construction that derives from PROMIS software and has been the target of high-level Federal investigations and journalistic inquiry, including [a two-part series in From The Wilderness](#) by this writer and [Michael Kane](#).

³ "Yucca Mountain is in a seismically active area and lies above an aquifer that is the only source of drinking water for area residents. Opponents of the repository project are concerned that radioactivity would eventually leak into the groundwater. High-level nuclear waste remains dangerously radioactive for a quarter-million years." See "[U.S. Chamber of Commerce Ignores Public Health and Safety: Sides with Nuclear Industry on Yucca Mountain Dump Proposal](#)," Dec. 6, 2001. See also "[Testimony of Joan Claybrook, President, Public Citizen, Yucca Mountain: The Hazards of Nuclear Waste Storage and Transportation](#)," The U.S. House of Representatives, Committee on Energy and Commerce, Subcommittee on Energy and Air Quality." April 18, 2002.

(And the Band Played On — con't from page 2)

There are many things in play and many things -- as Cynthia McKinney and I say to each other -- "moving under the carpet." (Thanks to Al Giordano of narconews for that one). The meeting between Bartlett and Bush may have many possible meanings and I won't jump to conclusions yet. But if I were forced to speculate, I'd say that probably someone in Washington or the administration asked a really stupid question like: "You know, it might be a good idea to figure out how much the people really know about Peak and what they're starting to do about it. Who's leading them? What are the various positions? Have Roscoe start talking about it on the floor. DeLay or Hastert can arrange that. The people will come to him. Then he can brief us."

That would be my guess. I sure can picture Karl Rove saying that. But who knows? It is equally possible, based on present knowledge, that Mr. Bartlett just took it up on his own, and really might be a good guy (of sorts). Lord knows, they're all hearing about it every day on the Hill. It had to attract somebody's attention sooner or later. It was only the oncoming collapse of most of human civilization...

Bottom line: It's entirely possible that Mr. Bartlett actually gives a s---.

It's possible that what he's learning is moving him. It remains to be seen what an elder-senior Republican congressman with few allies (on the subject) could accomplish; or whether he could fight the fight if it became necessary or for how long?

We can only hope. And we can pray.

There are far too many good reasons to hold one's breath these days.

The saddest thing however -- even almost as sad as my father's death -- was the fact that as I walked the halls of the Rayburn, Hart and Cannon office buildings I saw that all the hallways were empty, deserted, vacant. In just a few small spots, outside hearing rooms or where tour buses stopped, there were a few people. Otherwise, the Hill, where Washington's lifeblood flowed, was a ghost town.

I first started walking Capitol Hill in 1981. Then I was seeking help for what had happened to me as a whistleblower in an era when I still believed. My belief has died in layers; Velcro fastened to raw flesh and exposed nerves. So many names, so many offices. Dornan, Hayakawa, Cranston, De Concini, Gonzales, Waters, Conyers, Waxman, Paul, Kerry, Lee, McKinney... several committees.

Too many doors. Too many layers. Hope fading. Lessons learned.

In the early days these halls were crowded with lobbyists, citizens, pizza delivery boys, staffers, clerks, military personnel in uniform and mail deliverers. You had to talk above a normal voice to be heard by someone walking within five feet of you. When I was there this time, if you whispered or coughed at one end of a corridor, you could faintly hear it at the other end. Some of the corridors are more than 75 yards long. I found myself inherently walking silently, feeling as though I were in a library. I was grateful when anyone walked past me, smiled and tried to figure out who I was in the nice suit with cuff links. Cuff links are a secret symbol of power in Washington dress codes. Twice, outside two office buildings, tourists mistook me for Bob Barr.

More irony.

9/11 really crimped things on the Hill, but just three months later, despite the fear and the security and the shock, there was still plentiful hall traffic. But this time almost four years later -- even though both houses were in session -- there was no blood flowing in the heart. Only at the Rayburn building, which houses many committees, public hearings and functions could I find anyone walking around. Still, even that traffic was light.

I spent the whole day of June 20th on the Hill, from 9 AM until 5 PM. There were a few tourists at the tourist spots but little else. Even though any citizen can still walk these halls to visit members of the House and Senate unannounced, no one was doing it. Not even lobbyists. It was as though America had given up inside and out. The good news was that the bookstore closest to Capitol Hill had several copies of my book out but that didn't cheer me up much.

At the end of the day today, July 1, I did a live African-American radio talk show in Philadelphia on WURD. We talked about drugs and the CIA. We talked about democracy; we talked about life as it is. That's what they want to hear in inner cities; about life as it is. I kept coming back over and over and saying that the Old BPP (Black Panther Party) had it right. They had the money figured out. They had the local solutions figured out. They understood the balance between legal violence and illegal violence in a way that was totally threatening to the establishment. It would have given them an equal footing had it been allowed to continue. The BPP had read the Constitution better than us white folks had. And they were brutally and heinously destroyed for it because they dared to live it in their own way as free men and women.

Probably my favorite political quote of all time is from BPP leader Fred Hampton. - We get answers that don't answer; explanations that don't explain; and conclusions that don't conclude."

At one point in the show I made the comment, "It may not be too long before us white people have to come ask you black people, "Say, can you show me how to do this slave thing?"

If Washington DC is still alive then it has morphed and its lifeblood now flows in other locations and directions, through organs we are only beginning to divine and a brain that is too terrifying to imagine. What I saw was a corpse, rotting from the inside with only a few brave and valiant fools hanging in there just to see if they can do anything right before it's too late.

I like fools. I identify with them.

I'd like to say "Happy Fourth!", but, well, you know...

Michael C. Ruppert

Congressman Bartlett discusses Peak Oil with President Bush

Published on Thursday, June 30, 2005 by Bartlett website

By Staff

<http://www.energybulletin.net/7024.html>

In accordance with Title 17 U.S.C. Section 107, this material is distributed without profit to those who have expressed a prior interest in receiving the included information for research and educational purposes.

This afternoon, Congressman Roscoe Bartlett enjoyed an extensive discussion about peak oil with President George W. Bush at the White House. Congressman Bartlett declined to discuss or

characterize any of his private conversation with the President, but said that he was very happy about the meeting.

Congressman Roscoe Bartlett has discussed global peak oil extensively in the past seven weeks including six Special Order speeches. Copies of the text and charts are posted on Congressman Bartlett's website at www.bartlett.house.gov.

Congressman Bartlett was a guest on a one-half hour program, E&E TV's "On Point," available via the Internet in flash video format. It was distributed on Monday, April 18. Host Colin Sullivan, Editor of Environment and Energy Daily, moderated the discussion about peak oil with Congressman Bartlett and Mr. Roger Diwan, Managing Director, Markets and Countries Group, PFC Energy. A transcript can be downloaded from E&E TV's website at www.eande.tv/main/?date=041805.

Congressman Bartlett said, "America has only 2 percent of the world's known oil reserves." We produce 8 percent and consume 25 percent of the oil produced worldwide and import close to 2/3 of the oil we use. We imported 1/3 at the time of the Arab Oil embargo. Oil production in the U.S. peaked in 1970 and has declined every year since then. Alaska and Gulf of Mexico oil slowed, but haven't and can't change that trend. Energy experts agree that America can never produce enough oil domestically to meet our current or future demand."

"Peak oil is not unique to America," added Congressman Bartlett. "There is a consensus among energy experts that global peak oil will occur and is fast approaching. Forty percent of the world's oil is shipped through the Straits of Hormuz in the Persian Gulf that is vulnerable to terrorist attacks. China increased its oil imports 25 percent last year. China is investing in oil projects around the globe and building a blue water navy to secure oil shipping lanes."

Congressman Bartlett said, "The United States is the most efficient and productive country in the world. We do lead the world. We cut our use of energy per \$1 of GDP by 50 percent since the early 70's. That's really good. However, with only 2 percent of reserves and 8 percent of production, we're depleting our reserves four times faster than the rest of the world. American needs a national energy policy and a program on a scale of the Manhattan Project that developed the atomic bomb during World War II to prevent or mitigate the consequences of global peak oil. Doing nothing or doing too little too late will lead to a global economic and geopolitical tsunami with potentially devastating ramifications."

Congressman Bartlett, a conservative Republican from Maryland, has been the only member of Congress to speak out about peak oil. Energy Bulletin has published Bartlett's talks and interviews, including [the most recent talk on May 11](#). Search the EB site for more.

-BA
Article found at :
<http://www.energybulletin.net/newswire.php?id=7024>

Original article :
<http://www.bartlett.house.gov/latestnews.asp?ARTICLE2900=7308>

China in America's cross-hairs: Robert D. Kaplan and neocon hawks clamor for new Cold War

By
Larry Chin

[This is a sharp-eyed look at the madness of a major neocon talking-head regarding China policy. But for perspective-by-analogy, let me ask you a question about Iran. Ever wonder what would have come about in Iran had the Central Intelligence Agency not fomented an illegal coup d'etat against democratically elected Prime Minister Mohammad Mossadegh? He moved to nationalize the Anglo-Iranian Oil Company, triggering the wrath of the American economic hitmen who engineered his sudden overthrow in 1953. That clever piece of finesse brought the bitter ordeal of the bogus Shah of Iran, his notorious Savak secret police, the 1979 Shiite revolution, and the eventual sabotage of the entire Carter Presidency - which was, let's remember, the last hope for a timely mitigation of Peak Oil. And now they're in something called the Axis of Evil.

The Iranian example is just as relevant for Venezuela, where Uncle Sam recently tried and failed to repeat the trick, as it is for China, where he can't. In every case, guys who haven't read [Verse 61 of the Tao Teh Ching](#) take it upon themselves to intervene in other people's affairs in the pursuit of their own short-term advantage. They do so in the name of "realism," because that category acts like a mirror to those who would operate under its cover: my policy reproduces an existing world of scarcity and danger and resentment; by comparison, yours is unrealistic - therefore, I'm the credible adult in charge, and you're the dreamer on the margin.

The Realist's low expectations of others are a mask for his desire for their goods. He wants to raid his neighbors, so he laments aloud that they are such a hostile people, it will be necessary to destroy them. In wrecking the place, the Realist makes the world match his vision of it, then boasts that he was right. --JAH]

June 20, 2005 1100 PST (FTW) **T**he feature story of the June 2005 issue of *The Atlantic Monthly* is Robert D. Kaplan's "[How We Would Fight China: The Next Cold War](#)". This inevitable war, according to Kaplan, "will link China and the United States in a future that may stretch over several generations." By comparison, "the Middle East is just a blip."

Kaplan's provocative China piece, detailed below, coincides with [increasingly confrontational rhetoric by the Bush administration](#), the growing influence of neocon hardliners, growing concern about China within the elite cadres of the New World Order (from the [G-7](#) to the [Bilderberg Group](#)), tensions between China and Japan (the US proxy in the region), and more East-West trade bickering (currencies, etc.). In February 2005, new CIA Director Porter Goss issued a warning to China regarding its military modernization. One day later, Defense Secretary Donald Rumsfeld issued a similar warning.

Does the militaristic Kaplan article, afloat upon the growing hostilities between the US and China, mark the beginning of a dangerous new phase of conflict and superpower war?

Who is Robert D. Kaplan?

In a post-9/11 political landscape crawling with warmongering policymakers and military-utopian intelligentsia, Kaplan deserves singling out. It is not Kaplan's wild views, but his influence - the fact that he has the ear of top military and intelligence brass, and enjoys a symbiotic relationship with elites at the highest levels - that is of greater importance.

Kaplan is a correspondent for *The Atlantic Monthly* and the author of nine books on international affairs, including *Warrior Politics: Why Leadership Demands a Pagan Ethos*, and international travel books with distinctly political biases, such as *Balkan Ghosts* and *Eastward to Tartary*.

Fascinated (some would say obsessed) with military/intelligence and war, Kaplan's upcoming book, *Imperial Grunts: The American Military on the Ground* is one of several books he is writing about the US armed forces.

Kaplan's essays have appeared in *The New York Times*, *The Wall Street Journal*, and *The Washington Post*. He has appeared on [C-SPAN](#) and CNN. *New York Times* columnist Thomas Friedman calls Kaplan among the "most widely read" authors defining the post-Cold War (along with Francis Fukuyama and Harvard's Samuel Huntington).

Kaplan is a favorite of both George W. Bush and Bill Clinton. According to *U. S. News & World Report*, "President Clinton was so impressed with Kaplan, he ordered an interagency study of these issues, and it agreed with Kaplan's conclusions." Kaplan was invited to meet with George W. Bush in the White House - and brief Bush on foreign policy.

Kaplan is also a consultant to the US Army's Special Forces Regiment, the US Air Force, and the US Marines. He has lectured at military war colleges, the CIA, the National Security Agency (NSA), and the FBI. Kaplan has lectured at the State Department. More recently, Kaplan was embedded with US forces during the attack on Fallujah, and has spent considerable time with the US military over the past three years. In other words, Kaplan is a military-intelligence insider.

Kaplan has a reputation for being one of the first American writers to forecast (from as far back as the 1980s) the Clinton-Bush administration wars in the Balkans and Central Asia, and the current 9/11 War (Afghanistan, Iraq).

Nihilism and mass murder

A self-professed "nihilist" who is inspired by Machiavelli, Kaplan views such places as Central Asia and the Middle East as "*laboratories of pure power politics*" in which human rights, social order and democracy have no meaning and no relevance - but where US force must be constantly and "creatively" applied. The "highest morality," in Kaplan's words, "must be the preservation - and wherever prudent, the accretion - of American power."

- In his book *Warrior Politics: Why Leadership Demands a Pagan Ethos*, Kaplan declares that "good government - and, likewise, good foreign policy - will always depend on an understanding of men's passions, which issue from our elemental fears" and that "the internationalization of democratic individualism is futile and inherently dangerous." Furthermore, according to Kaplan, human rights "are only advanced in ships in ways that allow for more predictable punishment of the Unjust"

Kaplan's worldview hails from the same lineage as Samuel Huntington ("*Clash of Civilizations*") Zbigniew Brzezinski ([The Grand Chessboard: American Primacy and its Geostrategic Imperatives](#)), Frances ("End of History") Fukuyama, Henry Kissinger, and the neocons (Richard Perle, Paul Wolfowitz, Dick Cheney, Michael Ledeen, Project for the New American Century, American Enterprise Institute, Heritage Foundation, etc.).

Huntington identified the "Islamic-Confucian world" (Eurasia, from the Middle East to China) as "an arc of crisis" overrun by enemies ("Islamic-Sinic alliances") that must be tamed by the forces of the West, and declared that a war between the US and China will break out by 2010, centering on the oil lanes of the South China Sea.

In "[Looking the World In the Eye](#)", Kaplan echoes his mentor's thesis:

"It is my hypothesis that the fundamental source of conflict in this new world will not be primarily ideological or primarily economic. The great divisions among humankind and the dominating source of conflict will be cultural. Nation states will remain the most powerful actors in world affairs, but the principal conflicts of global politics will occur between nations and groups of different civilizations. "

In one of his most notorious pieces from 2003, "[Supremacy by Stealth](#)", Kaplan lectures on how the United States must "speak Victorian, but think pagan":

- A world managed by the Chinese, by a Franco-German-dominated European Union aligned with Russia, or by the United Nations (an organization that worships peace and consensus, and will therefore sacrifice any principle for their sakes) would be infinitely worse than the world we have now.
- And so for the time being, the highest morality must be the preservation - and wherever prudent, the accretion - of American power.
- Precisely because they foment dynamic change, liberal empires - like those of Venice, Great Britain, and the United States - create the conditions for their own demise. Thus they must be *especially devious* [my emphasis-LC]."

Kaplan lays out the rules for how the United States will go about its "amoral management" of the world using military force, covert operations, the planting and guiding of in-country functionaries (spies, compradors, intelligence assets), terrorism, and assassination.

One of the most important of Kaplan's "rules" is to "*bring back the old rules*":

Refer to pre-Vietnam War rules by which small groups of quiet professionals would be used to help stabilize or destabilize a regime...Covert means are more discreet and cheaper than declared war and large-scale mobilization...Impending technologies, such as bullets that can be directed at specific targets the way larger warheads are today, and satellites that can track the neurobiological signatures of individuals, will make assassinations far more feasible, enabling the United States to kill rulers like Saddam Hussein without having to harm their subject populations through conventional combat.

As for the rule of law, Kaplan is openly contemptuous:

- "Bringing back the old rules would help to circumvent the UN Security Council which in any case represents an antiquated power arrangement unreflective of the latest wave of US military modernization in both tactics and weaponry.
- The war on terrorism will not be successful if every aspect of its execution must be disclosed and justified - in terms of universal principles - to the satisfaction of the world media and world public opinion."

In a November 2002 editorial, Kaplan spelled out the recipe for the "[dismantling of Iraq](#)", and the expansion of war into Iran and the rest of the Middle East - a formula that has, not coincidentally, become official Bush administration policy. Kaplan wrote:

- Our goal in Iraq should be a transitional secular dictatorship.
- Iraq could become America's primary staging ground in the Middle East. And the greatest beneficial effect could come next door, in Iran.
- Our dismantling the Iraqi regime would concentrate the minds of Iran's leaders as little else could. Iran, with its 66 million people, is the Middle East's universal joint.
- (Iraq)...is the most logical place to relocate Middle Eastern U.S. bases in the twenty-first century.
- Iran, with its 66 million people, is the Middle East's universal joint...we will have to deal directly with the radicals, and that can be done only through a decisive military shock that affects their balance-of-power calculations.
- Achieving an altered Iranian foreign policy would be vindication enough for dismantling the regime in Iraq. This would undermine the Iranian-supported Hezbollah, in Lebanon, on Israel's northern border; would remove a strategic missile threat to Israel; and would prod Syria toward moderation. And it would allow for the creation of an informal, non-Arab alliance of the Near Eastern periphery, to include Iran, Israel, Turkey, and Eritrea.
- Our success in the war on terrorism will be defined by our ability to keep Afghanistan and other places free of anti-American terrorists. And in many parts of the world that task will be carried out more efficiently by warlords of long-standing, who have made their bones in previous conflicts, than by feeble central governments aping Western models.
- Likewise, the Middle East is characterized by many weak regimes that will totter on until the next cataclysm - which the U.S. invasion of Iraq might well constitute."

Kaplan's exuberant fanaticism, swaggering contempt for law, and unapologetic cries for savagery deserve to be the subject of extensive psychological analysis. Instead, his views are, quite literally, Bush administration foreign policy.

Kaplan applies "pagan ethos" to China

Kaplan's views on China are consistent with his "kill or be killed" paranoia about everything else. China's emergence cannot be "accommodated." Apply force (covert as well as overt, in violation of international law) to intimidate. Bring back the "old rules" (unleash covert operations; return to the "Ugly American" racism of the Vietnam era). Militarily encircle, and establish dominance over resources (oil). Defy the UN, and maintain secrecy. Consider regime change.

For the maximum horror, Kaplan's dangerous piece should be read [in its entirety](#). But these excerpts alone speak volumes:

On the coming war

- The Middle East is just a blip. The American military contest with China in the Pacific will define the twenty-first century. And China will be a more formidable adversary than Russia ever was.
- ...this second Cold War... will link China and the United States in a future that may stretch over several generations.
- ...the defining military conflict of the twenty-first century: if not a big war with China, then a series of Cold War-style standoffs that stretch out over years and decades.
- Therefore the idea that we will no longer engage in the 'cynical' game of power politics is illusory, as is the idea that we will be able to advance a foreign policy based solely on Wilsonian ideals. We will have to continually play various parts of the world off China, just as Richard Nixon played less than morally perfect states off the Soviet Union. This may lead to a fundamentally new NATO alliance, which could become a global armada that roams the Seven Seas."

China as "terrorist" threat

- China will approach us asymmetrically, as terrorists do. In Iraq, the insurgents have shown us the low end of asymmetry. The Chinese are poised to show us the high end of the art. That is the threat.
- In the coming decades, China will play an asymmetric back-and-forth game with us in the Pacific, taking advantage not only of its vast coastline but also of its rear base - stretching far back into Central Asia - from which it may eventually be able to lob missiles accurately at moving ships in the Pacific.
- The effect of a single Chinese cruise missile's hitting a US carrier, even if it did not sink the ship, would be politically and psychologically catastrophic, akin to al-Qaeda's attacks on the Twin Towers.
- All over the globe, in such disparate places as the troubled Pacific Island states of Oceania, the Panama Canal zone, and out-of-the-way African nations, the Chinese are becoming masters of indirect influence - by establishing business communities and diplomatic outposts.
- According to one former submarine commander and naval strategist I talked to, the Chinese have been poring over every detail of our recent wars in the Balkans and the Persian Gulf, and they fully understand just how much our military power depends on naval projection - that is, on the ability of a carrier battle group to get within proximity of, say, Iraq, and fire a missile at a target deep inside the country. To adapt, the Chinese are putting their fiber-optic systems underground and moving defense capabilities deep into western China, out of our missile range - all the while developing an offensive strategy based on missiles designed to be capable of striking that supreme icon of American wealth and power, the aircraft carrier."

US Pacific Command as regional conqueror and police

- ...the functional substitute for a NATO of the Pacific already exists and is indeed up and running. It is the US Pacific Command, known as PACOM.

PACOM is not nearly as constrained as CENTCOM by Washington-based domestic politics.

- ...because of the vast economic consequences of misjudging the power balance in East Asia, American business and military interests are likely to run tandem towards a classically conservative policy of deterring China without needlessly provoking it, thereby amplifying PACOM's authority. Our stance toward China and the Pacific, in other words, comes with a built-in stability - and this, in turn, underscores the notion of a new Cold War that is sustainable over the very long haul.
- ...the vitality of NATO itself, the Atlantic alliance, could be revived by the Cold War in the Pacific.
- The better road is for PACOM to deter China in Bismarckian fashion, from a geographic hub of comparative isolation - the Hawaiian islands - with spokes reaching out to major allies such as Japan, South Korea, Thailand, Singapore, Australia, New Zealand, and India. These countries, in turn, would form secondary hubs to help us manage the Melanesian, Micronesian and Polynesian archipelagoes, among other places, and also the Indian Ocean. The point of this arrangement would be to dissuade China so subtly that over time the rising behemoth would be drawn into the PACOM alliance system without any large-scale conflagration - the way NATO was ultimately able to neutralize the Soviet Union.
- The alternative will be to turn the earth of the twenty-first century into a battlefield.
- PACOM's objective, in the words of a Pacific-based Marine general, must be 'military multilateralism on steroids.'

Military operations

- We will keep our bases in Central Asia, close to western China - among them Karshi-Khanabad, in Uzbekistan, and Manas, in Kyrgyzstan, which were developed and expanded for the invasion of Afghanistan.
- We need to go more unconventional...increasingly, what we will need is, in essence, three separate navies: one designed to maintain our ability to use the sea as a platform for off-shore bombing (to support operations like the ones in Iraq and Afghanistan); one designed for littoral Special Operations combat (against terrorist groups based in and around Indonesia, Malaysia, and the southern Philippines, for example); and one designed to enhance our stealth capabilities (for patrolling the Chinese mainland and the Taiwan Strait, among other regions). All three of these navies will have a role in deflecting China, directly and indirectly, given the variety of dysfunctional Pacific Island republics that are strengthening their ties to Beijing.
- The Special Operations navy will require lots of small vessels, among them, the littoral-combat ship being developed by General Dynamics and Lockheed Martin."

The "old rules": covert operations, black ops

- The more access to bases we have, the more flexibility we'll have - to support unmanned flights, to allow aerial refueling, and perhaps more important, to force the Chinese military to concentrate on a host of problems rather than just a few. Never provide your adversary with only a few problems to solve (finding and hitting a carrier, for example) because if you do, he'll solve them.
- And we will establish what are known as cooperative security locations. A cooperative security location can be a tucked-

away corner of a host country's civilian airport, or a dirty runway somewhere with fuel and mechanical help nearby, or a military airport in a friendly country with which we have no formal basing agreement but rather, an informal arrangement with private contractors acting as go-betweens. Often the key role in managing a CSL is played by a private contractor.

- In Asia, for example, the private contractor is usually a retired American noncom, either Navy or Air Force, quite likely a maintenance expert who is living in, say, Thailand or the Philippines, speaks the language fluently, perhaps has married locally after a divorce back home and is generally liked by the locals. He rents his facilities at the base from the host country military, and then charges a fee to the U.S. Air Force pilots transiting the base. Officially he is in business for himself, which the host country likes because it can claim it is not really working with the American military. The private contractor also prevents unfortunate incidents by keeping the visiting pilots out of trouble - steering them to the right hotels and bars, and advising them on how to behave.
- Particularly as the media become more intrusive, we must acquire more stealth, so that, for example, we can send commandos ashore from a submarine to snatch or kill terrorists, or leave special operators behind to carry out missions in an area over which no government has control.
- [*Kaplan quoting a former CIA operative.-LC*] "Getting into a war with China is easy,' says Michael Vickers, a former Green Beret who developed the weapons strategy for the Afghan resistance in the 1980s as a CIA officer and is now at the Center for Strategic and Budgetary Assessments in Washington. 'Ending a war with China,' Vickers says, 'may mean effecting some kind of regime change, because we don't want to leave some wounded, angry regime in place....ending a war with China will force us to substantially reduce their military capacity, thus threatening their energy sources and the Communist Party's grip on it. The world will not be the same afterward. It's a very dangerous road to travel.'"

Confrontation versus engagement

In "[Cornering the Dragon](#)" (February 22, 2005), Conn Hallinan details the schizophrenic approach of the Bush administration's China policy, and how the long battle between American policy-makers who favor engagement with China has begun to tip in favor of those who advocate confrontation and encirclement - the old "China lobby," which includes neoconservatives associated with the Project for the New American Century (PNAC), and American Enterprise Institute (AEI), and other groups.

One notes with horror that the views of Zbigniew Brzezinski and Henry Kissinger - brutal architects of modern world dictatorship - are temperate compared to Kaplan's.

In a May 2005 visit to Beijing, [Henry Kissinger](#) (a lifelong "China Hand" who brokered meetings between eight US presidents and generations of Chinese leaders, and a major business investor in China) stated that he is "very confident about the future development of bilateral ties," and that "China and the U.S. should seek coexistence in a cooperative attitude for the common interests of the two nations."

In [Grand Chessboard](#) itself, Brzezinski declares that "even by the year 2020, it is quite unlikely even under the best of circumstances that China could become truly competitive in the key dimensions of *global* power," while conceding that China will be regionally dominant, and a competitor for energy resources in

the South China Sea and elsewhere.

Brzezinski's post-Grand Chessboard books, including *Living with China, Europe and Russia* (2000), *Iran: Time for A New Approach* (2004) (coauthored by former CIA Deputy Director/ NSC Robert Gates) both advocate carrot-stick engagement with China.

A publisher's synopsis of *The Choice: Global Domination or Global Leadership* (May 2004) reads as follows:

"While not ruling out unilateral action by America, Brzezinski believes the ultimate solution to the region's problems involves the slow expansion of the trans-Atlantic zone of prosperity and cooperative institutions. In his survey of other security threats, Brzezinski says that as China's economy grows and Japan drifts toward remilitarization, America should help build an equivalent to NATO for the Pacific. Brzezinski warns that globalization's reputation as disruptive, undemocratic and unfair could provoke a virulent anti-American ideology. To avoid becoming a 'garrison state,' America must establish a 'co-optive hegemony,' leading a global community of shared interests."

In *Big Dragon: China's Future - What It Means for Business, the Economy and the Global Order* (1998) (a highly recommended book that details the last few decades of Sino-US relations) authors Daniel Burstein and Arne DeKeijzer provide a Brzezinski quotation that is almost doveish: "Our fashion is to have the enemy of the year. China is big, it's large on the map, it's yellow, so there is an under-the-surface racist element, and it fits nicely an obsessive state of mind. I imagine that it will last a couple of years, because China is big enough to sustain this obsession."

Interestingly, the same June 2005 issue of *The Atlantic Monthly* that runs Kaplan's article also contains the editorial "[Managing China's Rise](#)" by the publication's National and Literary Editor Benjamin Schwarz. Patronizing title aside (the "management" of another country), the piece reads like a counter to Kaplan's bellicose article, as if the latter necessitated some sort of tacit retraction from within the offices of the publication itself.

Schwarz writes:

- When (the emergence of China as a peer competitor) "eventually" may roll around is a matter of intense debate between moderates and hardliners. The moderates have a better case.
- We must examine our own stance toward the world, and the way we define threats to our national security. In other words, to understand the consequences of China's (slowly) growing ambitions, we have to understand our own. "Hardliners and moderates, Republicans and Democrats, agree that America is strategically dominant in East Asia and the eastern Pacific - China's back yard. They further agree that America should retain its dominance there. Thus U.S. military planners define as a threat Beijing's efforts to remedy its own weak position in the face of the overwhelming superiority they acknowledge the United States holds right up to the edge of the Asian mainland. This probably reads more about our ambitions than it does about China's. Imagine if the situation were reversed, and China's air and naval power were a dominant and potentially menacing presence on the coastal shelf of North Indian assault added a new word to the English language -

loot, from the Hindi and Sanskrit. The unequal treaties forced upon America. Would we want to offset that preponderance?

- China's emergence as a great power may be inevitable, but it's going to be a long process, which we should seek to manage with Beijing. Far from discouraging the rise of China and other independent powers...Washington should recognize the significant benefits that can result. [Engagement] reduces America's globe-girdling defense commitments and the concomitant international suspicion towards the United States. The alternative in the long run is to create enemies where none need exist."

To which drumbeat will the American Empire march - that of Kaplan and the confrontationists, or the internationalist engagement wing? The confrontationist faction is winning.

From the other side

The saber rattling of Washington's hawks and Kaplan-esque hardliners is nothing new to the Chinese leadership. In *China's New Rulers: The Secret Files* (2002), authors Andrew Nathan and Bruce Gilley revealed the views of leading Chinese Politburo Standing Committee (PBSC) members towards the United States:

Hu Jintao: "America's strategic eastward movement has accelerated. [The United States] has strengthened its military deployments in the Asia-Pacific region, strengthened the US-Japan military alliance, strengthened strategic cooperation with India, improved relations with Vietnam, inveigled Pakistan, established a pro-American government in Afghanistan, increased arms sales to Taiwan, and so on. They have extended pressure points on us from the east, south and west...the core of American policy toward China is still to 'engage and contain.'"

Zeng Qinghong (who noted that the CIA and American intelligence have made the containment of China a top priority), said: "...the US wants both to dominate China's market and to find every possible way to contain its development."

Li Ruihuan: "To tell the truth, the United States is very clear about our power. It knows that China today is not a direct threat to the United States...they want to contain us, they want to implement a carrot-and-stick policy. It's useless for us to use a lot of words to refute their 'China threat theory'. The Americans won't listen."

China fattened for the kill: the new Opium War

While Kaplan and his peers articulate how US military and intelligence is being directed at China from the outside, the economic and social "opening up" of China has been in the works since the 1970s.

While a full examination of the important Chinese historical context is outside the scope of this piece, it's instructive to note the nightmarish parallels between the nineteenth-century Opium Wars, the first Sino-Western superpower conflict, and the one that is unfolding now.

In *Good Deeds & Gunboats: Two Centuries of American-Chinese Encounters*, Hugh Deane wrote:

"The Opium War initiated by the British in furtherance of trade generally and the opium bonanza in particular, exposed China's military weakness and its anachronistic view of itself as the civilized center of an otherwise barbarian world, and began a Chinese century of defeat, exploitation and humiliation. The Anglo-Indian assault added a new word to the English language - *loot*, from the Hindi and Sanskrit. The unequal treaties forced upon China by foreign powers and the division of much of China into Western enclaves and "spheres of influence" turned China into what Sun Yat-Sen later termed a "hyocolony," the colony of many nations...the revolutionary nationalist wrote, "Other men are the carving knife and serving dish, we are the fish and the meat."

Today's Opium War finds similar corrupt oligarchs, compradors, missionaries, spies, traitors - and citizens caught in the middle of a battle between corrupt powers, at the mercy of oppressors from within and without. Once again, another corrupt and shaky Chinese regime is engaged in a dangerous dance with armed-to-the-teeth foreigners eager for "trade" (loot), their warships prowling the Pacific. And the opium this time is free market capital, and the addictive promise of wealth and prosperity.

Just as Russia was manipulated and then pillaged following the fall of the Berlin Wall, China is being set up in a similar fashion. In the prescient 1986 book *Towards Capitalist Restoration*, Michel Chossudovsky detailed how the collapse of the Chinese Communist Party in the 1970s led to the modern "Open Door" policy, by which a desperate Chinese leadership opened itself to foreign capital. The incursions of the West's most notorious elites soon followed:

"The 1979 visit of Deng Xiaoping to the US was followed in June 1980 by the equally significant encounter in Wall Street of Rong Yiren, chairman of CITIC, and David Rockefeller. The meeting, held in the penthouse of the Chase Manhattan Bank complex, was attended by senior executives of close to 300 major US corporations. A major agreement was reached between Chase, CITIC, and the Bank of China, involving the exchange of specialists and technical personnel to "identify and define those areas of the Chinese economy most susceptible to American technology and capital infusion."

These original connections remain in place, and have blossomed through all subsequent US presidential administrations. Note that the Bush family has been involved with China and Chinese ventures for generations - indirectly through connections to the old Eastern Establishment opium trade, and directly since George H.W. Bush's tenure as Ambassador to China during the Nixon era. [Prescott Bush](#) had been a major powerbroker and investor in China and Japan, and a leader member of the [US-China Chamber of Commerce](#). A scandal involving China and [Neil Bush](#) made headlines not long ago. This explains why, in response to the Tiananmen Square crackdown and massacre, then-President George H.W. Bush sent a friendship delegation to Beijing. Always follow the money.

The formal [accession of China to the World Trade Organization](#) in November 2001 opened China to full economic infiltration. Among the many numerous and wide-ranging commitments (subject to annual compliance), China has committed to

opening the "commanding heights of the economy" (banking, insurance, telecommunications and accounting) to foreign capital, granting foreign corporations full rights to import/export, and allowing "market forces" to determine prices for traded goods and services in every sector. By 2006, all geographic and customer restrictions on foreign banks will be removed.

In the view of James Petras (["China and the World"](#)), the die is cast:

"... Essentially, the entry into the WTO and the harsh conditions with which China will have to comply, spell the end of financial controls and a new phase of China's relations with Euro-U.S. imperialism...enticement, entrapment, crises and recolonization. U.S. imperial dominance represents a major strategic threat to independent Chinese development. Washington and Wall Street are increasingly major forces in both Asia and Europe. The pursuit of world economic domination requires that it pursue the role of world policeman."

[Dr. Joseph Gershon](#) of the American Friends Service Committee agrees:

"In the Asia-Pacific region, the U.S. is enforcing its 21st century "Open Door" policy by means of the IMF, the World Bank, APEC, bases and forward deployments, the Seventh Fleet and its nuclear arsenal; as it seeks to simultaneously contain and engage China, to dominate the sea lanes and straits through which the region's trade and supplies of oil must travel, the "jugular vein" of Asia Pacific economies..." (Also see ["Empire and Resistance in an Increasingly Dangerous Era"](#).)

New Cold War smokescreens hide race for energy

In his Atlantic Monthly editorial, Benjamin Schwarz noted, "when President Bush took office in 2001, the dominant national security issue for his administration - and for most foreign-policy analysts, whether Republican or Democrat - was not terrorism or even Iraq but China. The issue, specifically, is that China will eventually emerge as what Pentagon planners call a 'peer competitor' to the United States in East Asia."

But the most intense "peer competition" does not revolve around Chinese military expansion (which many experts, including the 2004 [Independent Task Force on Chinese Military Power](#), believe is exaggerated). Nor is it the continued evolution of the Chinese economy (which is a boon for Western and Chinese elites and multinational corporations, and is controlled through the WTO, the IMF, etc.). The true "threat" to the West is the intense Chinese competition for the last remaining energy reserves of a planet facing Peak Oil. In every key region of the world, China has emerged as a major player, and in some cases, the obstacle to Anglo-American control. Rhetoric aside, world policy planners agree that China is the [end game for oil](#).

Read *FTW* on this topic:

["Beginning of Oil End Game"](#)

["China's Offshore Claims"](#)

["China moves fast to claim Canadian oil sands"](#)

["Russia to 'Respect Commitments' on Oil to China"](#)
(also "[Russian pipeline decision](#)")

["Construction begins on Kazakhstan-China oil pipeline"](#)

["China faces coal shortage by 2010"](#)

In *Rogue State: A Guide to the World's Only Superpower*, William Blum wrote:

"During the Cold War, US foreign policy was carried out under the waving banner of fighting a moral crusade against what cold warriors persuaded the American people, most of the world, and usually themselves, was the existence of a malevolent International Communist Conspiracy. But it was always a fraud."

Variations on the old Cold War fraud - from the "war on terrorism" fraud to the "weapons of mass destruction" fraud, and increasingly aggressive "national security" (see [America's New National Security Doctrine](#)) - are now being applied to the "emerging China Threat."

The superpower race for oil has intensified the need for incendiary propaganda from the likes of Kaplan.

Shots across the bow

It is upon the flamethrowing of ideologues like Kaplan that empires are built, and unspeakable atrocities are rationalized.

Years from now, we may look back at Kaplan's "How We Would Fight China" as a signal that hailed the beginning of the biggest, and perhaps final, conflict. Wars begin with ideas and words. These become policy, and then doctrine. Pay heed to Kaplan's words, and counter them.

There is blood on Kaplan's hands, and there will probably be more.

Suggested reading

An understanding of current Sino-US conflict demands a grasp of Chinese history and prior Sino-Western warfare. In addition to general histories of China, the following are just a few suggestions.

The Opium Wars: The Addiction of One Empire to the Corruption of Another by Travis/Hawes/Sanello. (Sourcebooks, 2004)

From the Opium War to the May Fourth Movement by Hu Sheng. (Foreign Languages Press, 1991)

Good Deeds & Gunboats: Two Centuries of American-Chinese Encounters by Huge Deane (China Books & Periodicals, 1990)

Big Dragon: China's Future by Daniel Burstein and Arne De Keijzer (Simon & Schuster 1998)

China's New Rulers by Andrew J. Nation and Bruce Gilley (New York Review Books, 2002)

Origins of the Boxer Uprising by Joseph Esherick (University of California Press, 1987)

To Change China: Western Advisers in China, 1620-1960 by Jonathan Spence (Penguin Books) 1980.

[When Stan Goff is about to speak, I don't want to say much. Just this: may all the bereaved find recovery, and the repentant find forgiveness, and the cruel find punishment. Even if they're all the same person. -JAH]

"For the last three months, the per capita rate of American military casualties in Afghanistan has exceeded that in Iraq..."

DIALECTICS ON METH

The Southwest Asian Debacle

by
Stan Goff

The life of a people ripens a certain fruit; its activity aims at the complete manifestation of the principle which it embodies. But this fruit does not fall back into the bosom of the people that produced and matured it; on the contrary, it becomes a poison-draught to it. That poison-draught it cannot let alone, for it has an insatiable thirst for it: the taste of the draught is its annihilation, though at the same time the rise of a new principle.

- Georg Wilhelm Friedrich Hegel



[Hegel's](#) conception of the [dialectic](#) - the process underlying the constant shifting of forms and essences - stated that over time, things turn into their opposites.

The [dialectic](#) is a way of thinking, an interpretive method that regards contradictions not as obstacles, but as the most important places to begin asking questions. British philosopher Bertrand Russell said the dialectic is "to teach how to live without certainty, and yet without being paralyzed by hesitation... perhaps the chief thing that philosophy, in our age, can still do for those who study it"

I write this on June 13th, 2005. There can be no better example of Hegel's claim than what has happened in Iraq, and how the Bush administration cannot let go "that poison-draught."

Yesterday, the American military death toll went over 1,700 in

Iraq. No one is counting Afghanistan. No one is counting Iraqis or Afghans. Some are counting Englishmen. As Kurt Vonnegut so eloquently put it, "So it goes."

In today's news, the increasingly frequent and effective attacks against the U.S. military and the Karzai-government culminated with a bomb attack that wounded four American troops doing a civil-affairs mission in a Kandahar suburb. This is the last in an increasingly frequent and sophisticated series of Taliban attacks in recent weeks. Though you'd never know it from the American press, for the last three months, the per capita rate of American military casualties in Afghanistan has exceeded that in Iraq, making Afghanistan stand out as the other victory-turns-to-defeat story in the region.



In Baghdad, four more U.S. troops were wounded by a martyr-bombing aimed at a mobile U.S. diplomat (and two Marines were killed in an ambush outside of Ramadi, and four more troops were killed near Baghdad).

Diplomats do not widely announce their movement routes, so logic tells us that this was an inside job - and that the puppets are now turning - Pinocchio-like - into "real boys."

Meanwhile, in Kirkuk, shortly before the "president" of autonomous Iraqi Kurdistan, Masoud Barzani, was to be "sworn in," a bomb exploded in a crowded market, killing at least 18 and wounding at least 53... right there in the "capital of Kurdistan."

Another suicide-bomber took out five Iraqi policemen in Baquba this same day.



The White House issued a veiled order - barely concealing its panic - to the Iraqi "government" to make haste in overcoming the obstacles to drafting a constitution. The primary obstacle being reported is the failure to include more than the current two Sunni Arabs in the drafting

body. But given that the "presidential concern" is being directed at Jalal Talabani, the Kurdish "president of Iraq," it is hard not to speculate that the deeper and more insoluble contradictions involving Kirkuk are not being considered between the lines.

Kirkuk sits atop almost 20 percent of Iraq's oil, and the violence there is an expression of the Kurdish attempts at de-Arab-ization and de-Turkmen-ization - backed up by the second largest military force in Iraq, the Kurdish peshmerga. The Shia-majority government, that to the unending worry of the Bush administration is getting cozier with Iran by the day, is pushing for a *regional* Iraqi federation, while Talabani and the Kurds are fighting for an *ethnic* federation. With the Kurds as the most significant minority in this newly-constituted government, and the armed resistance showing

not the least sign of flagging, this question will be a much bigger hurdle in the development of a constitution than the inclusion of a couple more token Sunnis.

Condi Rice was there last month, sowing more lollipop trees for the U.S. press and spouting inanities like an artesian spring, but to no avail. With even the legendary timidity of the press, they are now obliged by the sheer, undeniable scope of this military disaster to ask a few pointed questions.

In response, presidential press prevaricator Scott McClellan offered these enlightening words yesterday: "Just to keep in per-



spective here, this is still less than a year since we transferred sovereignty to Iraq. In that time period, Iraq has made important strides on the political front. . . . And it's important that they continue to move forward on the political front, because that helps improve the security front as well."

If anyone can extract the actual information from that, please contact me immediately. Inquiring minds want to know.

Another story in today's papers is that Pew just released a poll showing that almost 60 percent of Americans now think going to war in Iraq was a bad idea. While many remain unsure exactly how to get out, half of those who said it was a bad idea were unequivocal about the solution - just leave, now. This is a sea change in American public opinion, and it is being reflected by some of the more predictable legislative shenanigans, the most noteworthy being from North Carolina Republican Walter Jones, the very Congressman Jones who publicly re-anointed fast food potatoes from "French fries" to "freedom fries," during the administration-orchestrated Francophobia of early 2003. If you want to watch a thing turn into its opposite, watch Jones changing colors like a thermotropic mood ring.

He is submitting a resolution to Congress calling for a definite departure date from Iraq, and flagellating himself over the freedom-fries flap, albeit with the excuse that the Bushies lied to him. All the Congressional cnidarians who authorized this savagery are using that excuse nowadays as they prepare to ride the changing political currents. Some lies, it must be said, people have to work at believing.

Nonetheless, this bit of political theater - and that is what it is - is important. It is theater, because even if this B-Movie administration decided today to get out, no one knows what it would take to do it. It is designed to put the administration on the spot, and it has worked. But why is this effort now spotlighting a Republican who is approximately with Jesse Helms along the political continuum?

Let's begin by noting that Jones' district is the 3rd Congressional District of North Carolina. For those who don't immediately see the significance of this by consulting their personal memories for the geographic boundaries of 435 districts, allow me to elucidate.

Jones represents a portion of Eastern North Carolina with a significant number of African American voters, and he relies on Republican white-bloc voting to hold his seat. White voters vote consciously as white voters thereabouts, and therefore as Republicans, to beat back the melanin-threat that still relies on the Democratic Party. So one thing that this change of heart is telling us is that a significant part of George Bush's popular base is growing increasingly uncomfortable with this war. You don't get to 60 percent of the American public without some Republicans.



But the other thing about the 3rd District is that it contains two big military installations: Seymour Johnson Air Force Base and Camp Lejeune, home of the 2nd Marine Division. Three groups of people in and around these bases are unhappy. One group is among the Marines themselves, who have been used and abused in Bush's little adventure, particularly in the most unseemly operations, like the criminal destruction of Fallujah.

Jones is responding to his base, not to some religious epiphany.

There are two aspects to the Walter Jones phenomenon: One is that many Republican elected officials are facing election challenges in 2006, while George Bush and his hallucinogenic court are lame ducks. The other is that there is resistance growing each day in the heart of the very institution tasked with carrying out the indeterminate wars of neo-conservatism - the American military.

If we wanted to spook the administration these days, all we would have to do is post signs at every corner bearing the triumphant image of Richard Nixon after his re-election. When the leaks in that ship of state burst into a full-blown breach of the hull with the Watergate revelations, Republicans were fighting Democrats for space on the lifeboats.

Who will this year's Deep Throat be? Only yesterday, the *Detroit Free Press* printed:

In candid confessions about the ongoing violence in Iraq, an increasing number of senior U.S. military officers claim there is no long-term military solution to defeat an evasive and resourceful insurgency.

"The more accurate way to approach this right now is to concede that... this insurgency and terrorism in Iraq is not going to be settled through military options," Brig. Gen. Donald Alston, the chief U.S. military spokesman in Iraq, said last week.

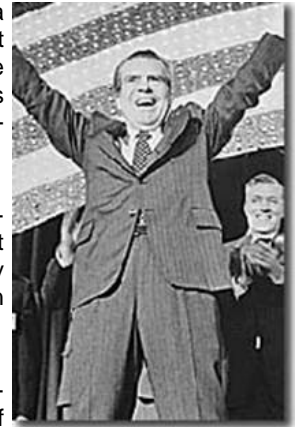
The Plame affair has not disappeared, simply receded from the scene as we bent our ear to the weighty issues of the day - the Michael Jackson trial, the Runaway Bride, and American Idol. It is still there, a felonious serpent tucked away somewhere in the room. There are hundreds of outstanding FOIA requests for the still sequestered photographs of Abu Ghraib that have never seen the light of day. And in the news today, the debate heats up, even on the issue-averse CNN, about whether to close Guantanamo Bay's Muslim-holding pens.



On this, too, already Republicans are defecting. Senator Chuck Hagel, a Republican from Nebraska and Congressman Mel Martinez, a Florida Republican, have taken point by saying that Guantanamo is an international public relations nightmare that is endangering American lives, not protecting them.

"It's becoming an icon for bad stories," said Martinez.

This is how Nixonization begins - as a trickle. But when the next Deep Throat appears and the water rushes in, the Hagels and Matinezes and Joneses will have already secured the first lifeboat.



There is another, more directly disturbing story that has appeared in the last few days, and that is the possibility that fragging will begin to happen in Iraq. It probably already has.

The first instance was with Hasan Akbar on May 22, 2003. Akbar turned off the generator that provided lights in the tents at his Kuwaiti transit camp, then threw an incendiary grenade into one command tent, followed by two fragmentation grenades, one in each of two command tents. The official story is that he followed the grenade detonations by opening fire on the tents with his automatic rifle. Two officers, Army Captain Christopher Seifer and Air Force Major Gregory Stone, were killed. Fourteen other members of the unit were wounded.

What can be inferred from this case is that Akbar, a recent convert to Islam - with the passion of any recent religious convert - was subjected prior to his deployment to Kuwait for the Iraq invasion to racial and religious harassment by other members of his unit.

Akbar's father reported that his son was the sole Black and sole Muslim in his company. He further alleged that Akbar was subjected to this racial and religious harassment, including innuendo that Akbar would be 'mistakenly' shot as one of 'them.' because he 'looks like them and prays like them.' Reports that members of Akbar's unit sported racist tattoos and indeed did subject him to racial and religious hectoring were given a non-denial-denial by 101st Division spokesman Lieutenant Colonel Ed Loomis, who responded that the Division did not 'tolerate extremist behavior.' This is a fairly typical military disclaimer that means this wasn't the subject of the investigation, without saying that the harassment of Akbar was not investigated. Or, more seriously, that the investigation revealed facts that might embarrass the military, which is institutional anathema.

Hasan Akbar is quoted as saying, "You guys are coming into our countries, and you're going to rape our women and kill our children." We may assume he meant Muslim countries. As the record now shows, these things did actually happen. Children were killed

by occupation troops, and women were raped. (Troops also raped female fellow soldiers and got away with it). It is claimed that Akbar opposed the war, and further claimed that he had written in the infamous diary that he had been 'punked' and 'humiliated' by his fellow soldiers, rather supporting his father's claims of harassment prior to deployment. He is reported to have written that he would soon be faced with a 'choice' about whom to kill. Given the circumstances, this isn't all that surprising, if true.

Akbar, then, may have become the first fragger in the Centcom theater.



While there hasn't been much information forthcoming so far, the Army has also launched a criminal investigation into the deaths of Captain Phillip Esposito and 1st Lieutenant Louis Allen, who were assigned to the 42nd Infantry Division, New York Army National Guard, as company commander and executive officer respectively. In this case, the assailant is not clear-cut. The killings happened, however, in Forward Operating Base Danger, near Tikrit, where command errors and missions beyond the wire in general are sure to be fraught with danger - even as support for the war among the troops, National Guard troops in this case, is falling.

The idea that the only cases of a particular crime are those which are uncovered is consistent with military logic that says nothing happened in Abu Ghraib unless a picture was taken, but it doesn't square with sense. It would be reckless to assume that the only cases of fragging are the ones being investigated. In fact, a good fragging - if you'll forgive me - is the kind where it looks like enemy action.

And fragging is the most extreme manifestation of flagging morale and discipline. It is also what has been called "spontaneous" resistance. An attempt to survive or take revenge, but motivated by personal desire or fear or unfocused rebelliousness. The other kind of resistance, which will not likely include fragging, but which acts in concert with spontaneous resistance, is "conscious" resistance - the kind that is taken up in defense of a principled opposition to a war.

It is possible that Akbar's actions were "principled" in some sense, though he has claimed duress in his trial, not offered political statements.

There is a combination of both self-preservation and principle operating together with the number of people who have simply left the military without authorization - or in military parlance, gone AWOL (absent without leave). In a May 16, 2005 article by Andrew Buncombe in the *Independent/UK*, he reports:

The most recent Pentagon figures suggest there are 5,133 troops missing from duty. Of these 2,376 are sought by the Army, 1,410 by the Navy, 1,297 by the Marines and 50 by the Air Force...

But campaigners say the true figure could be far higher. Staff who run a volunteer hotline to help desperate soldiers and recruits who want to get out, say the number of calls has increased by 50 per cent since 9/11. Last year alone, the GI Rights

Hotline took more than 30,000 calls. At present, the hotline gets 3,000 calls a month and the volunteers say that by the time a soldier or recruit dials the help-line they have almost always made up their mind to get out by one means or another.

People like Camilo Mejia, Pablo Paredes, and Kevin Benderman, however, are not exercising self-preservation, but breaking military law to draw attention to their belief that the war is illegal and immoral. Mejia and Benderman both refused to return to Iraq, having seen combat there, and Paredes refuse to board his ship. All three took their actions with the certainty of prosecution.



These three are also members of *Iraq Veterans Against the War*, a formation similar to *Vietnam Veteran Against the War*, that has formed close contacts with VVAW and *Veterans for Peace*. This overtly political consciousness translated into activism is surely giving the administration an ulcer (though they'd never admit it), and it is combined with a growing and aggressive movement of military families that includes *Military Families Speak Out* and *Gold Star Families for Peace*, the latter being the surviving families of war fatalities.



The military's own members and communities are now beginning to turn into their opposites - into anti-militarists.

Then, of course, there is the more sweeping historical backdrop of the war, which I have described in these pages before. Political Islam collaborated with imperialism when it had secular nationalism as its common enemy. Now it is objectively anti-imperialist, and it has both Islamic and nationalist content.



Hegel's dialectic is a temporal process, bound to the velocity of change. If he saw the turbulence inhering in the almost stately pace of things at the turn of the 19th Century, imagine how he

might react if he were yanked through time and deposited in the present. Not only in a world connected by digital light-speed communications and digital light-speed disruptions, but one with six times as many people, fed with a diminishing fuel, and that includes day traders swapping derivatives while they are amplified on caffeine and sugar.

For Hegel, this would be the dialectic in a never-ending succession of fractals at every scale, running on crystal meth; a people with its "fruit ripening" like time-lapse photography, compressing whole seasons into a frenetic ten-second scene, its rulers gulping down the toxic draft with the urgency of a fraternity initiation beer chug.

Post-Soviet Lessons for a Post-American Century

(PART TWO OF THREE)

By
Dmitry Orlov

Special to *From the Wilderness*

"The United States is the wealthiest nation in the history of the world, yet its inhabitants are strikingly unhappy. Accordingly, we present to the rest of mankind, on a planet rife with suffering and tragedy, the spectacle of a clown civilization. Sustained on a clown diet rich in sugar and fat, we have developed a clown physiognomy. We dress like clowns. We move about a landscape filled with cartoon buildings in clown-mobiles, absorbed in clownish activities. We fill our idle hours enjoying the canned antics of professional clowns. We perceive God to be an elderly comedian. Death, when we acknowledge it, is just another pratfall on the boob tube. Bang! You're dead!"

-- James Howard Kunstler, [Home from Nowhere](#)

For the red-blooded nationalist yahoo in each of us, reading Dmitry Orlov on post-industrial collapse is like looking into a funhouse mirror, where the image of American fantasy is reflected on the grim surface of Russian experience. Dressed in infantilizing logo-rich imports, an obese diabetic holds a Coke in one hand and a yellow "United We Stand" flag in the other. Male or female, this person stares at the mirror for a while, looking for Super(wo)man — the righteous pirate modeled on Teddy Roosevelt, or the puritan-hedonist who urged us all to "be faithful" to Bush. But where is the heroic born-again consumer today, and who is this gigantic toothless infant? — JAHJ

June 28, 2005 1200 PST (FTW)

Differences between the Superpowers: Ethnicity

Our thumbnail sketch of the two superpowers would not be complete without a comparison of some of the differences, which are no less glaring than the similarities.

The United States has traditionally been a very racist country, with numerous categories of people one wouldn't want one's daughter or sister to marry, no matter who one happens to be. It was founded on the exploitation of African slaves and the extermination of the natives. Over its formative years, there was no formal intermarriage between the Europeans and the Africans, or the Europeans and the Indians. This stands in stark contrast to other American continent nations such as Brazil. To this day in the U.S. there remains a disdainful attitude toward any tribe other than the Anglo-Saxon. Glazed over with a layer of political correctness, at least in polite society, it comes out again when observing whom most such Anglo-Saxon people actually choose to marry, or date.

Russia is a country whose ethnic profile shifts slowly from mainly European in the West to Asian in the East. Russia's settlement of its vast territory was accompanied by intermarriage with every tribe the Russians met on their drive east. One of the formative episodes of Russian history was the Mongol invasion, which resulted in a large infusion of Asian blood into Russian genealogy. On the other side, Russia received quite a few immigrants from Western Europe. Currently, Russia's ethnic problems are limited to combating ethnic mafias, and to the many small but humiliating episodes of anti-Semitism, which has been a feature Russian society for centuries, and, in spite of which, Jews, my family included, have done quite well there. Jews were barred from some of the more prestigious universities and institutes, and were held back in other ways (for instance, lynching).

The United States remains a powder keg of ethnic tension, where urban blacks feel oppressed by suburban whites, who in turn fear to venture into major sections of the cities. In a time of permanent crisis, urban blacks might well riot and loot the cities, because they don't own them, and the suburban whites are likely to get foreclosed out of their "little cabins in the woods," as James Kunstler charmingly calls them, and decamp to a nearby trailer park. Add to this already volatile mixture the fact that firearms are widely available, and the fact that violence permeates American society, particularly in the South, the West, and the dead industrial cities like Detroit.

In short, the social atmosphere of post-collapse America is unlikely to be as placid and amicable as that of post-collapse Russia. At least in parts, it is more likely to resemble other, more ethnically mixed, and therefore less fortunate parts of the Former Soviet Union, such as the Fergana valley and, of course, that "beacon of freedom" in the Caucasus, Georgia (or so says the U.S. President).

No part of the United States is an obvious choice for the survival-minded, but some are obviously riskier than others. Any place with a history of racial or ethnic tension is probably unsafe. This rules out the South, the Southwest, and many large cities elsewhere. Some people might find a safe harbor in an ethnically homogeneous enclave of their own kind, while the rest would be well-advised to look for the few communities where inter-ethnic relations have been cemented through integrated living and intermarriage, and where the strange and fragile entity that is multi-ethnic society might have a chance of holding together.

Differences between the Superpowers: Ownership

Another key difference: in the Soviet Union, nobody owned their place of residence. What this meant is that the economy could collapse without causing homelessness: just about everyone went on living in the same place as before. There were no evictions or foreclosures. Everyone stayed put, and this prevented society from disintegrating.

One more difference: the place where they stayed put was generally accessible by public transportation, which continued to run during the worst of times. Most of the Soviet-era developments were centrally planned, and central planners do not like sprawl: it is too difficult and expensive to service. Few people owned cars, and even fewer depended on cars for getting around. Even the worst gasoline shortages resulted in only minor inconveniences for most people: in the springtime, they

made it difficult to transport seedlings from the city to the dacha for planting; in the fall, they made it difficult to haul the harvest back to the city.

Differences between the Superpowers: Labor Profile

The Soviet Union was entirely self-sufficient when it came to labor. Both before and after the collapse, skilled labor was one of its main exports, along with oil, weapons, and industrial machinery. Not so with the United States, where not only is most of the manufacturing being carried out abroad, but a lot of service back home is being provided by immigrants as well. This runs the gamut from farm labor, landscaping, and office cleaning to the professions, such as engineering and medicine, without which society and its infrastructure would unravel. Most of these people came to the United States to enjoy the superior standard of living — for as long as it remains superior. Many of them will eventually head home, leaving a gaping hole in the social fabric.

I have had a chance to observe quite a few companies in the U.S. from the inside, and have spotted a certain constancy in the staffing profile. At the top, there is a group of highly compensated senior lunch-eaters. They tend to spend all of their time pleasing each other in various ways, big and small. They often hold advanced degrees in disciplines such as Technical Schmoozing and Relativistic Bean-counting. They are obsessive on the subject of money, and cultivate a posh country set atmosphere, even if they are just one generation out of the coal mines. Ask them to solve a technical problem — and they will politely demur, often taking the opportunity to flash their wit with a self-deprecating joke or two.

Somewhat further down the hierarchy are the people who actually do the work. They tend to have fewer social graces and communication skills, but they do know how to get the work done. Among them are found the technical innovators, who are often the company's *raison d'être*.

More often than not, the senior lunch-eaters at the top are native-born Americans, and, more often than not, the ones lower down are either visiting foreigners or immigrants. These find themselves in a variety of situations, from the working visa holders who are often forced to choose between keeping their job and going home, to those who are waiting for a green card and must play their other cards just right, to those who have one, to citizens.

The natives at the top always try to standardize the job descriptions and lower the pay scale of the immigrants at the bottom, playing them against each other, while trying to portray themselves as super-achieving entrepreneurial mavericks who can't be pinned down to a mere set of marketable skills. The opposite is often the case: the natives are often the commodity items, and would perform similar functions whether their business were biotechnology or salted fish, while those who work for them may be unique specialists, doing what has never been done before.

It is no surprise that this situation should have come about. For the last few generations, native-born Americans have preferred disciplines such as law, communications, and business administration, while immigrants and foreigners tended to choose the sciences and engineering. All their lives the natives were told to expect prosperity without end, and so they felt safe in joining

professions that are mere embroidery on the fabric of an affluent society.

This process became known as "brain drain" — America's extraction of talent from foreign lands, to its advantage, and to their detriment. This flow of brain power is likely to reverse direction, leaving the U.S. even less capable of finding ways to cope with its economic predicament. This may mean that, even in areas where there will be ample scope for innovation and development, such as restoration of rail service, or renewable energy, America may find itself without the necessary talent to make it happen.

Differences between the Superpowers: Religion

The last dimension worth mentioning along which the Soviet Union and the United States are in stark contrast is that of religion.

Pre-revolutionary Russia's two-headed eagle symbolized the monarchy and the church, with a crown on one head and a miter on the other. Along with its somewhat holier manifestations, such as its iconography and its monastic tradition, the Russian church was as bloated with wealth and ostentation, and as oppressive, as the monarchy whose power it helped legitimize. But over the course of the 20th century Russia managed to evolve in a distinctly secular way, oppressing religious people with compulsory atheism.

The United States, uncharacteristically for a Western nation, remains a fairly religious place, where most people look for and find God in a church, or a synagogue, or a mosque. The colonies' precocious move to leave the fold of the British Empire has made the U.S. something of a living fossil in terms of cultural evolution. This is manifested in some trivial ways, such as the inability to grasp the metric system (a problem considered mostly solved in England itself) or its distinctly 18th century tendency to make a fetish of its national flag, as well as in some major ones, such as its rather half-hearted embrace of secularism.

What this difference means in the context of economic collapse is, surprisingly, next to nothing. Perhaps the American is more likely than not to start quoting the Bible and going on about the Apocalypse, the end of times, and the Rapture. These thoughts, need I say, are not conducive to survival. But the supposedly atheist Russian turned out to be just as likely to go on about The End of the World, and flocked to the newly opened churches in search of certainty and solace.

Perhaps the more significant difference is not between the prevalence and the lack of religion, but the differences between the dominant religions. In spite of the architectural ostentation of the Russian Orthodox Church, and the pomp and circumstance of its rituals, its message has always been one of asceticism as the road to salvation. Salvation is for the poor and the humble, because one's rewards are either in this world or the next, not both.

This is rather different from Protestantism, the dominant religion in America, which made the dramatic shift to considering wealth as one of God's blessings, ignoring some inconvenient points rather emphatically made by Jesus to the effect that rich

people are extremely unlikely to be saved. Conversely, poverty became associated with laziness and vice, robbing poor people of their dignity.

Thus, a Russian is less likely to consider sudden descent into poverty as a fall from God's grace, and economic collapse as God's punishment upon the people, while the religions that dominate America — Protestantism, Judaism, and Islam — all feature temporal success of their followers as a key piece of evidence that God is well-disposed toward them. What will happen once God's good will toward them is no longer manifest? Chances are, they will become angry and try to find someone other than their own selves to blame, that being one of the central mechanisms of human psychology. We should look forward to unexpectedly wrathful congregations eager to do the work of an unexpectedly wrathful God.

The United States is by no means homogeneous when it comes to intensity of religious sentiment. When looking for a survivable place to settle, it is probably a good idea to look for a place where religious fervor does not run to extremes.

The Loss of Technological Comforts

Warning: what I am about to say may be somewhat unpleasant, but I'd like to get the issue out of the way. Most of the technological progress of the 20th century resulted in a higher level of physical comfort. Yes, that's why we caused global warming, a hole in the ozone layer, and a mass extinction of plants, fish, birds, and mammals: to be somewhat more comfortable for a little while.

We all expect heating and air-conditioning, hot and cold water, reliable electricity, personal transportation, paved roads, illuminated streets and parking lots, maybe even high-speed Internet. Well, what if you had to give up all that? Or, rather, what *will* you do *when* you have to give up all that?

Most of our ancestors put up with a level of physical discomfort we would find appalling: no running hot water, an outhouse instead of a flush toilet, no central heat, and one's own two feet, or a horse, as the main means for getting around. And still they managed to produce a civilization and a culture that we can just barely manage to emulate and preserve.

It doesn't take a crisis to make public utilities go on the blink, but a crisis certainly helps. Any crisis will do: economic, financial, or even political. Consider the governor of Primorye, a region on the far side of Siberia, who simply stole all the money that was supposed to buy coal for the winter. Primorye froze. With winter temperatures around 40 below, it's a wonder there's anyone still living there. It's a testament to human perseverance. As the economic situation degenerates, events seem to unfold in a certain sequence, regardless of locale. They always seem to lead to the same result: unsanitary conditions. But an energy crisis seems to me by far the most efficacious way of depriving one of one's treasured utility services.

First, electricity begins to wink in and out. Eventually, this settles into a rhythm. Countries such as Georgia, Bulgaria and Romania, as well as some peripheral regions of Russia, have had to put up with a few hours of electricity a day, sometimes for several years. North Korea is perhaps the best Soviet pupil we have, surviving without much electricity for years. Lights flicker on as the sun begins to set. The generators struggle on

for a few hours, powering light bulbs, television sets, and radios. When it's time for bed, the lights wink out once again.

Second in line is heat. Every year, it comes on later and goes off sooner. People watch television or listen to the radio, when there's electricity, or just sit, under piles of blankets. Sharing bodily warmth has been a favored survival technique among humans through the ice ages. People get used to having less heat, and eventually stop complaining. Even in these relatively prosperous times, there are apartment blocks in St. Petersburg that are heated every other day, even during the coldest parts of winter. Thick sweaters and down comforters are used in place of the missing buckets of coal.

Third in line is hot water: the shower runs cold. Unless you've been deprived of a cold shower, you won't be able to appreciate it for the luxury that it affords. In case you are curious, it's a quick shower. Get wet, lather up, rinse off, towel off, dress, and shiver, under several layers of blankets, and let's not forget shared bodily warmth. A less radical approach is to wash standing in a bucket of warm water — heated up on the stove. Get wet, lather, rinse. And don't forget to shiver.

Next, water pressure drops off altogether. People learn to wash with even less water. There is a lot of running around with buckets and plastic jugs. The worst part of this is not the lack of running water; it is that the toilets won't flush. If the population is enlightened and disciplined, it will realize what it must do: collect their excretions in buckets and hand-carry them to a sewer inlet. The super-enlightened build outhouses and put together composting toilets, and use the proceeds to fertilize their kitchen gardens.

Under this combined set of circumstances, there are three causes of mortality to avoid. The first is simply avoiding freezing to death. It takes some preparation to be able to go camping in wintertime. But this is by far the easiest problem. The next is avoiding humans' worst companions through the ages: bedbugs, fleas, and lice. These never fail to make their appearance wherever unwashed people huddle together, and spread diseases such as typhoid, which have claimed millions of lives. A hot bath and a complete change of clothes can be a lifesaver. The hair-free look becomes fashionable. Baking the clothes in an oven kills the lice and their eggs. The last is avoiding cholera and other diseases spread through feces by boiling all drinking water.

It seems safe to assume that the creature comforts to which we are accustomed are going to be few and far between. But if we are willing to withstand the little indignities of reading by candlelight, bundling up throughout the cold months, running around with buckets of water, shivering while standing in a bucket of tepid water, and carrying our poop out in a bucket, then none of this is enough to stop us from maintaining a level of civilization worthy of our ancestors, who probably had it worse than we ever will. They were either depressed or cheerful about it, in keeping with their personal disposition and national character, but apparently they survived, or you wouldn't be reading this.

Economic Comparison

It can be said that the U.S. economy is run either very well or very badly. On the plus side, companies are lean, and downsized as needed to stay profitable, or at least in business.

There are bankruptcy laws that weed out the unfit and competition to keep productivity going up. Businesses use just-in-time delivery to cut down on inventory and make heavy use of information technology to work out the logistics of operating in a global economy.

On the minus side, the U.S. economy runs ever larger structural deficits. It fails to provide the majority of the population with the sort of economic security that people in other developed nations take for granted. It spends more on medicine and education than many other countries, and gets less for it. Instead of a single government-owned airline, it has several permanently bankrupt government-supported ones. It spends heavily on law enforcement, and has a high crime rate. It continues to export high-wage manufacturing jobs and replace them with low-wage service jobs. As I mentioned before, it is, technically, bankrupt.

Both in the former Soviet Union and in North America, the landscape has fallen victim to a massive, centrally managed uglification program. Moscow's central planners put up identical drab and soulless buildings throughout its territory, disregarding regional architectural traditions and erasing local culture. America's land developers have played a largely similar role, with a similarly ghastly result: the United States of Generica, where many places can be told apart only by reading their highway signs.

In North America, there is also a pervasive childish idiocy that has spread desolation across the entire continent: the idiocy of the traffic engineer. As Jane Jacobs cleverly illustrates, these are not engineers of the sort that solve problems and draw conclusions based on evidence, but "little boys with toy cars happily murmuring 'Zoom, Zoom, Zooom!'" [*Dark Age Ahead*, p. 79] The landscape that makes them happy is designed to waste as much fuel as possible by trapping people in their cars and making them drive around in circles.

It can also be said that the Soviet economy was run either very well or very badly. On the plus side, that system, for all its many failings, managed to eradicate the more extreme forms of poverty, malnutrition, many diseases, and illiteracy. It provided economic security of an extreme sort: everyone knew exactly how much they would earn, and the prices of everyday objects remained fixed. Housing, health care, education, and pensions were all guaranteed. Quality varied; education was generally excellent, housing much less so, and Soviet medicine was often called "the freest medicine in the world" — with reasonable service achievable only through private arrangements.

On the minus side, the centrally planned behemoth was extremely inefficient, with high levels of loss and outright waste at every level. The distribution system was so inflexible that enterprises hoarded inventory. It excelled at producing capital goods, but when it came to manufacturing consumer goods, which require much more flexibility than a centrally planned system can provide, it failed. It also failed miserably at producing food, and was forced to resort to importing many basic foodstuffs. It operated a huge military and political empire, but, paradoxically, failed to derive any economic benefit from it, running the entire enterprise at a net loss.

Also paradoxically, these very failings and inefficiencies made for a soft landing. Because there was no mechanism by which state enterprises could go bankrupt, they often continued to operate for a time at some low level, holding back salaries or scaling back production. This lessened the number of instant mass layoffs or outright closings, but where these did occur, they were accompanied by very high mortality rates among men between the ages of 45 and 55, who turn out to be psychologically the most vulnerable to sudden loss of career, and who either drank themselves to death or committed suicide.

People could sometimes use their old, semi-defunct place of employment as a base of operations of sorts, from which to run the kind of black market business that allowed many of them to gradually transition to private enterprise. The inefficient distribution system, and the hoarding to which it gave rise, resulted in very high levels of inventory, which could be bartered. Some enterprises continued to operate in this manner, bartering their leftover inventory with other enterprises, in order to supply their employees with something they could use or sell.

What parallels can we draw from this to employment in the post-collapse United States? Public sector employment may provide somewhat better chances for keeping one's job. For instance, it is unlikely that all schools, colleges, and universities will dismiss all of their faculty and staff at the same time. It is somewhat more likely that their salaries will not be enough to live on, but they may, for a time, be able to maintain their social niche. Properties and facilities management is probably a safe bet: as long as there are properties that are considered valuable, they will need to be looked after. When the time comes to dismantle them and barter off the pieces, it will help if they are still intact, and one has the keys to them.

Economic Collapse in the U.S.

A spontaneous soft landing is unlikely in the U.S., where a large company can decide to shut its doors by executive decision, laying off personnel and auctioning off capital equipment and inventory. Since in many cases the equipment is leased and the inventory is just-in-time and therefore very thin, a business can be made to evaporate virtually overnight. Since many executives may decide to cut their losses all at once, seeing the same economic projections and interpreting them similarly, the effect on communities can be utterly devastating.

Most people in the U.S. cannot survive very long without an income. This may sound curious to some people — how can anyone, anywhere survive without an income? Well, in post-collapse Russia, if you didn't pay rent or utilities — because no-one else was paying them either — and if you grew or gathered a bit of your own food, and you had some friends and relatives to help you out, then an income was not a prerequisite for survival. Most people got by, somehow.

But most people in the U.S., once their savings are depleted, would in due course be forced to live in their car, or in some secluded stretch of woods, in a tent, or under a tarp. There is currently no mechanism by which landlords can be made not to evict deadbeat tenants, or banks be prevailed upon not to foreclose on nonperforming loans. A wholesale reintroduction of rent control seems politically unlikely. Once enough residential and commercial real estate becomes vacant, and law enforcement becomes lax or nonexistent, squatting becomes a real possibility. Squatters usually find it hard to get mail and other

services, but this is a very minor issue. More importantly, they can be easily dislodged again and again.

Homelessness

The term "loitering" does not translate into Russian. The closest equivalent one can find is something along the lines of "hanging around" or "wasting time," in public. This is important, because once nobody has a job to go to, the two choices they are presented with are sitting at home, and, as it were, loitering. If loitering is illegal, then sitting at home becomes the only choice.

The U.S. and the Soviet Union were at two extremes of a continuum between the public and the private. In the Soviet Union, most land was open to the public. Even apartments were often communal, meaning that the bedrooms were private, but the kitchen, bathroom, and hallway were common areas. In the U.S., most of the land is privately owned, some by people who put up signs threatening to shoot trespassers. Most public places are in fact private, marked "Customers Only" and "No Loitering." Where there are public parks, these are often "closed" at night, and anyone trying to spend a night there is likely to be told to "move along" by the police.

After the collapse, Russia experienced a swelling of the ranks of people described by the acronym "BOMZh," which is actually short for "BOMZh i Z," and stands for "persons without a definite place of residence or employment." The *bomzhies*, as they came to be called, often inhabited unused bits of the urban or rural landscape, where, with nobody to tell them to "move along," they were left largely in peace. Such an indefinite place of residence was often referred to as *bomzhatnik*. English badly needs a term for that. Perhaps we could call it a "bum garden" — it is as much a garden as an "office park" is a park.

When the U.S. economy collapses, one would expect employment rates, and, with them, residency rates, to plummet. It is hard to estimate what percentage of the U.S. population would, as a result, become homeless, but it could be quite high, perhaps becoming so commonplace as to remove the stigma. A country where most of the neighborhoods are structured so as to exclude people of inadequate means, in order to preserve property values, is not a pleasant place to be a bum. Then again, when property values start dropping to zero, we may find that some of the properties spontaneously re-zone themselves into "bum gardens," with no political will or power anywhere to do anything about it.

I do not mean to imply that Russian bums have a good time of it. But because most of the Russian population was able to keep their place of residence in spite of a collapsing economy, the percentage of *bomzhies* in the general population never made it into the double digits. These most unfortunate cases led short, brutal lives, often in an alcoholic haze, and accounted for quite a lot of Russia's spike in post-collapse mortality. Some of them were refugees — Russians ethnically cleansed from the newly independent, suddenly nationalistic republics — who could not be easily reabsorbed into the Russian population due to Russia's chronic housing shortage.

Communal Survival

Russia's chronic housing shortage was partly caused by the

spectacular decline of Russian agriculture, which caused people to migrate to the cities, and partly due simply to the inability of the government to put up buildings quickly enough. What the government wanted to put up was invariably an apartment building: 5 floors, 9 floors, and even some 14-floor towers. The buildings went up on vacant, or vacated, land, and were usually surrounded by a generous portion of wasteland, which, in the smaller cities and towns, and in places where the soil is not frozen year-round, or covered with sulfur or soot from a nearby factory, was quickly converted into kitchen gardens.

The quality of construction always looked a bit shabby, but has turned out to be surprisingly sound structurally and quite practical. Mostly it was reinforced concrete slab construction, with ceramic tile on the outside and hard plaster for insulation on the inside. It was cheap to heat, and usually had heat, at least enough of it so that the pipes wouldn't freeze, with the steam supplied by a gigantic central boiler that served an entire neighborhood.

One often hears that the shabbiest of these Soviet-era apartment blocks, termed "*Khrushcheby*" — a melding of Khrushchev, who ordered them built, and "*trushcheby*" (Russian for "slums") — are about to start collapsing, but they haven't done so yet. Yes, they are dank and dreary, and the apartments are cramped, and the walls are cracked, and the roof often leaks, and the hallways and stairwells are dark and smell of urine, but it's housing.

Because apartments were so hard to come by, with waiting lists stretched out for decades, several generations generally lived together. This was often an unpleasant, stressful, and even traumatic way to live, but also very cheap. Grandparents often did a lot of the work of raising children, while the parents worked. When the economy collapsed, it was often the grandparents who took to serious gardening and raised food during the summer months. Working-age people took to experimenting in the black market, with mixed results: some would get lucky and strike it rich, while for others it was lean times. With enough people living together, these accidental disparities tended to even out at least to some extent.

A curious reversal took place. Whereas before the collapse, parents were often in a position to provide some financial help to their adult children, now the opposite is true. Older people who do not have children are much more likely to live in poverty than those who have children to support them. Once financial capital is wiped out, human capital becomes essential.

A key difference between Russia and the U.S. is that Russians, like most people around the world, generally spend their entire lives living in one place, whereas Americans move around constantly. Russians generally know, or at least recognize, most of the people who surround them. When the economy collapses, everyone has to confront an unfamiliar situation. The Russians, at least, did not have to confront it in the company of complete strangers. On the other hand, Americans are far more likely than Russians to help out strangers, at least when they have something to spare.

Another element that was helpful to Russians was a particular feature of Russian culture: since money was not particularly useful in the Soviet era economy, and did not convey status or success, it was not particularly prized either, and shared rather freely. Friends thought nothing of helping each other out in

times of need. It was important that everyone had some, not that one had more than the others. With the arrival of market economics, this cultural trait disappeared, but it persisted long enough to help people to survive the transition.

Smelling the Roses

Another note on culture: once the economy collapses, there is generally less to do, making it a good time for the naturally idle and a bad time for those predisposed to keeping busy.

Soviet-era culture had room for two types of activity: normal, which generally meant avoiding breaking a sweat, and heroic. Normal activity was expected, and there was never any reason to do it harder than expected. In fact, that sort of thing tended to be frowned upon by "the collective," or the rank and file. Heroic activity was celebrated, but not necessarily rewarded financially.

Russians tend to look in bemused puzzlement on the American compulsion to "work hard and play hard." The term "career" was in the Soviet days a pejorative term — the attribute of a "careerist" — someone greedy, unscrupulous, and overly "ambitious" (also a pejorative term). Terms like "success" and "achievement" were very rarely applied on a personal level, because they sounded overweening and pompous. They were reserved for bombastic public pronouncements about the great successes of the Soviet people. Not that positive personal characteristics did not exist: on a personal level, there was respect given to talent, professionalism, decency, sometimes even creativity. But "hard worker," to a Russian, sounded a lot like "fool."

A collapsing economy is especially hard on those who are accustomed to prompt, courteous service. In the Soviet Union, most official service was rude and slow, and involved standing in long lines. Many of the products that were in short supply could not be obtained even in this manner, and required something called *blat*: special, unofficial access or favor. The exchange of personal favors was far more important to the actual functioning of the economy than the exchange of money. To Russians, *blat* is almost a sacred thing: a vital part of culture that holds society together. It is also the only part of the economy that is collapse-proof, and, as such, a valuable cultural adaptation.

Most Americans have heard of Communism, and automatically believe that it is an apt description of the Soviet system, even though there was nothing particularly communal about a welfare state and a vast industrial empire run by an elitist central planning bureaucracy. But very few of them have ever heard of the real operative "ism" that dominated Soviet life: *Dofenism*, which can be loosely translated as "not giving a rat's ass." A lot of people, more and more during the "stagnation" period of the 1980's, felt nothing but contempt for the system, did what little they had to do to get by (night watchman and furnace stoker were favorite jobs among the highly educated) and got all their pleasure from their friends, from their reading, or from nature.

This sort of disposition may seem like a cop-out, but when there is a collapse on the horizon, it works as psychological insurance: instead of going through the agonizing process of losing and rediscovering one's identity in a post-collapse environment, one could simply sit back and watch events unfold. If you are currently "a mover and a shaker," of things or people

or whatever, then collapse will surely come as a shock to you, and it will take you a long time, perhaps forever, to find more things to move and to shake to your satisfaction. However, if your current occupation is as a keen observer of grass and trees, then, post-collapse, you could take on something else that's useful, such as dismantling useless things.

The ability to stop and smell the roses — to let it all go, to refuse to harbor regrets or nurture grievances, to confine one's serious attention only to that which is immediately necessary, and not to worry too much about the rest — is perhaps the one most critical to post-collapse survival. The most psychologically devastated are usually the middle-aged breadwinners, who, once they are no longer gainfully employed, feel completely lost. Detachment and indifference can be most healing, provided they do not become morbid. It is good to take your sentimental nostalgia for what once was, is, and will soon no longer be, up front, and get it over with.

Asset Stripping

Russia's post-collapse economy was for a time dominated by one type of wholesale business: asset stripping. To put it in an American setting: suppose you have title, or otherwise unhindered access, to an entire suburban subdivision, which is no longer accessible by transportation, either public or private, too far to reach by bicycle, and is generally no longer suitable for its intended purpose of housing and accumulating equity for fully employed commuters who shop at the now defunct nearby mall. After the mortgages are foreclosed and the properties repossessed, what more is there to do, except board it all up and let it rot? Well, what has been developed can be just as easily undeveloped.

What you do is strip it of anything valuable or reusable, and either sell or stockpile the materials. Pull the copper out of the streets and the walls. Haul away the curbstones and the utility poles. Take down the vinyl siding. Yank out the fiberglass insulation. The sinks and windows can surely find a new use somewhere else, especially if no new ones are being made.

Having bits of the landscape disappear can be a rude surprise. One summer I arrived in St. Petersburg and found that a new scourge had descended on the land while I was gone: a lot of manhole covers were mysteriously missing. Nobody knew where they went or who profited from their removal. One guess was that the municipal workers, who hadn't been paid in months, took them home with them, to be returned once they got paid. They did eventually reappear, so there may be some merit to this theory. With the gaping manholes positioned throughout the city like so many anteatraps for cars, you had the choice of driving either very slowly and carefully, or very fast, and betting your life on the proper functioning of the shock absorbers.

Post-collapse Russia's housing stock stayed largely intact, but an orgy of asset stripping of a different kind took place: not just left-over inventory, but entire factories were stripped down and exported. What went on in Russia under the guise of privatization, is a subject for a different article, but whether it's called "privatization" or "liquidation" or "theft" doesn't matter: those with title to something worthless will find a way to extract value from it, making it even more worthless. An abandoned suburban subdivision might be worthless as housing, but valuable as a dump site for toxic waste.

Just because the economy is going to collapse in the most oil-addicted country on earth doesn't necessarily mean that things will be just as bad everywhere else. As the Soviet example shows, if the entire country is for sale, buyers will materialize out of nowhere, crate it up, and haul it away. They will export everything: furnishings, equipment, works of art, antiques. The last remnant of industrial activity is usually the scrap iron business. There seems to be no limit to the amount of iron that can be extracted from a mature post-industrial site.

Food

The dismal state of Soviet agriculture turned out to be paradoxically beneficial in fostering a kitchen garden economy, which helped Russians to survive the collapse. At one point it became informally known that 10% of the farmland — the part allocated to private plots — was being used to produce 90% of the food. Beyond underscoring the gross inadequacies of Soviet-style command and control industrial agriculture, it is indicative of a general fact: agriculture is far more efficient when it is carried out on a small scale, using manual labor.

Russians always grew some of their own food, and scarcity of high-quality produce in the government stores kept the kitchen garden tradition going during even the more prosperous times of the 60s and the 70s. After the collapse, these kitchen gardens turned out to be lifesavers. What many Russians practiced, either through tradition or by trial and error, or sheer laziness, was in some ways akin to the new organic farming and permaculture techniques. Many productive plots in Russia look like a riot of herbs, vegetables, and flowers growing in wild profusion.

Forests in Russia have always been used as an important additional source of food. Russians recognize, and eat, just about every edible mushroom variety, and all of the edible berries. During the peak mushroom season, which is generally in the fall, forests are overrun with mushroom-pickers. The mushrooms are either pickled or dried and stored, and often last throughout the winter.

Recreational Drug Use

A rather striking similarity between Russians and Americans is their propensity to self-medicate. While the Russian has traditionally been single-heartedly dedicated to the pursuit of vodka, the American is more likely than not to have also tried cannabis. Cocaine has also had a big effect on American culture, as have opiates. There are differences as well: the Russian is somewhat less likely to drink alone, or to be apprehended for drinking, or being drunk, in public. To a Russian, being drunk is almost a sacred right; to an American, it is a guilty pleasure. Many of the unhappier Americans are forced by their circumstances to drink and drive; this does not make them, nor the other drivers, nor the pedestrians (should any still exist) any happier.

The Russian can get furiously drunk in public, stagger about singing patriotic songs, fall into a snow bank, and either freeze to death or be carted off to a drunk tank. All this produces little or no remorse in him. Based on my reading of H. L. Mencken, America was also once upon a time a land of happy drunks, where a whiskey bottle would be passed around the courtroom at the start of the proceedings, and where a drunken jury would later render a drunken verdict, but Prohibition ruined all that.

Russia's prohibition lasted only a few short years, when Gorbachev tried to save the nation from itself, and failed miserably.

When the economy collapses, hard-drinking people everywhere find all the more reason to get drunk, but much less wherewithal with which to procure drink. In Russia, innovative market-based solutions were quickly improvised, which it was my privilege to observe. It was summer, and I was on a local electric train heading out of St. Petersburg. It was packed, so I stood in the vestibule of the car, and observed rainbows (it had just rained) through the missing windowpane. Soon, activity within the vestibule caught my attention: at each stop, grannies with jugs of moonshine would approach the car door and offer a sniff to the eager customers waiting inside. Price and quality were quickly discussed, an agreed-upon quantity was dispensed in exchange for a fistful of notes, jug to mug, and the train moved on. It was a tense atmosphere, because along with the paying customers there came many others, who were simply along for the ride, but expected their fair share nevertheless. I was forced to make a hasty exit and jam myself into the salon, because the freeloaders thought I was taking up valuable freeloading space.

There might be a few moonshine-makers left in rural parts of the United States, but most of the country seems to be addicted to cans and bottles of beer, or jugs, plastic or glass, of liquor. When this source dries up due to problems with interstate trucking, local breweries will no doubt continue to operate, and even expand production, to cope with both old and new demand, but there will still be plenty of room for improvisation. I would also expect cannabis to become even more widespread; it makes people less prone to violence than liquor, which is good, but it also stimulates their appetite, which is bad if there isn't a lot of food. Still, it is much cheaper to produce than alcohol, which requires either grain or natural gas and complicated chemistry.

In all, I expect drugs and alcohol to become one of the largest short-term post-collapse entrepreneurial opportunities in the United States, along with asset stripping, and security.

What's Up with That? Oil Prices and the IEA

By
Dale Allen Pfeiffer

[Dale Allen Pfeiffer looks into the boom in oil prices and a none-too-honest report by the IEA. —JAH]

Oil Prices

June 30, 2005 1000 PST (FTW) -- **E**verybody is wondering what has happened to the price of oil. Have we reached the peak in world oil production? Or is it simply a matter of greed on the part of suppliers and producers? The answer to both of these questions is a qualified no. I'm sure there is an element of greed here, but that isn't the major factor behind rising oil prices. And we probably haven't reached the peak of world oil

production just yet. Of course, we will only know that after the fact.

What is happening is a display of supply and demand mechanics. As we are nearing the peak in global oil production, there is very little spare capacity remaining to boost production. And the new fields coming on line are doing little more than making up for the lost production in older fields. Supply is approaching a threshold, yet demand is surging ahead of it.

Half a year ago, I said that we could see a weakening in oil prices this year as the last of the megafields comes on line. Boy was I wrong. What I did not figure on was the surge in demand, particularly from China and India. These two countries are modernizing at a spectacular rate, and their thirst for oil has grown tremendously in just the last year. On top of this, the infrastructure which supplies oil to the world and which refines that oil into commercial products is strained to capacity and is proving itself unable to keep up with rising demand. Add to this the business practice of supply for demand without overproduction or a substantial reserve, and you have a situation where any little disruption anywhere ripples throughout the system, resulting in rising prices.

Many analysts are saying that what we need are more refineries, more supertankers, and more exploration. And the reason why oil companies aren't investing in these things, they say, is the bane of any free market endeavor—those dreaded environmental restrictions. It simply costs too much, they insist, to meet those unfair restrictions. Pollution and human health are of no concern when measured against economic health. While environmental regulations do raise the price of infrastructure, they are not preventing it from being built.

The bottom line is that infrastructure is not being built because the industry knows it will not pay back their investment. It is for the same reason that they are cutting exploration instead of increasing it. This is why, at a time of record oil prices, companies continue with their mergers and downsizing. They are trimming themselves down to the bone so that they can survive for as long as possible after world oil production begins its irreversible decline.

I still believe that we could see an easing in oil prices this year, *if* (and it is a big *if*) rising demand can be brought to heel and there are no disruptions. Curbing demand would pretty much mean allowing a recession, and all economic philosophy is against that. Oil prices could be one of the factors holding the US at bay from Iran and Venezuela. Oil supply disruption from either of these countries could be enough to send oil prices surging toward \$100/barrel. But it is difficult to say what delusions might be entertained in the fantasy world of George W. Bush. Should god tell him it is his holy duty to attack Iran, I have no doubt that he will do so.

There is also the question of Ghawar, the world's largest oil field, located in Saudi Arabia. Reports are coming out which indicate that Ghawar may be on the verge of collapse due to overproduction and unsound production practices. Many of the wells in that field are rumored to be already producing half water. The collapse of Ghawar would send a shock around the world which would announce the end of the oil age.

So it would seem that the old Chinese curse is being fulfilled, and we are living in interesting times. It is difficult to foresee all

the factors which might play into our future. Without a doubt, we are living through a singular period in history such as has never happened before, and will never happen again.

GM & the Airlines

GM's plan to cut 25,000 jobs and close several plants in the US is making big news. But once again, the media are reporting this from the perspective of investors, not workers. Wall Street was pleased with this news, though they would like to see even deeper cuts. To judge from the media and Wall Street, nobody really understands what is happening here.

GM is culling itself in preparation for the irreversible decline in oil production and ensuing economic havoc. The company has been looted, and now it will begin a long process of downsizing. Forget about the hydrogen fuel cell vehicles, forget about the hybrids. That is just a smokescreen to prevent Wall Street from panicking while the company is fleeced and the workers are given the pink slip. The simple fact is that it requires too much energy to sustain an automobile culture, not just for fuel to burn in the automobiles, but for the production of those vehicles, and for the infrastructure to drive them on.

We fully expect that in the upcoming years, GM will announce more layoffs and more plant closings. As we move beyond the peak in global oil production, GM will trim itself right down to the bone. And the price of the automobiles it does produce will rise as a multiple of oil prices, whether they are diesel vehicles, hybrids, or fuel cell powered.

It will be interesting to see what happens with their business in China. As GM slashes their American workforce and closes up plants in this country, will they make any cuts in China? This is highly unlikely. However, if they increase their presence in China, it could be a sign that the major financiers are looking for China to come out on top in the struggle for post-peak position.

It remains to be seen how the UAW will react to all this. The chances are it will allow its workers to go down with little more than a whimper. Workers in the US need to remember their labor history and rise up. It was not through the magnanimity of employers that we have made all of our gains, but through hard struggle and bloodshed. Will we meekly allow everything to be stripped away from us without so much as a single wild-cat strike? We owe it to the ancestors who fought for our rights, and we owe it to our children. When GM announced mass layoffs in Europe, the workers there went on strike. Let us take a cue from them.

This goes double for employees of the airlines. The major airlines are also becoming early casualties of peak oil. And to cut off ballast so that they can continue to fly for a while longer, they are eager to renege on their pension plans. It's as though aging employees of the airlines are to be pushed out of the door of flying planes without a parachute. Next they will ask passengers to fly their own planes.

Be sure to keep GM and the airlines in mind as you read the further installments of Dmitry Orlov's series [Post-Soviet Lessons for a Post-American Century](#). He has some very interesting things to say comparing how Russian companies handled economic crash in contrast with what will happen in the US.

IEA Report on Saving Electricity

The International Energy Agency (IEA) has issued a 130 page report titled [Saving Electricity in a Hurry](#) - dealing with temporary shortfalls in electricity supplies. Some people, on seeing the title of this report, have thought that the IEA is admitting that our electrical infrastructure and supply are heading for a crisis. This is not what the report says.

This report is issued as part of the IEA's mandate to provide policies for energy security, economic growth and environmental sustainability. Power outages throughout the world over the past few years have no doubt provided the stimulus for this study. But the IEA is in no way worried about major, irresolvable crises in energy production. They have not backed away from their view that hydrocarbon depletion is a distant problem which will be resolved by new energy sources before it ever impinges upon the economy.

Instead, the IEA is concerned with temporary shortfalls where an end to the shortfall is in sight, the infrastructure remains intact, yet the shortfall is more serious than can be handled through the utility's standard Demand Response program. The report examines previous shortages in the US, Sweden, Japan, Brazil and New Zealand to see how these countries dealt with their shortages by immediately cutting consumption up to 20%.

The report lists three main strategies to save electricity quickly:

- raise electricity prices
- encourage behavioral changes
- introduce more energy efficient technologies.

The report suggests a number of conservation tactics which people can use: re-setting thermostats, switching off non-essential lighting, switching off office equipment or placing it in "sleeper" mode, installation of energy efficient lighting, and replacing old equipment (including refrigerators) with newer, energy efficient models. The report also offers cute but dubious suggestions such as having fast food joints print energy saving tips on their packaging (though the energy expense of producing this wasteful packaging is not discussed). I am not saying that energy conservation is unimportant. But by itself, energy conservation will not avert a crisis.

Nowhere in this report is there a mention of anything as serious as a Natural Gas Cliff.

Read *FTW* on this topic:

- [Natural Gas Crisis](#)
- [When Markets Fail - America Leaps Off the Gas Cliff Without a Parachute](#)
- [NATURAL GAS UPDATES - A DARK AND COLD FUTURE](#)
- [Oil Shortages Look Certain by 2007 - LNG to the Rescue?](#)
- [Eating Fossil Fuels](#)

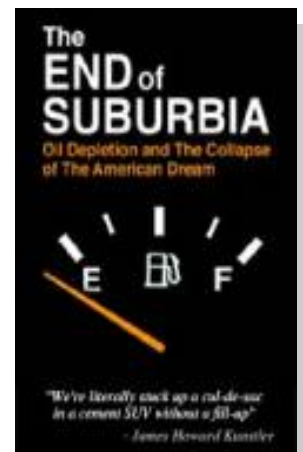
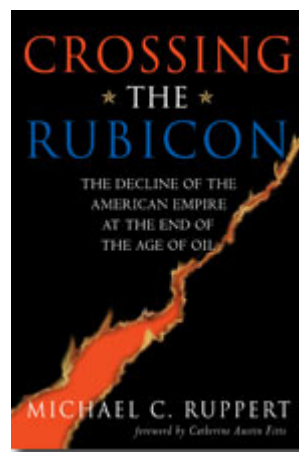
The only major recommendation is an overhaul of electrical

infrastructure. The main thrust of the report is the need for an advertising blitz to get consumers to conserve. As if we can avoid an energy crisis with a cute advertisement and a funny joke, and by turning off that porch light. This while severe outages continue to pop up around the world, most recently in Russia, where the official response was to go out and arrest someone they could blame for the outage.

So we march on toward the end of the hydrocarbon era with our denial securely intact.

Many thanks to the IEA.

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