

The Way of All Empires

The United States on the Eve of Peak Oil

A book review of *Confronting Collapse: The Crisis of Energy and Money in a Post-Peak Oil World* by Michael C. Ruppert

Ian Baldwin

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For me, Michael Ruppert is the Paul Revere of our present moment in history. Revere risked his life to carry news and vital communiqués to the leaders of the burgeoning secessionist movement in Boston all the way southward to New York and Philadelphia. On his historic night of “alarming” the countryside en route to the Lexington homes of the secessionist leaders Samuel Adams and John Hancock, a sentry confronted him and asked Revere not to make so much noise. “Noise!” exclaimed Revere, “you’ll have noise enough before long.”

Like Revere before him, Ruppert is a dedicated, hard-riding messenger, who has risked his life to bear news vital to the survival of a society grown suddenly global. Of course, Ruppert’s message is not about the dreaded approach of the redcoats, but a far larger, far more formidable, and yet strangely less visible, “enemy” known to some by the name of Peak Oil. Or, perhaps more accurately, Peak Oil and Peak Money.

Ruppert describes his purpose as an activist-writer thus: “to impart to as many individual human beings as possible the gut-level awareness of the magnitude of the crisis we face, and to enable those who do understand to prepare to face it, free of denial and with open eyes.” It is fortuitous that a filmmaker of Chris Smith’s consummate skill has given us a riveting hour-and-twenty-minute window into Ruppert’s mind and soul in *Collapse*, which began as a project about peak oil and ended up as a film featuring the man who made the subject his cause célèbre.

Although he may not yet be a household name, Michael C. Ruppert’s first book, *Crossing the Rubicon: The Decline of the American Empire at the End of the Age of Oil* (2004), a complex and labyrinthine tour of the multi-chambered basement of imperial power, sold more than 100,000 copies.

Rubicon became the Rosetta Stone for those who sought to deconstruct the most impenetrable, disguised machinations of power on the global stage and provided its readers with a veritable map of the post-9/11 world.

The phenomenon of peak oil has only recently gained consensus among a broad range of experts, despite being discussed and argued about for at least two decades. It is not about running out of oil, a common misconception. It is about running out of cheap oil. That is the peg on which the peak-oil story hangs. And it is quite a story. Ruppert writes early on in *Confronting Collapse*: “The edifice of human civilization . . . is built upon cheap oil.” He then adds, “There is no combination of alternative energies anywhere . . . that will sustain the structure built by [cheap] oil and fossil fuels.” It turns out the American Dream is negotiable after all. (Or soon will be.)

Unlike money, or credit, which may be and is being loaned into limitless existence by the central bankers 24-7, energy sources are bounded. And yet, as Ruppert insists, “Money has no value without energy to back it up.” This essential and exquisite insight into the relationship between energy and

money is either ignored or glossed over by nearly every economist who advises hapless governments, national and local.

“Energy, not money,” claims Ruppert, “is the root of all economic activity . . . the equivalent of free slave labor for industrial civilization.” And what a source of “free” labor it has been for those of us who have lived and live in the last and present centuries! One \$2.69 gallon of gasoline yields us 500 slave hours of work, or the equivalent of owning three weeks’ of slave labor. Anyone who commandeers the energy equivalent of a barrel of oil, for the moment priced at about \$80, gets the energy-equivalent work of a human slave for two to three years—23,200 hours worth. Talk about cheap! However messy or proximate these slave-work analogies may be, they signify one thing for sure: cheap oil has meant boom times, and no nation has sucked up more of the black gold and enjoyed its oomph more than the United States.

Ruppert and other peak oil students believe that in 2005 the world economy climbed to the top of the bell-shaped curve that describes the useful life of oil (and practically any other nonrenewable resource located on earth). We humans now live atop the Bumpy Plateau, where global supply cannot be much expanded regardless of demand expressed by oil’s price. The bumps on the world economy’s road consist of price-driven dips down (a.k.a. recessions caused by “demand destruction”) and rises (a.k.a. faux “recoveries,” caused by massive inputs of central bank fiat money) that overall are making for a rocky ride for anyone who’s not an investment banker.

The ride, and its eventual destination, matters not much to those Lords of the Universe who inhabit the warrens of Goldman Sachs, J.P. Morgan Chase, Citibank, the Federal Reserve, and the U.S. Treasury (as well as “too big to fail” banks elsewhere on the planet), for whom the laws of economic growth are more certain and reliable than the laws of thermodynamics (or any other science whose laws govern life), and who in the end are principally concerned to “make money on the way up and make money on the way down.”

In *Confronting Collapse*, Ruppert reminds us more than once, during the course of his terse deconstruction of peak oil, that “Until we change the way money works, we change nothing.” In the interim, we bear witness to the ravishment of our own wealth as ordinary Americans. “Simply put, more money can be made—more quickly—by accelerating decline, bankrupting the country, starving people, and selling off assets than by investing it in rebuilding under a new economic paradigm or by trying to soften the crash. . . . Financial markets have no long-term vision in the infinite growth paradigm. . . . The current economic paradigm will find that it uses less energy to make more money by driving things [assets, such as housing] down than by building them up.”

At this juncture the hard facts of energy returned on energy invested (EROEI) raise their stony heads. According to Ruppert, “EROEI is at the heart of what sustainability means,” the litmus test all new energy sources must pass (and few do). The search for the hard-to-find-and-hard-to-produce oil and other fossil sources of energy has already begun in earnest, albeit amidst confusing price signals. Demand decreases in the OECD countries (Organization for Economic Cooperation and Development) but rises in massive nations like China, India, and Brazil, as well as in oil-dense nations such as the Arab Gulf states, yielding a relentless net upward pressure on price.

EROEI now guides the calculus of energy enterprises and governments. If you have to invest \$100 to get an \$80 barrel of oil, are you going to do it? Not likely, even on spec. As for the oil fields already drilled, “Once it takes more than one barrel of oil . . . to extract one barrel of oil, an oil field is considered dead.” More than 96 percent of all the oil used in the world to date has been used since the United States entered World War II. Earlier in the last century, when the oil boom started in earnest, one barrel of energy-equivalent oil yielded an astonishing 100 barrels returned. Kaboom! That same barrel of oil invested today yields a meager three barrels here in the United States. In Saudi Arabia, where one quarter of all the world’s oil is estimated to lie, and whose reserves are a closely guarded state secret, drilling offshore has begun (despite Saudi assurances that its onshore storehouse is practically limitless). As for oil produced from shale, tar sands, and coal, from deep

beneath the Arctic and other oceans, off Brazil's coast and in the Gulf of Mexico, such wished-for bonanzas are likely to yield EROEIs of 2:1 or less. A world built on such expensive energy will be profoundly, comprehensively different from the one built on 100:1 energy.

Entry onto the Bumpy Plateau has given us precious "transition time" to "power down" while not-yet-too-expensive energy reserves are available to repair and maintain the infrastructure that "lies at the heart of complex civilizations . . . without which civilization starts to break down." Plugging the leaks in the dikes that are our infrastructure gives us time to start the work of relocating our economies, plural. Make no mistake, Ruppert is "alarming" us, as did Revere in a similarly life-threatening situation 235 years ago, to relocate our food and energy systems now, without delay. We must come to understand that "globalization," a term for the American Dream gone viral, "will die with ever-increasing [fossil] fuel costs."

Some peak oil analysts believe the Bumpy Plateau—our final breathing space or "transition-time"—may last for one or two decades, to 2015 or 2025 (or possibly longer). Ruppert is not among this sanguinary lot. In a personal communication he has told me 2010 could be the year when the global economy "goes over the cliff." I myself am agnostic on the timing, if not about the event itself. "The United States," he told me, "will be impossible to govern as a single nation. . . . There are only 13 combat brigades in the U.S. and these will not be enough to prevent chaos." Like Rome was, the United States will be caught with its troops scattered over the face of the earth fighting perpetual imperial wars on multiple frontiers where the last sweet crude still flows in a world grown ravenous for every last drop.

In a recent *Foreign Affairs* essay, “Complexity and Collapse: Empires at the Edge of Chaos,” the historian Niall Ferguson suggests that empires are complex systems that “operate somewhere between order and disorder—on the edge of ‘chaos.’” Following the theory of complex systems, Ferguson reminds readers just how fast actual civilizations do in fact collapse, contrary to the ex post facto narratives of professional historians. Rome—that is, the Western Roman Empire—fell “within the span of a single generation.” That was a long time ago, when transportation and communication systems were almost infinitely slower than they are today.

The incomparable 300-year old Ming Dynasty’s fall “from equipoise to anarchy took little more than a decade.” The relatively modern Hapsburg, Ottoman, Romanov, and British empires all ceased to be empires swiftly. Closer in time to our own era was the former Soviet Union. “If ever an empire fell off a cliff, rather than gently declining—it was the one founded by Lenin,” Ferguson notes. He concludes his essay by observing that, like it or not, the collapse of empires (and the civilizations they embody) “is sudden.”

Ruppert thus hardly stands alone in his assessment of the precarious condition of the United States, and indeed of the whole of industrial civilization. Written in 2008, his new book contains many very specific and useful recommendations whose chances for adoption are now less than what they were when “change we can believe in” was a slogan that energized a plurality of voting Americans. However, in light of his ruthlessly sober observation that “recovery is what will kill us,” do we have a choice—and a chance?

We do. We must confront the truth of peak oil and begin the long march toward radical relocalization of fundamental life-supporting economic enterprises such as agriculture, energy, credit and currency, education, security, and health, and toward the creation of a new economic paradigm that permits us to live in equilibrium with our natural Earth-given endowments, both renewable and nonrenewable, wherever we ourselves are located. And become sovereign in our own local domains.

Just as “union” was once necessary for nations, including our own, to survive and flourish in the wide-open, expansive energy era of the mid-nineteenth and early twentieth centuries, today’s conditions, which are being determined by peak-oil-driven collapse, make secession the new survival zeitgeist, as inevitable as “union” was 150 years ago. Survival won’t be in empires or regional hegemony but in the locales where we live as flesh-and-blood beings, growing our own food (no thank you, Monsanto), making our own energy (no thank you, ExxonMobil), assuring our own security (no thank you, Pentagon), making our own currency (no thank you, Federal Reserve), and issuing our own credit (no thank you, Goldman Sachs).

And thereby secede. Secede from the old paradigm and all that it enables, preeminently the thievery, murder, and wanton destruction of empire itself.