

TRENDEVENTS MAY 2006

We open our newsletter with a 1933 article by Howard Scott, which lifts the curtain of fog concealing 'the murderous purpose of monetary Profit'... To know the 'Price System' is to understand the story behind PEAK Oil and the Energy Crisis laid bare in the 2nd article "The Paradigm is the Enemy" which follows...

Technology Smashes The Price System By Howard Scott (Director-in-Chief of Technocracy Inc.) A 1990 condensation of an article that appeared in the January 1933 issue of Harper's magazine

"Modern industry is operated under the Price System, and to be successful it must do one thing: it must make a profit and pay a return on the money invested. Forgetting all other considerations for a moment, the amount of profit depends on the quantity of goods that can be sold. That is the reason for the incessant cry for trade expansion abroad and at home. On the other hand, inside his plant the producer has found that his profit increases if he cuts the cost of production, and that the surest way to do this is by producing on a large scale by means as automatic as possible--in other words with machines. A producer does not install machines in order to give his employees more leisure; he uses machines because they multiply, many times over, the output of which his employees were capable and at a faster and much cheaper rate. It is only lately that people have observed that the producer is putting out a most sinister profitless product -- unemployment....

"It happens that industrial investment is made for the most part by a very small fraction of our population, and the return on that investment must be put somewhere. It has been argued that this interest and dividend return goes into circulation again, but this is exactly what does not happen. The small investing fraction of our population cannot possibly spend all their interest and dividends, and the result is that this return must be reinvested in production.

There is nothing else to do with it. "Why is it that with all the available sources of energy in America the Price System will not work? The reason is that the Price System demands that the price of labor be high enough to buy the goods produced. The use of technology (in) industry sets three things in conflict with the system itself:

The mechanics of placing purchasing power in the hands of the consumer is the exchange of money for the consumer's time (or labor) and technology is reducing the total amount of time required.

The working of the Price System has forced the manufacturer to reduce the total number employed rather than to distribute the amount of time required among the total number of available workers. Technology has now advanced to a point where it has substituted extraneous energy for man- hours on an equal basis and where the distribution of human labor becomes impossible.

Through increased investment in machines -- made necessary by the increasing rate at which they go out of date -- the manufacturer is forced to reduce the proportion of his costs which go to labor. This again inexorably worked against the increase of wages and the distribution of time.

"In other words, a Price System demands man-power (with a wage) if it is to succeed, and man-power for production steadily becomes more and more a thing of the past as the kilowatt-hour takes its place....

"On a population basis this country (circa 1933) has a capacity of 3,600,000 horsepower [1990 figure is 7,383,000]. But the country is not run on such a basis. Technology has stepped this capacity up to a billion horsepower [1990 figure is 33,000,000,000], and it is this tremendous power let loose which is battering the Price System to pieces. Yet we cannot voluntarily cease the use of this energy, for we have now gone so far that our very lives depend upon it.... Seven percent of the available energy is used in the provision of food. The other 93 % go to keep our society going. A close calculation estimates that if we shut off our coal, oil, electric and water power, a large percentage of us would be dead in twenty days.... So highly integrated a mechanism has our country become with its very life dependent upon the smooth and continuous operation of our electricity, steam and water power, our coal, oil and gas that the blunderings for the Profit are little short of murderous.

A chemist in the laboratory of an oil company can examine the sample of a certain grade of gasoline and tell you in figures that will never change exactly the maximum number of heat units that can be extracted from that grade. He can measure exactly, and that exact measurement is absolutely necessary in running

our system. But can the sales manager in the office next to the laboratory tell you the exact price of gas next month, next year, or ten years hence? It is absolutely impossible. We are playing with dynamite when we attempt to harness the system to price.

"The supreme fault of the banker is not that his aims are sordid or that his appetite is rapacious. The trouble is that he is hopelessly out of date.

"We have heard a good deal in the past...about under consumption, but it has occurred to but few people that it isn't what a people produce that proves their wealth, it is what they consume. Wealth is the conversion of available energy into use forms, be it potatoes, shoes, or electric light. The process of being wealthy consists in using up -- not wasting -- the products which, through the use of energy, we are able to make. (Which Technocracy restates as: "A Minimum Expenditure of Energy for Maximum Social Gain")

THE PARADIGM IS THE ENEMY:

The State of the Peak Oil Movement at the Cusp of Collapse

A Speech by Michael C. Ruppert for the Local Solutions to the Energy Dilemma Conference April 27-29 N.Y. City, Cooper Union (*FTW*) *New York* – As a matter of necessity, in the course of a turbulent and often very difficult life, I have developed a pretty warped sense of humor. As most police officers, nurses, ER doctors, paramedics, and military combat veterans know, the best time to find humor is when things are at their worst. Sometimes the humor that emerges from these situations is strange, to say the least.

Too often Peak Oil activism reminds me of a statement that I found a long time ago in a book of famous quotations. In the section containing the last recorded words of famous people I found a quote that has stayed with me ever since... The quote was simply; We've got them now.... The person who wrote those last recorded words on a dispatch to his commanding officer, General George Crook, was George Armstrong Custer.

During the course of this conference I have heard precious little attention paid to events in the world around us indicating that Peak Oil is about to have its global coming out party and what that might mean. In almost every nook, cranny and corner of the planet, stress points are beginning to fracture. For the past five years I have argued, emphasized, and repeated endlessly that perhaps the biggest mistake of all time was made on September 11th 2001, when the only real global operational plan to deal with Peak Oil was put into effect. On September 11th we began a war, now in famously known as the war which will not end in our lifetimes, to decide who will control the last remaining oil and gas reserves on the planet. In *Crossing the Rubicon* I wrote, Events in the five-year period that began on September 11th, 2001 will determine the course of human history for several centuries to come. We are just months away from the end of that five-year period. What has been accomplished?
The painful answer is: not enough.

Perhaps the greatest flaw in the Peak Oil movements current operating paradigm is that, a part of the movement at least, instead of building lifeboats in the face of an immediate disaster, is delusionally focused on trying to build alternative-powered luxury liners that operate just like the paradigm we as a species need to be abandoning. Not only is this a futile effort, it may well be responsible for killing or destroying the lives of people who at least partially understand Peak Oil and who are trying to find the best courses of immediate action for themselves and their families.

THE STATE OF THE WORLDS ENERGY

I have observed that almost every Peak Oil conference, whether this one, or the Association for the Study of Peak Oil, or ASPO-USA, makes only the most superficial attempt to evaluate geopolitical and economic conditions. These conditions, more than the rate at which supplies are depleted, will determine how Peak Oil and collapse manifest in our lives.

The *Times of London* on April 8th ran a story that should have pre-empted every other major story that day. Headlined World cannot meet oil demand. The story's first sentence read, The world lacks the means to produce enough oil to meet rising projections for demand for fuel, according to Cristophe de Margerie, head of exploration for Total. Later the story quoted Margerie as saying, Numbers like 120 million barrels per day will never be reached, never he said.

In the last year we have seen the collapse of Kuwait's super-giant field Burgan; accelerated decline in the world's second-largest field, Mexico's Cantarell; and an overall global decline rate approaching 8%. We have seen Saudi Arabia fail to increase production while at the same time finding it more difficult to hide deteriorating reservoir conditions in all of its mature fields, including Ghawar. As of tonight, more than 30 of the world's largest producing nations have entered steep decline.

Discoveries continue to fall off a cliff. Over the last four years the world has been consuming 6 barrels of oil for every new one found. Publicity stunts, such as the recent attempt to reclassify Venezuelan tar as oil even when applauded by dilettantes like Gregg Palast are having no impact on markets, prices or public policy. I think we can safely say at this point that we will soon see an end to the influence of charlatans and schemers like Daniel Yergin of Cambridge Energy. (Now there's at least one bright note.) At this point, the Peak Oil movement should avoid expending needless energy on any arguments about whether Peak Oil is real or not. That precious energy is needed elsewhere. We have won that debate.

Soaring commodity prices for everything from copper, to uranium, to cement and steel are not only hampering needed infrastructure investment, they are also making it almost impossible to build new drilling rigs, especially deep water rigs. Commodity scarcities are the result of overpopulation, hoarding, over consumption and nothing else. Drilling rigs themselves are in extremely short supply around the world and I believe we should also stay away from any debates about whether new oil supply will even make a difference. It will not and we need only continue to breathe in and out to see this position vindicated also.

The US government continues an un-winnable war in Iraq while building massive permanent bases and the largest embassy compound ever built. Not only does the US have no intention of leaving Iraq, it has committed whether under Republican or Democratic leadership to staying forever whatever that means.

The Empire's position is clear, not as a result of what it says, but as a result of what it has done. America's primary plan to deal with Peak Oil is to fight or intimidate for energy supplies wherever it deems necessary. That, of course, has forced the rest of the world with a few notable exceptions like Norway and Brazil to dance to the same sheet music. As a result, I would estimate that of every ten units of energy (or money) expended preparing for Peak Oil today, nine are spent preparing for war while only one is spent building lifeboats and teaching people how to survive. This is sheer insanity.

The US government is playing a bluff hand over an attack against Iran, which in spite of being both unlikely and risking a global nuclear holocaust, has resulted in massive increases in military spending all around the planet. A global arms race is now using up energy and commodities that should be used rebuilding railroads, enhancing mass transportation, and building renewable infrastructure to soften the coming blows.

In the face of this, the entire world, and especially China, Russia, India, Germany and Japan are pouring hundreds of billions of dollars of investment into Iran. This is one of many sure signs that the American Empire's weaknesses are becoming visible. There is blood in the water and blood in the water usually leads to a fight. The world, at least as far as its pocketbook is concerned, is betting on Iran. Russia is selling Iran lots of Tor M1 anti-aircraft missile systems and cruise missile and high-speed torpedo technologies. China also is flooding Iran with advanced military systems.

The US has stepped up deliveries of weapons systems and military advisors to oil-producing regions around the world. This has been matched by similar deliveries to the same regions by Russia, China, Pakistan, Saudi Arabia, Venezuela, France, Britain, India and many other countries. A best-selling novel in China, *The Battle in Protecting Key Oil Routes*, has the Chinese navy destroying a US carrier battle group. The popular book documents a bloody contest over control of the Straits of Malacca, that narrow channel through which most of China's, Japan's, and Korea's energy passes.

China's Hu Jintao, clearly one of the world's only major leaders with both plans and choices, is making direct calls on Saudi Arabia and Nigeria as George W. Bush haplessly points to hydrogen fuel cell cars as a solution. Don't worry about how many American people will buy into such Bush nonsense. Worry about how many world leaders are watching these same clips and asking, is that the best he can do? America is in deep shit.

In Nigeria the US's fifth largest oil supplier and the world's eighth largest group of well-organized and supplied rebels are using high-tech email, bombs, bullets and kidnapping to terrorize major oil companies. Production is threatened on a daily basis. In a world where there is no place else to go to replace even 50,000 barrels a day out of the 84 million needed the totally corrupt regime of Olusegun Obasanjo is besieged by rebel and dissident groups on many fronts. I have no doubt that several of these groups are being financed, trained, led and supplied through covert arms of the US, Chinese, Russian, British, Saudi, Pakistani and/or Indian governments.

In nearby Chad which is the source-country for the Chad-Cameroon pipeline delivering 160,000 barrels a day into the global market as he attempts to ward off an aggressively hungry World Bank, President Idriss Deby is literally holding oil hostage. Knowing full well that to shut down the pipeline would cause an estimated \$10 jump in the price of oil, he is literally telling the west, come any closer and I'll shoot the oil. At the same time, Chad is beset by rebel insurgents from neighboring Sudan, which is China's fifth-largest oil supplier. Both the US and China are hip-deep in covert operations in Sudan.

On April 18, Secretary of State Condoleezza Rice met with one of Africa's most brutal dictators, Teodoro Nguema of Equatorial Guinea Africa's third-largest oil exporter, calling him a good friend of the US. With institutional memories as short as they are, few remember that Sir Mark Thatcher, son of Britain's Margaret Thatcher, was nabbed last year in the middle of a coup intended to oust Nguema. All of Africa, especially West Africa exactly as I predicted in [2003](#), in [Crossing the Rubicon](#) and in last year's lecture series which became our newest DVD [Denial Stops Here](#) is exploding with armed insurrections from the Western Sahara region to Angola. It is West Africa where I believe we will see proxy wars likely intensifying this year, which could trigger a global nuclear exchange in very short order.

But murder, far more callous, is about to be perpetrated by the Democratic Party as it enters the 2006 midterm campaigns with what is surely barring a miracle going to be one of its major planks in 2008: Don't worry, they will promise, the Democrats will restore cheap gasoline for all and find a no-pain answer to all of our energy woes. High prices are the fault of greedy oil companies and price gougers, not a lack of supply. I can promise you now, Hillary Clinton, that if the Democratic Party adopts this approach it will find in me an enemy that will make *FTW's* editorial posture towards the Bush administration over the last five years look like abject friendship.

American mainstream media has become absolutely and certifiably schizophrenic on the issue of Peak Oil. Within the space of an hour, one can watch segments acknowledging Peak Oil and Gas and the insoluble problems they bring, and segments assuring us that there is no problem at all if we just fix a few little things.

On April 11th *The Financial Times* reported that Russian production is falling and expected to decrease rather than increase rapidly over the next four years.

On April 21, Russia's giant, Gazprom for the second time in less than a year threatened to shut off Europe's only major source of natural gas. Just a month previously, a desperate and hobbled Britain surrendered its energy sovereignty to the European Union in the hopes of getting better energy prices at the end of Russia's long natural gas supply line.

On April 24th, just a few days ago, during his state visit to Saudi Arabia, Chinese President Hu Jintao signed a series of accords in which China, in exchange for a larger portion of Saudi oil exports, agreed to transfer high-tech weapons and other technologies to the Saudi monarchy in exchange. At the same moment that George W. Bush has announced that he will stop refilling the US Strategic Petroleum Reserve in an ill-conceived attempt to lower pump prices a completely shortsighted and self-serving gesture China is in negotiations with Saudi Arabia to begin filling a new one.

Climate Change and hurricanes not only continue apace but have accelerated. Now that we are just weeks away from a new hurricane season, fully 23% of Gulf of Mexico production remains shut-in after last year's hurricanes. Recently the Department of Energy acknowledged that most of that would never be rebuilt due to high investment costs at mature and post-mature reservoirs. Aside from the fact that it's not cost effective, this is also because of rig shortages. This is what *FTW* warned you about almost a year ago. When and if we ever have a chance to look back we will historically mark Katrina and Rita as the singular moment in time when a true US economic and military resurgence became impossible; the

moment when the Empire began its collapse. In other words, that was the moment when the Empire passed from decline to terminal status.

On April 4th, Dow Jones *Market Watch* reported that \$6 to \$7 gasoline might be coming this summer. Is there anyone in this room tonight who does not believe that \$6-\$7 gasoline would be an unmistakable sign of collapse?

And let me add an observation here. I think a good part of this unseasonable spike in American oil prices is both caused by the switch out from MTBE to ethanol and a classic political strategy which is to create a bad problem and then appear to solve it so that people will accept an otherwise unacceptable solution. This is an election year. The elections are not for seven months. I for one do NOT think we will see \$6 or \$7 gasoline this summer. I think gas prices may reach \$4 or even \$5 for a short period, after which the Bush administration (say sometime between July and September) will again tap the Strategic Petroleum Reserve and his oil industry base will they hope be able to find a few million barrels to temporarily drive prices down, give Republicans a desperately-needed electoral boost, and feed another dose of valium to the increasingly worn out American consumer.

But to assume that the current high prices are solely caused by the MTBE/Ethanol switchover is to miss the fact that Britain is now experiencing its highest-ever gasoline prices averaging more than \$8 per gallon or that Japan according to the news agency Chugokuhas now reached its highest-ever price for diesel fuel at almost \$4.00 per gallon. These countries do not have MTBE rules to be concerned with. Peak Oil is here. There is an enormous risk lurking in all this. I mean a potentially deadly risk. As the effects of Peak Oil intensify there is less and less wiggle room on the planet for any miscalculation. Worse, there is less and less room to recover from or adjust to any surprises that might come along.

SURPRISES

What are some of these possible surprises? -- Just one more major hurricane -- A major earthquake in any oil producing region or pipeline corridor from Russia's far east, to Iran, to Alberta -- Any one of a dozen possible side effects from global warming, whether from melting tundra that might sink pipelines, to rising sea levels that might endanger offshore production -- Civil unrest in any oil-producing region that gets out of control and damages more infrastructure than can be quickly repaired -- A decision by Venezuela's Hugo Chavez to redirect just 10 or 15% of his US exports to other customers -- A successful attack on Saudi Arabia's Abqaiq terminal -- Political unrest in our second-largest oil supplier, Mexico -- Major unrest in the Caspian basin another region where covert operations are now probably the second- or third-largest GDP component for several nations.

As I speak tonight, India is moving to supply MiG 29s to Tajikistan at the same time that Kyrgyzstan is threatening to revoke permission for US bases. This is a building vacuum that China, India, Russia and Pakistan (all nuclear powers) are eager to fill. Add Iran to the list of nations seeking increased influence in the Caspian Basin.

Another one of many reasons why the US cannot and will not attack Iran is that unreported by the major media the US military has undertaken quiet but significant military build ups in both West Africa and in the Caspian. US military personnel have been dispatched to Nigeria and NATO and the US Navy have begun moving into the Gulf of Guinea. This is pulling ever tighter on the already over-stretched rubber band holding the US military together as it experiences a continuing, unmitigated and unprecedented defeat in Iraq.

There are many more possible precipitating events that could push the first dominoes in the chain of collapse. Any one of them could trigger a massive and sudden descent into chaos that would catch all of us by surprise. My position is that we cannot afford to be unprepared for surprises. And it's probably an event we haven't thought of that will ultimately do it. These are only a few possibilities.

THE STATE OF THE AMERICAN AND WORLD ECONOMIES

General Motors, as it stands on the brink of bankruptcy, has announced that it lost \$106 billion last year. Ford and Daimler Chrysler are teetering not far behind GM as Toyota is poised to become the largest auto maker in the world, bigger in terms of sales than America's Big Three combined. As *US News* told us last December 19th, 800,000 jobs were going to be cut last winter. The final numbers aren't in yet, but it looks like that happened.

According to an MS-NBC story dated April 24, The Housing Bubble Has Popped as inventories swell, sales decline, prices soften, lenders are raising rates and the first signs of panic start to appear. For those who have followed the housing bubble closely, you know that this is a global housing bubble and that these trends have become apparent from the UK, to Australia, to Japan. Along with falling house prices and a drying up of credit, over-stretched consumers now face very difficult choices as they are forced to decide between driving, eating, paying their bills, or having a place to live. This particular collapse is just beginning and the world economy must follow its lead.

New stories: That some Americans are pawning precious objects for gas money. Consumer debt continues to skyrocket as the US trade deficit continues to explode... Bankruptcies are at an all-time high. As Reuters told us on April 22, the Finance Ministers of the G7 nations have just announced after their recent meeting in Washington that the dollar is going into decline... On April 24th, Qatar announced that it will begin diversifying out of dollars and into Euros...

On April 4th, according to Reuters, the Vice Chair of the Chinese parliament urged that China reduce its holdings of US debt... On February 22, the director of Norway's stock exchange recommended that Norway drop out of the London Petroleum Exchange (priced in dollars) and open an oil trading bourse priced in Euros.

On January 12, Britain's *Independent* announced that Norway had begun preparations for a global environmental and economic collapse. The story reported that Norway has revealed a plan to build a doomsday vault hewn out of an Arctic mountain to store two million crop seeds in the event of a global disaster. The store is designed to hold all the seeds representing the world's crops and is being built to safeguard future food supplies in the event of widespread environmental collapse.

In a sign of pending inflation, the Federal Reserve last month stopped telling us what the M3 money supply was in a surefire indication that inflation is on the way. This came conveniently after further inflationary indicators were hidden by removing the cost of gasoline and food from the Consumer Price Index.

On March 28, *Al Jazeera* warned that Asia must be prepared for an imminent dollar collapse... On March 26, India moved to relax all currency controls for the Rupee. This suggests that India knows a dollar crash is coming and hopes that the Rupee will enjoy the bounce... China has made another adjustment re-evaluating the Yuan, accelerating the dollar's decline... The Asian Development Bank has announced plans to develop a regional currency index as a preliminary step in the creation of a Euro-like currency for Asia... The dollar has lost six cents against the Euro in the last six weeks.

Morgan Stanley's Stephen Roach who last year warned of an economic Armageddon is now warning, I continue to believe that the American consumer is the weak link in the global daisy chain. The combination of rising long-term interest rates and higher oil prices puts an unmistakable squeeze on discretionary income the last thing overly indebted, savings-short US consumers need. So why then has the Dow recently reached six-year highs? Its simple, and I know that my good friend and colleague, Catherine Austin Fitts will agree, that the DOW Jones Industrial Average has absolutely nothing to do with measuring the quality of American life. I am reminded of one of the most important quotes I have ever obtained for a story, that of Dutch economist Martin Van Mourik who told the Paris ASPO Conference in 2003, It may not be profitable to slow decline.

Indeed ladies and gentlemen, we have reached the point where every increase in the Dow will mean that life has actually gotten worse for Americans and riskier for the world as a whole. I described the endgame of this irony in one of my favorite essays of all time [Globalcorp](#). **As M. King Hubbert wrote, and as Catherine Austin Fitts teaches, and as I have said for so long, Until you change the way money works, you change nothing.**

TWO LEADERS POINTING THE WAY

During my eight-month hiatus from public speaking, I have watched the Peak Oil movement morph from its general status as a lunatic fringe group to acceptance and even recognition and honor as an influential special interest group. (That's what they call groups like us on Capitol Hill and in the mainstream press). Many members of congress, business leaders, and even the major media listen to us now... But now what?

Before I continue, let me stop and acknowledge that the backbone of this section of my speech tonight was derived from a series of original *From The Wilderness* articles published almost a year ago. Our then Science Editor, Dale Allen Pfeiffer, brought to my attention a brilliant Russian writer named Dmitry Orlov who having experienced the collapse of the Soviet Empire thought that there might be some lessons to learn if rational minds compared what looked to be the ever-more-certain coming collapse of the American Empire. After listening to Dale and corresponding with Dmitry who presented here yesterday with my good friend, and a great Peak Oil leader, Matt Savinarl instantly commissioned a three-part series for *FTW* titled 'Post-Soviet Lessons for a Post-American Century' You can still read Dmitry's stories on our site and if you have not, I beg that you do.

At the start of his series, Dmitry observed that when he started looking for stories connecting economic collapse to Peak Oil in October 2004 there were 16,300 such documents listed on search engines. Less than a year later, by April 2005 there were 4,220,000. He pointed out correctly that the reason why such stories had not been discussed in the media was attributable to only one cause: denial.

The United States is now facing a current account deficit that cannot be sustained, a falling currency, and an energy crisis, all at once. It is now the world's largest debtor nation, and most people do not see how it can avoid defaulting on its debt. According to a lot of analysts, it is technically bankrupt, and is being propped up by foreign reserve banks, which hold a lot of dollar-denominated assets, and, for the time being, want to protect the value of their reserves. This game can only go on for so long. Thus, while the Soviet Union deserves honorable mention for going bankrupt first, the gold in this category (pun intended) will undoubtedly go to the United States, for the largest default ever.

A key difference between the US and the USSR : 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

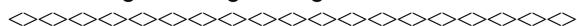
Most people in the U.S. cannot survive very long without an income. This may sound curious to some people how can anyone, anywhere survive without an income? Well, in post-collapse Russia, if you didn't pay rent or utilities because no-one else was paying them either and if you grew or gathered a bit 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.

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.

And finally, Dmitry wrote, 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. As Dmitry wrote in his series, the collapse of Empires, as with Rome, has in the past sometimes taken centuries. In the case of the Mayans it happened in a much shorter period. But Dmitry was quick to observe that the first stages of collapse are often the most dislocative, painful, and demanding because that's when the first psychological and physical shocks hit hardest. And I would argue along with the likes of Joseph Tainter that the collapse of modern, highly complex empires is both accelerated and far more aggravated than what happened 1600 years ago in Rome.

The Soviet Empire collapsed and disappeared in less than four years and the devastation for the Russian people was both profound and deadly... Do we dare assume that Americans are special and somehow exempt from all the vicissitudes that has befallen every other collapse of empire in history?

Let us not forget that in order to get to the Post-carbon world that is inevitable we must first survive the collapse and the die off that is inevitable. The challenges of the transition period will be completely different from the challenges of living in a world without cheap energy. It is the almost complete failure of the Peak Oil movement in the United States and around the world to grasp, ponder or even acknowledge these transitions that are pointing to a needed evolution in our approach to education, research, networking, and organizing



Excerpts from: A Question of Humanity: By Ron Miller (Authorized Speaker, Technocracy Inc.)
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Human beings can be viewed in many different ways. Technocracy views human beings as energy consumers primarily. The reasons for this are very important. Technocracy has stated that the operations of the social mechanism are measurable in terms of energy. The human being is the final consumer of energy and the object of all energy transformations within the social system.

A human being is an energy consuming device. So is an engine. This is a fact, not simply a way of viewing human activity. We put fuel into an engine and the engine converts it to work, heat, and waste products. When people eat, this is exactly what they do. A calorie (a kilogram calorie is the actual unit being referred to) is a metric measure of energy consumption. The energy in the food is converted by people's bodies to work, heat, and waste. The human body is an engine.

Technocracy does not say this is all there is to a human being. Anyone who has ever given any thought to this question knows better than that. But insofar as Technocracy is concerned, a human being is first an energy consuming device that must be provided for... The duty of a functional governance as proposed by Technocracy is to supply people with what they want, where they want it, at the time they want it. As long as they are doing no harm to others, the "why" they want it is their own business. We can arrange things so that we can assure ourselves that what we want is good for us and for the rest of society. To accomplish this satisfactorily we must first assure ourselves that our governance is designed for the benefit of people and not profit.

Many of the things that make life worth living are not subject to measurement --love, beauty, wonder, pleasure, sorrow, the thrill of discovery, of conquest, achievement. But for a social system to operate, it must be able to measure what it is doing. Technocracy proposed energy be used as the fundamental unit of the measurement of social activity because energy is the most fundamental measure of anything physical. It also stated that as far as the operations of the social system is concerned, a human being is nothing more than an energy consuming mechanism. This is not meant as a degradation, but to permit human development to proceed faster than ever before possible and with the greatest diversity of which we are capable.



Quoting Walter Fryers (Technocracy Organizer, Edmonton Alberta, Canada.)

The core concept that is unique to Technocracy Inc. is that in a high tech society (such as North America) it will be necessary to substitute measurement and control of the economy by energy units instead of monetary units. That's it! Everything else is an elaboration on the basic concept... Hence the Energy Certificate; the Schematic Administration Chart; the Technocracy Calendar; etc. etc. They are helpful projections of the broad outlines of future details, and seem well thought out, but the final form will no doubt be worked out in practice as required in a 'technate'. Lessons 21 and 22 of the Technocracy Study Course are basic over views.

Over the years, since the Study Course was published, many a writer has tried to fill in details of life in a 'technate'. Some of it is reasonable. It is all conjecture. It is not necessary for us to project that future, although it is an interesting exercise. It will be determined by the requirements of that future, and the optimum 'scientific' solutions worked out by the professionals of that time and place to meet those requirements.