



# ***FROM THE WILDERNESS***

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

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## **FTW Exclusive Interview**

# **BEHIND THE BLACKOUT**

## **An Energy Investment Banker and Bush Energy Advisor Gives Unexpected Answers on the Northeast Power Grid, Peak Oil and Gas, and Much More**

August 21, 2003, 2350 PDT, (FTW) -- Matthew Simmons is the CEO of the world's largest Energy Investment Bank, Simmons & Company International. It has a web site located at (<http://www.simmonsco-intl.com/>). Its clients include Halliburton; Baker, Botts, LLP; Dynegy; Kerr-McGee; and the World Bank. Since 1993, it has underwritten or financed 18 transactions valued at more than \$350 million. Of those, six were valued at more than \$1 billion. Simmons is a member of the Council on Foreign Relations and serves on the National Petroleum Council's Natural Gas Task Force. He has a lot to say about the Northeast power grid blackout, its causes, and what they imply for the future. He also has a lot to say about Peak Oil and Gas.

Surprisingly, and with remarkable candor flowing from a sense of urgency he communicates at every one of his presentations to global energy experts, Simmons delivers a message that sounds more like a Democratic "New Deal" plank than a Republican Party free-market love fest. He is an arch foe of economists who insist that investment and technology will solve what he and a growing number of energy industry experts call an unsolvable and permanent decline in hydrocarbon energy resources.

Deregulation was the primary cause of the failure on Black Thursday, August 14. But, as far as Matt Simmons is concerned, to stop there and pretend everything is okay if only more infrastructure is built borders on suicidal behavior.

Matt Simmons will be the first to tell you that what he says has nothing to do with politics and everything to do with (continued on page 18)

# Where Is The Money?

## A New Interactive Web Site Hits You in the Face Over the Enron-Style Looting of the US Treasury and What It Means to You Personally A Political Reality Check for California's Political Circus

By Michael C. Ruppert

August 8, 2003, 1200 PDT, (FTW) -- Wholesale Enron-style looting of US taxpayer money on a scale that threatens the stability and safety of every American has prompted an historic alliance between activism, technology, and financial expertise. A new interactive web site, [www.wheretheismoney.org/](http://www.wheretheismoney.org/), now makes real, on a local level selected by each user, the enormous amounts of money that have been stolen from the US Treasury. It also makes clear that most of our current problems--from energy shortages, to federal, state and local budget deficits, to needed infrastructure changes--could be addressed if the US government and private corporations like Lockheed-Martin and CFC-DynCorp were held accountable for their mishandling of taxpayer money.

The web site is a collaborative project between three disciplines as represented by its creators:

- Former Assistant Housing Secretary and past Managing Director of Dillon Read Catherine Austin Fitts, ([www.solari.com](http://www.solari.com));
- Henri Poole, President of Affero, Inc. (<http://www.affero.com/>) and board member of The Free Software Foundation <http://www.fsf.org/>.

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### — From The Wilderness —

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# Imminent Peril (Part I)

*Scientists are warning that we have only one or two generations to avoid global catastrophe.*

*Why aren't we heeding their warnings, and what can be done?*

**by Dale Allen Pfeiffer, FTW Contributing Editor for Energy**

*[A massive blackout cripples the Northeast US. More than 3000 die of heat in France. President Bush tells the world "This is a wake up call." But he doesn't tell the truth about why this is so. For more than 40 years, according to data analyzed by the Global Commons Institute (GCI) (<http://www.gci.org.uk/>) there has been a near 100% correlation between world GDP growth and the emission of greenhouse gases from the consumption of hydrocarbon energy. This demonstrates the occurring collision of an economic paradigm based upon debt, fractional reserve banking and infinite growth with unavoidable limits on the energy that fuels that growth. Peak Oil and Gas is killing us now. The environment has just formed an axis with it.*

*As GCI has so succinctly stated, the human race – if it wishes to survive – must change from an economic model of Expansion and Divergence to one of Contraction and Convergence. What we are seeing is that it is not just the poor people who are going to perish, it is the rich ones too.*

*FTW readers have written to us frequently that we have not offered a solution to the problem of Peak Oil and Gas. Oh, but we have. Two things are required for the survival of the human race. Without these changes, there is no place to begin. They are an overturning of the current economic-political paradigm and a conversion to an equity-based financial model with absolute transparency and accountability. Toward these ends, we have pointed repeatedly to the work of investment banker Catherine Austin Fitts at her web site (<http://www.solari.com/>). We recently also drew attention to her work on the theft of trillions of dollars of public funds which are desperately needed to begin infrastructure changes and to address financial crises which are destroying the ability of public institutions to address these life-and-death challenges. Holding government accountable is the first step. To understand what the theft of trillions of dollars means to you and your family, please visit: <http://www.wheristhemoney.org/>.*

*The lies and deception of the Bush Administration leading to the war in Iraq; the continuing unraveling of the administration's account of the events of 9/11; and the energy crises and climate changes that are killing people now are all irrevocably and undeniable connected. That has been FTW's single-minded message since 9/11. Here, FTW's Contributing Editor for Energy, Dale Allen Pfeiffer, brings home the reality and the urgency of the crisis. – MCR]*

*August 18, 2003, 1930 PDT, (FTW) -- Current world events are being played out against a setting of resource depletion and other environmental problems that are not recognized by most people, nor even acknowledged by many of the world's decision makers. In fact, there is a concerted effort by many corporations and economists to dismiss these problems as nonexistent. Corporations choose to dismiss these problems because they do not want to admit their own culpability, and because the solution to these problems will prevent them from carrying out business as usual. Economists refuse to face these problems because to do so they must admit that their pet economic models are deeply flawed, and because these problems point up the unsustainable madness of capitalism with its market mechanisms. Yet the scientific community reached a consensus over the last decade and has sounded the warning bell.*

## **Royal Society of London & US National Academy of Sciences, 1992**

The first warning was issued over a decade ago, in 1992, when the Royal Society of London (RS) and the US National Academy of Sciences (NAS) issued a joint statement entitled **Population Growth, Resource Consumption, and a Sustainable World**.<sup>1</sup> This joint statement was unprecedented. For its part, the Royal Society has a history of being reticent about making statements of a controversial nature.

In this statement, the RS and the NAS point out that environmental changes affecting this planet may irreversibly damage the earth's capacity to sustain life. Furthermore, humanity's own efforts to achieve satisfactory living standards are threatened by environmental deterioration. The report warns that, while science and technological advances can prove invaluable in resolving these problems, still... "it is not prudent to rely on science and technology alone to solve problems created by rapid population growth, wasteful resource consumption, and harmful human practices."<sup>2</sup> The scientists maintain that changes in human patterns of behavior and resource consumption are necessary, along with stabilization and even reduction of human population.

The statement concludes: "The future of our planet is in the balance. Sustainable development can be achieved, but only if irreversible degradation of the environment can be halted in time. The next 30 years may be crucial."<sup>3</sup>

## World Scientists' Warning to Humanity, 1993

Also in 1992, the Union of Concerned Scientists issued a ***World Scientists' Warning to Humanity***, which was signed by over 1,700 scientists from around the world, including the majority of the Nobel laureates in the sciences.<sup>4</sup> The language in this document is a little less cautious than the statement by the RS and NAS. The Warning to Humanity spells out quite plainly the peril we face, and the necessity and urgency of resolving these problems; it also helps to point in the direction of a possible solution.

Humanity is warned that we must make fundamental changes if we are to avert the collision towards which our present course is steering us. The scientists point to the various vital environmental systems that are all suffering from critical stress: the atmosphere, fresh water resources, the oceans, the soils, the forests and living species. They point out that much of this damage is either permanent or irreversible on a scale of centuries. The warning states that:

*Our massive tampering with the world's interdependent web of life-coupled with the environmental damage inflicted by deforestation, species loss, and climate change-could trigger widespread adverse effects, including unpredictable collapses of critical biological systems whose interactions and dynamics we only imperfectly understand.*

*Uncertainty over the extent of these effects cannot excuse complacency or delay in facing the threat.*<sup>5</sup>

They emphasize that we are quickly approaching many of the earth's limits. They state that current economic practices in both the developed and the developing world cannot continue without doing irrevocable damage to the planet's vital systems. The statement places a limit of only a few decades before we have lost any opportunity to resolve the threats now facing us. And they iterate:

*We the undersigned, senior members of the world's scientific community, hereby warn all humanity of what lies ahead. A great change in our stewardship of the earth and the life on it is required, if vast human misery is to be avoided and our global home on this planet is not to be irretrievably mutilated.*<sup>6</sup>

The document admonishes the developed countries for being the greatest polluters in the world, and exhorts them to reduce overconsumption. It also points out that the developed nations have an obligation to provide aid to the developing nations. This is incumbent upon the affluent nations because much of their wealth has accrued through the extortion of resources and labor from the developing nations. The developing nations cannot make the changes necessary without the financial resources and technical skills that can only be supplied by the developed nations. We must realize that we are all in this together, and we will only resolve these problems if we refuse to leave any group of people behind. Failure will trap us in "...spirals of environmental decline, poverty and unrest, leading to social, economic and environmental collapse."<sup>7</sup>

The success of this endeavor, the document points out, will require a major reduction in violence and war. The trillions of  
*(continued on page 11)*

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# Smoking Gun: The CIA's Interest in Peak Oil

(Special to *From the Wilderness*)  
by Richard Heinberg

*[A recently declassified 1977 CIA study on Peak Oil in the Soviet Union is a telling indicator that Peak Oil issues have been of secret concern to policy makers in the US for a long time. Here, Professor Richard Heinberg, author of the best-selling book "The Party's Over" describes what the CIA was looking at, and offers some insight as to why.*

*I recently discussed the CIA document with Professor Kjell Aleklett of the University of Uppsala in Sweden, who is the current President for the Association for the Study of Peak Oil and Gas ([www.peakoil.net](http://www.peakoil.net)). Aleklett shed further light on the current phenomenon of large Russian oil exports by noting that the demise of the Soviet Union and Russian economic crashes of the mid-to-late 1990s effectively delayed Russia's peak for about ten years. This is the so-called "second peak" for Russia, which production graphs currently show.*

*What this also means is that while Russia is currently a major oil exporter, selling oil hand over fist, it will not be able to sustain either its economic recovery or its current production rates for more than a few more years. Russia's continued salvation and future economic clout will no doubt be based upon the fact that it possesses half of all the natural gas reserves on the planet. Current business and economic developments with Britain and Western Europe indicate that Europe, and especially Britain -- already experiencing severe gas shortages -- are well aware of this reality.*

*For those who have not already read Heinberg's book "The Party's Over: Oil, War and the Fate of Industrial Societies," I cannot encourage it enough. It is the blueprint for what is to come, even as a massive and yet unexplained power outage cripples the Northeast US and parts of Canada. Whatever the cause of this blackout it is a future-image of what is coming for*

all of us. FTW now has the book for sale at discount rate at [www.fromthewilderness.com](http://www.fromthewilderness.com). It's about the best investment for your future that I can think of. – MCRJ

August 15, 2003, 1200 PDT, (FTW) -- **A** recently declassified CIA document casts new light on some of the most significant geopolitical events of the past quarter century. This document, an Intelligence Memorandum titled "The Impending Soviet Oil Crisis (ER 77-10147)," was issued in March 1977 by the Office of Economic Research and classified "Secret" until its public release in January 2001 in response to a Freedom of Information Act (FOIA) request. (1) Until now, the document has prompted little discussion.

The Memorandum predicts an impending peak in Soviet oil production "not later than the early 1980s" (the actual peak occurred in 1987 at 12.6 million barrels per day, following a preliminary peak in 1983 of 12.5 Mb/d). "During the next decade," the unnamed authors of the document conclude, "the USSR may well find itself not only unable to supply oil to Eastern Europe and the West on the present scale, but also having to compete for OPEC oil for its own use." The Memorandum predicts that the oil peak will have important economic impacts: "When oil production stops growing, and perhaps even before, profound repercussions will be felt on the domestic economy of the USSR and on its international economic relations."

The significance of the document requires some unpacking. First, we must understand the historical context in which it appeared.

Oil production in the US had peaked in 1970, just a few years earlier. This was arguably the most important economic event of the past half-century: until then America was the world's foremost oil producer; for much of the twentieth century it was also the world's foremost oil exporter. American oil won both World Wars for the Allies and made the US the world's richest and most powerful nation. Meanwhile, throughout most of this same period the USSR remained the world's second foremost oil-producing nation.

The American oil peak signaled the end of an era: from that point on, the US would become increasingly dependent on imports—and this dependence would entail serious costs, as became apparent with the Arab OPEC oil embargo of 1973, which sent the US economy into a tailspin. (2) Clearly, CIA analysts in 1977 understood the importance of the American oil peak and believed that a peak of petroleum production in the USSR would have similar or even graver consequences for that nation.

This much is clear and undisputable. Less clear is what was done with the information. Soon after assuming office in 1981, the Reagan Administration abandoned the established policy of pursuing détente with the Soviet Union and instead instituted a massive arms buildup; it also fomented proxy wars in areas of Soviet influence, while denying the Soviets desperately needed oil equipment and technology. Then, in the mid-1980s, Washington persuaded Saudi Arabia to flood the world market with cheap oil. Throughout the last decade of its existence, the USSR pumped and sold its oil at the maximum possible rate in order to earn foreign exchange income with which to keep up in the arms race and prosecute its war in Afghanistan. Yet with markets awash with cheap Saudi oil, the Soviets were earning less even as they pumped more. Two years after their oil production peaked, the economy of the USSR crumbled and its government collapsed.

Did the Reagan administration base its Cold War strategy on the CIA study, in the expectation that a Soviet Union economically weakened by oil depletion would collapse if pushed hard on other fronts?

That question is mostly of historical interest. But the Agency's focus on the phenomenon of oil peaks has important implications for the present. For the past decade, oil experts have been debating when *global* oil production will peak. Pessimists say the global peak may already have occurred in 2000; optimists say it won't come until 2025 or so. A growing consensus of petroleum geologists places this pivotal event in the mid-range period of 2006 to 2015. (3) From a certain perspective, the amount of time in dispute is not of great significance: whether we have a year or two or a decade or two before the supply of oil can no longer meet demand is relatively trivial from a historical, analytical point of view (though of considerable significance for billions of individual humans needing to make plans for the years ahead); the result in either case will be the same—a slow motion global economic and industrial collapse.

The 1977 CIA document shows clear and detailed awareness of oil issues, including depletion, extraction technologies, pipelines, areas of likely new discovery, the quality of existing reserves, and the dynamics of the global oil market. The CIA has obviously been studying oil very carefully for some time and must therefore understand the issue of global oil peak.

This begs the questions: Does the Agency have a strategy for dealing with this impending mega-event? Or is the Agency's job merely to provide information, and allow the current Administration to formulate policy?

Here we must speculate. The developing semi-public row between the neoconservatives of the present Administration and CIA insiders suggests that the Bush team's plan for invading Iraq and subsequently redrawing the map of the Middle East may not exactly coincide with Agency recommendations. We know that the Bush-Cheney team is independently aware of the issue of peak oil because international oil investment banker Matthew Simmons, who has written extensively and forcefully on depletion issues, was an advisor to Vice President Cheney's now-infamous Energy Task Force in 2001. (4)

If policy makers and their intelligence analysts understand the phenomenon of peak oil, and perhaps even used it strategically during the 1980s to undermine the Soviet Union, and are aware of the upcoming global peak, they must be interested to direct geopolitical events accordingly. What thoughts may be occurring to them in this regard?

The Middle East boasts 70% of global proven reserves of oil. Saudi Arabia has the world's largest reserves (25% of the total), and most of the 9/11 hijackers are alleged to have come from that country. Osama bin Laden is a Saudi native, and his

published statements center on the project of ejecting American influence from the nation of Medina and Mecca.

If, as the neoconservatives have repeatedly hinted, Iraq is only the first stage in a larger project of regional regime change, then the real prize must lie just to the south in the giant fields east of Riyadh. One cannot help but wonder if the long-coddled Saudi government is even now being set up for a fall.

As events unfold, it will be of more than passing interest to see whether the CIA and the Bush Administration reconcile their differences, or whether the neoconservatives' hubris and ideological monomania will be their undoing.

Meanwhile, the real motives and long-term strategies of policy makers and intelligence gatherers alike will likely remain opaque to citizens who pay in blood and dollars for their government's military adventures. "The Impending Soviet Oil Crisis" gives us a rare, limited glimpse into the machinery of covert information analysis and decision-making that shape history as we live it.

#### Notes

1. To access the document, go to the web site <<http://www.foia.cia.gov>>. In the document search field type <er 77-10147>.
2. For a more thorough discussion of the role of oil in US history, see *The Party's Over: Oil, War and the Fate of Industrial Societies* (New Society, 2003), pp. 37–42, 69–84.
3. *Ibid.*, pp. 87–121.
4. See <<http://www.simmonsco-intl.com/research.aspx?Type=researchspeeches>>.

**Richard Heinberg** is the author of *The Party's Over: Oil, War and the Fate of Industrial Societies* (New Society, 2003). He is a journalist, educator, editor, and lecturer, and a Core Faculty member of New College of California, where he teaches courses on "Energy and Society" and "Culture, Ecology and Sustainable Community."

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## A Speech by the Honorable Cynthia McKinney

# “Democracy Is Under Attack - Let's Take it Back”

*The truth never disappears.*

*In a recent speech in Harlem, McKinney offered some sobering and very direct observations about race relations in America, 9/11, civil liberties, independent media, **From The Wilderness** and our national ad campaign which is encountering stiff, unethical, and unconstitutional resistance from major publications which seem to be continually resetting the height of the bar we must clear in order to get the ads run. To clarify one point: While papers like *The Boston Globe* and *The Atlanta Journal Constitution* have refused to run the ad after checks were written to the brokerage firm and AFTER the papers had approved it, no check has yet been written for *The New York Times*. The Times has simply reneged on a prior approval and agreement to run the ad. Each time FTW passes a new test, another one mysteriously appears. The powers that be are afraid of these ads. Yet they have seen nothing compared to the price they will pay when the stench of censorship becomes so blatant and obvious that the people realize that the most precious right of every American has been taken away.*

*Such censorship is not going unnoticed. The right of free speech and equal access is not one that can be violated without a reaction. – MCR, August 5, 2003]*

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How proud I am to stand at Abyssinian Baptist Church in Harlem USA!

Thank you Reverend Butts, Bob, Ruby Dee, Ossie Davis, Sonia Sanchez, Ralph Carter, Hakim, the Coalition of Artists and Activists, and all who worked hard to put this rally together. And thank you for inviting me.

How appropriate that we gather here at this Church, with all its rich history of proud resistance and indignant defiance of a social order that relegated the giants of their day to second class citizenship.

And what an honor for me, to stand among the giants of our day, if only for a moment, and see America's landscape from their gaze.

What this rally means, is that America's vista has now become as ravaged in its pristine hillside villas as it has always been for those of us who muddle behind the cities' shadows.

Our people are dying.

On the streets of America our people are dying.

Gathered tonight in this room are people from all walks of life; and for that reason, this is a very dangerous meeting for the powers that be.

They would like to see us divided.

I'm not just saying that. They wrote that in their COINTELPRO papers; about how they would keep blacks separated from each other, and separated from Africans, and separated from other people of color, and most importantly, separated from progressive activist whites. They wrote that they would discredit black activists so they would lose favor within their community and within our American community. They also wrote that they would replace authentic black leaders with what they called "clean Negroes" whom they had groomed to be more loyal to them than to us. Those aren't my words, they're their words.

Well, they were silly enough to write it down, and we were smart enough to read it. So we're not fooled.

But the Coalition of Artists and Activists has come together to show us that now is the time for us to get busy. And take our country back.

I, for one, can say that I am tired of burying innocent black and Latino people who die at the hands of this unjust system.

New Yorkers have buried too many loved ones and shed too many tears.

But sadly, every major city in America can probably call a roll: Ousmane Zongo, Alberta Spruill, Patrick Dorismond, Amadou Diallo; and those are just the names I know.

Not too far from here, the streets of Benton Harbor, Michigan exploded because they got tired of adding names to their roll. It wasn't enough that Terrance Shurn and Arthur Patterson, young adults, were on the list, but those names only topped off 16-year old Eric McGinnis and 7-year old Trent Patterson, who had also made the list.

I read that the NAACP called for calm and dialogue.

I'm sorry, but I can't be calm if my baby is going to be shot or hurt by out-of-control police.

I can't be calm when I drive through sections of Atlanta that look more like Kinshasa, Democratic Republic of Congo than America.

I cannot be calm.

Dialogue must be followed by swift and deliberate action to root out racism at its very core. From a California gas station to a Mississippi Lockheed plant; from Cincinnati, Ohio to Benton Harbor, Michigan; to New York City, New York. And in Belle Glade, Florida where a young black man was found hanging from a tree, with his hands tied behind his back and the authorities call it suicide. In the 21st Century, America's trees still bear Strange Fruit.

How much injustice can any community absorb before an eruption of extraordinary proportions occurs?

And yes, we have our list in Georgia, too.

And so, placing troops in Cincinnati Ohio or in Benton Harbor to restore calm and "protect property" is about as helpful for the resolution of the problems of Ohio, or Michigan, or for that matter Black America as it is to place US troops in Liberia to resolve the problems on West Africa's oil-rich shore.

Or, for that matter, in the hot, oil-rich desert sands of Iraq.

And while the South Bend Tribune blared on its editorial page that Benton Harbor rioters must be held accountable, who will blare, if not us, that America must be held accountable for the sick and depraved conditions under which millions of our people now live.

Moreover, since that newspaper called for "accountability," I wonder, have I ever seen that word in the corporate press when describing the Bush Administration?

Now it is a fact that it was the Ashcroft Justice Department that gave law enforcement officials authority to use the no-knock warrant, like the one that resulted in the death of Mrs. Spruill.

But, I'm wondering where are the no-knock warrants for the Carlyle Group, Enron, DynCorp, Halliburton, Worldcom, HealthSouth, all the off-shore companies that fled our country to avoid paying taxes yet continue to get billions in federal contracts?

Where are their no-knock warrants?

And further, on this matter of accountability.

George Tenet recently "fell on the sword" as they say and took responsibility for the 16 untrue words that happened to find their way into George Bush's State of the Union Address.

But who among this Administration will take responsibility for the tragic events of September 11th and the tremendous "intelligence failures" that cost the lives of thousands of people who live and work in New York City?

Interestingly, I was the one who called for an investigation of September 11th asking the fully appropriate question, What did the Bush Administration know and when did it know it, about the tragic events of September 11th?

Both President Bush and Vice President Cheney asked Tom Daschle not to investigate what went wrong on September 11th. An Australian newspaper ran the headline, "Bosses so lax, agents felt they were spies." They were describing our FBI.

"Bosses so lax, agents felt they were spies."

To this day that I know of no one in any decision-making position in the whole of this Administration has accepted responsibility for failing the American people. Instead, from this Administration we have obstruction, obfuscation, dissembling, and deception.

And yet, the one who did her homework, and told the truth to the American people, that our investment of trillions of dollars in the defense and intelligence infrastructures of our country should not have all failed simultaneously four times on a single day and since they did, we deserve to know why they did. . .

Well, that's the person who got fired.

Meanwhile, George Bush and Dick Cheney, who remain in office, have the nerve to launch two simultaneous wars, at least one that is against international law; award no bid contracts to their friends in the defense industry; erode our Constitution and our Bill of Rights; put Paul Wolfowitz in charge of military tribunals (that same travesty of justice that we have excoriated other countries for in the past); put a felon, convicted of lying to Congress, in charge of our privacy; and lie about the rescue of Jessica Lynch, as well as the landing of America's top gun—George W.--on the deck of the USS Abraham Lincoln, which supposedly was out at sea, but that was really in San Diego harbor.

And this all comes after they stole the Presidency on the uncounted chads of black and Latino voters in a scheme that was orchestrated at the top.

Republicans rewarded Katherine Harris with a Congressional seat.

In Georgia, 48,000 Republicans crossed over and voted in the Democratic Primary for the black woman Republican that they had drafted to run in my Democratic Primary. Georgia and national Democrats failed to protect the integrity of their own primary. Terry McAuliffe crows today about protecting Gray Davis from any Democratic challenge in a primary, but where was he when he could have protected this black loyal Democratic woman from a known Republican shill acting for the Bush Administration?

And it's not enough for this Administration to accept responsibility for failing the American people. So too must the corporate media. Including the *New York Times*.

As you may know, I'm involved with Mike Ruppert of *From the Wilderness* in a national campaign that is placing anti-Bush ads in newspapers all across the country. Sadly, many newspapers are saying no to the paid ad or are giving us a hard time after they've accepted the money. The *New York Times* is no exception.

At the top of the ad is a cartoon. It features the big corporate media being "played" from behind the curtain by the great big, huge, Wizard. Like in the Wizard of Oz. But there, ever so small, at the bottom of the cartoon, is Toto, the little dog, pulling open the curtain and exposing the truth about the big, corporate media—kinda like BAI does here. And the alternative media do all over our country. Well, in the cartoon, Toto is the alternative media--getting the truth out to the people.

The text mentions oil, missing money from DoD and HUD accounts, the impeachment clause of the Constitution, the lawsuit that has been filed against the crossover voting in my election, and a special message from me.

My special message in the ad is this:

"Beware the Land of Oz. For it is only in the land of Oz that a handful of vainglorious men could send hundreds of thousands of young soldiers off to fight in an illegal war. And only in the Land of Oz can The Grand Wizard erode basic civil rights and call it enhanced security. And where but in Oz could a felon, convicted of lying in public, be put in charge of Total Information Awareness? 75 million Americans had no health insurance in 2001 or 2002. Unemployment is at an 8-year high. Meanwhile, at the Wizard's court, men of dubious reputation gorge themselves at the people's expense. Expose the Grand Wizard; this is our America, not Oz."

Now, just a few days ago, I received a message through the ad agency placing the ad that before The *New York Times* will run it, I need to prove that what I say about Oz is true. Can you believe. . . The *New York Times* is fact-checking cartoons now?

Or is it just this cartoon?

They didn't bother to fact-check their story about me that's recounted in Greg Palast's book, "The Best Democracy Money Can Buy." They just printed lies about me in an effort to make sure that a black Republican woman from New York City who is anti-affirmative action and anti-reparations would sit at the table of the Congressional Black Caucus and represent you in Washington, DC.

In 1776, it was King George III who drove the titans of the American colony to write our Declaration of Independence. They wrote that there are certain unalienable rights and that it is the responsibility of government to protect, preserve, and promote these rights. However, in the words of its signers,

"when a long train of abuses and usurpations, . . . evinces a design to reduce [a people to life] under absolute Despotism, it is their right, it is their duty, to throw off such Government, and to provide new Guards for their future security."

And with that, a rebellion became a revolution.

My mother didn't want me to give this speech tonight. I'm sure it's hard for her to read the terrible things the corporate press and right-wing activists write about me.

In today's America, she's right. I will probably get in trouble for what I've said to you tonight. But it won't be the first time I get in trouble for telling the truth. And I'll continue to tell the truth. As I have said before, I won't sit down and I won't shut up.

I agree with Dead Prez: We need a revolution!

And it needs to start with us.

Thank you so much for inviting me to be with you tonight.



*(continued from page 2, Where Is The Money)*

- Brad De Graff of The Venture Collective (<http://www.venturecollective.com/>).

The importance of the issue, and why it must be injected into every political debate from now on, is dramatically emphasized by the political circus unfolding in California which has been sparked by massive budget deficits, not all of which are attributable to political mismanagement. If such a belief were true, then California would be the only state facing such crises. Instead, we see a nation sinking under red ink while trillions of our dollars are missing.

Candidates in the California recall race (and every American political contest) must be held accountable for this unconscionable theft of taxpayer money. This new web site makes it possible for every American to relate cooked government books and stolen money to the quality of life in their home state and to translate that loss into what it means in terms of education, health care and energy issues. The site also includes an interactive electronic petition where the American people can put their feet down and demand accountability, which is both their right and obligation under the Constitution.

It is not a case where the people “can” make the politicians listen. It is a case where the people “must” make the politicians change.

The “whereisthemoney” web site makes a point of the cost of conversion of oil- powered vehicles to natural gas. **FTW** must emphasize that irreversible natural gas shortages in North America and worldwide make such a move both impossible and inadvisable. But, as a teaching point, the figures are astounding. This example highlights the money that might be available to develop biodiesel fuels or to facilitate the essential infrastructure changes required to develop, for example, hybrid and solar technologies that will soften the growing impact and reality of Peak Oil and Gas. These challenges are only going to get worse.

What is so amazing about this web site is that its head-spinning, rolling dollar counters, adjustable for all 50 states, focus on only about \$1.5 trillion of missing taxpayer money and do not include an additional \$2.3 trillion in money admittedly “missing” from the Pentagon for FY 1999.

Asked why the site did not include the additional \$2.3 trillion in DoD funds, Fitts replied, “We wanted to use a number from an administration cross-over year where it was absolutely clear that this was a bi-partisan issue rather than something that could be dismissed or buried as the fault of only one party rather than a system. The figures, as presented, are amazing enough and they present a challenge to lawmakers at every level that cannot be dodged by pointing the finger at someone else.”

Be prepared for an eye-opening experience when you visit:

[www.whereisthemoney.org](http://www.whereisthemoney.org)



# The PARTY'S OVER

## Oil, War and the fate of Industrial Societies

By Richard Heinberg

When Mike Bowlin, Chairman of ARCO, said in 1999 that “We’ve embarked on the beginning of the last days of the age of oil,” he was voicing a truth that many others in the petroleum industry knew but dared not utter. Over the past few years, evidence has mounted that global oil production is nearing its historic peak.

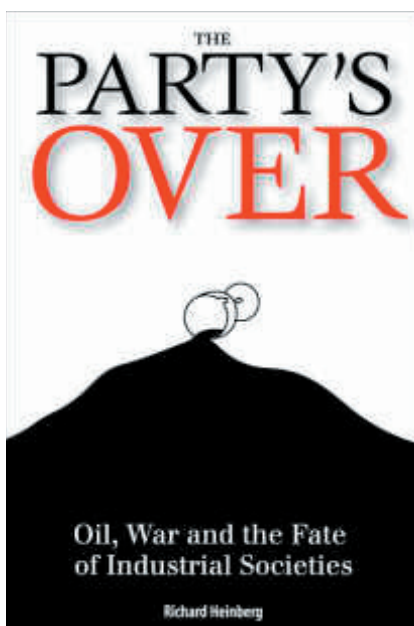
Oil has been the cheapest and most convenient energy resource ever discovered by humans. During the past two centuries, people in industrial nations accustomed themselves to a regime in which more fossil-fuel energy was available each year, and the global population grew quickly to take advantage of this energy windfall. Industrial nations also came to rely on an economic system built on the assumption that growth is normal and necessary, and that it can go on forever.

When oil production peaks, those assumptions will come crashing down.

As we move from a historic interval of energy growth to one of energy decline, we are entering uncharted territory. It takes some effort to adjust one’s mental frame of reference to this new reality.

*Richard Heinberg has distilled complex facts, histories, and events into a readable overview of the energy systems that keep today’s mass society running. The result is jarring. The Party’s Over is the book we need to reorient ourselves for a realistic future.*

- Chellis Glendinning, Ph.D., author of *Off the Map: An Expedition Deep into Empire and the Global Economy*



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**(continued from page 4, Imminent Peril - Part 1)**

dollars devoted annually to the preparation and conduct of war should be diverted to these new challenges, where they will be badly needed.

The **Warning to Humanity** concludes that we need a new ethic for humanity, an ethic of compassion and responsibility toward all of humanity and toward the earth.

### **Statement of the New Delhi Conference, 1993**

The 1992 joint statement of the RS and the NAS, along with an international conference organized by the Royal Swedish Academy of the Sciences, led to a 1993 conference of the world's scientific academies in New Delhi. The New Delhi conference was the first large-scale collaboration undertaken by the world's scientific academies. The conference sought to examine the complex and interrelated problems of population growth, resource consumption, socioeconomic development and environmental pollution. This conference resulted in another statement, signed by 58 of the world's scientific academies.<sup>8</sup>

The conference concluded that many environmental problems, such as degraded agricultural viability and diminishing availability of drinking water should be viewed as warnings that the earth is finite and that natural systems are being pushed ever closer to their limits. If the entire world consumed fossil fuels and other resources at the same rate as the developed world, resource depletion and environmental pollution would already have reached a critical point. Yet they recognized that development is a legitimate expectation of less developed countries. Developed countries need to become more efficient at resource use and environmental protection, and must seek to curb wasteful consumption.

Population growth was the major focus of this conference, and as such was the main focus of the resulting statement. It was the consensus of the world's scientific academies that continued population growth poses a great risk to humanity. And they concluded that it would be foolish to rely on science and technology alone to solve the problems caused by rapid population growth, wasteful resource consumption and poverty. To avert a global crisis, it is necessary to make a transition to economies that provide increased human welfare with less consumption of energy and materials.

Finally, they warned that, "Humanity is approaching a crisis point with respect to interlocking issues of population, environment and development. With each year's delay the problems become more acute."<sup>9</sup> Studies were undertaken in order to better understand the threats facing humanity and the planet, and an informal network of the science academies of the world, the InterAcademy Panel on International Issues (IAP), was formed to facilitate further collaboration.

The next few years saw intensified efforts on the part of the world scientific community to gather information and achieve a better understanding of the interlocking problems threatening the world. And the scientific community also endeavored to inform decision makers of the threat to humanity.

The UN undertook a series of conferences on issues of long-term global significance. There was a conference on the environment and development (Rio, 1992), a conference on population growth (Cairo, 1993), a conference on social concerns such as poverty (Copenhagen, 1994), a conference on the plight of women and importance of women's rights (Beijing, 1995), and a conference on the problems associated with burgeoning urban populations and decaying cities (Istanbul, 1996).

1997, the year of the Kyoto conference on global warming, saw renewed announcements from the RS and NAS, and from the Union of Concerned Scientists.

### **Joint National Academy of Scientists and Royal Society Resolution: Towards Sustainable Consumption (1997)**

In this document, the RS and the NAS reiterated their earlier warnings while placing more emphasis on resource consumption. This document reflected the growing understanding that the problems faced by this planet are not simply a result of overpopulation, but are more specifically an effect of overconsumption. Furthermore, this resolution recognized a dilemma in that the poorer countries of the world require increased resource consumption in order to pull their people up out of devastating poverty.

As the document pointed out, consumption rates of developed countries are grossly out of line with the percentage of world population contained in these countries. The report cited examples to make its case that the rate of resource consumption is more of a problem than is simple population:

*The population of Bangladesh is increasing by about 2.4 million per year, while that of Britain is increasing by about 100,000 per year. Yet, because carbon dioxide emissions per person in Britain are 50 times higher than in Bangladesh, the 100,000 people in Britain cause more than double the carbon dioxide emissions of the 2.4 million people in Bangladesh.*

*Since 1950, the richest 20% of the world's population has increased its per capita consumption of meat and timber two-fold, its car ownership four-fold and its use of plastics five-fold. The poorest 20% has increased its consumption hardly at all.<sup>10</sup>*

The document also pointed out that, as of 1997, US per capita use of petroleum is seven times the world average.

These two prestigious scientific associations declared that developed countries must curb their consumption in order for the rest of the world to climb out of debilitating poverty. Furthermore, they stated that developed countries must cut their rates of consumption if global use of resources is to become sustainable.

The resolution called for research and action in determining rates of consumption that are sustainable for various different

resources, research into sustainable energy sources and energy efficiency, development of environmental technologies, research into determining environmental costs and incorporating them into economies, improvement of energy- and land-efficiency in food production, and the management, protection and regeneration of natural systems. The resolution ended by stating that societies must examine their values and form goals that can be met through sustainable consumption.<sup>11</sup>

### **World Scientists' Call for Action (1997)**

Signed by more than 1,500 scientists from 63 countries, including 110 Nobel laureates and 60 US National Medal of Science winners, the **World Scientists' Call for Action** was set forth by the Union of Concerned Scientists at the 1997 Kyoto Climate Summit.<sup>12</sup> Looking back on the four years since the **World Scientists' Warning to Humanity**, the Call noted that there has been very little progress in addressing the issues raised in that earlier document. It noted that, in fact, the situation has continued to deteriorate. And it stated that world leaders are much to blame for this, because of their failure to rise to the challenge. The **Call for Action** does, however, point to the Kyoto Climate Summit as a possible signal that world leaders have recognized their responsibility for stewardship of the earth. It was their hope that the Kyoto Climate Treaty would serve as a precedent for addressing other grave environmental threats. They stated that the only responsible choice is to act now.

The **Call to Action** concluded:

*We, the signers of this declaration, urge all government leaders to demonstrate a new commitment to protecting the global environment for future generations. The important first step is to join in completing a strong and meaningful Climate Treaty at Kyoto. We encourage scientists and citizens around the world to hold their leaders accountable for addressing the global warming threat. Leaders must take this first step to protect future generations from dire prospects that would result from failure to meet our responsibilities toward them.*<sup>13</sup>

Unfortunately for future generations, the United States refused to sign the Kyoto Agreement until concessions were made that virtually negated the agreement and rendered it unenforceable. It should be noted that Al Gore, the "environmental" vice-president, was in command of the US delegation to the Kyoto conference. Yet even this watered down agreement was not enough for US decision makers. In 2001, George W. Bush reneged on the Kyoto Treaty, thereby demonstrating that the word of US policy makers is worthless.

### **A Statement of the World's Scientific Academies: May 2000**

In the year 2000, the InterAcademy Panel (IAP) met again in New Delhi to review the research undertaken following the 1993 conference. This meeting led to another joint statement, **Transition to Sustainability in the 21<sup>st</sup> Century: The Contribution of Science & Technology**.<sup>14</sup> As suggested by the title, this statement was not so much a warning as a statement of how science and technology can help solve the problems.

The generally accepted solution is captured in one word: sustainability. The goal is a lifestyle that is sustainable; that is, levels of consumption that do not exceed the carrying capacity of the planet. The scientific academies perceive three key issues that must be tackled to achieve this goal:

**Meeting the needs of a larger world population.** Seventeen percent, or one-sixth, of the world's population is severely impoverished or starving, and this proportion is increasing. World income disparities are also widening the gap between the rich and the poor. Poverty, starvation and inequity are incompatible with sustainability. The challenge here is to reduce disparities and provide everyone with basic human requirements such as a home, food and medicine. The scientific academies seek to meet this challenge by building the capacity for people to meet their own requirements. This will be done by providing access to knowledge and resources. (It is quite likely that the scientific academies were naïve in addressing this challenge without recognizing the greed of those who benefit from this disparity.)

**Preserving and maintaining the environment and the natural resource base.** Sustainability is only possible if we can safeguard the welfare of biological species and their ecosystems. To do this we must improve our understanding of complex ecological processes. Likewise, we need a better understanding of how resources are deposited and how these resources can be sustainably utilized. Furthermore, this knowledge must be made readily available-not just to decision makers, but to everyone.

**Moving toward sustainable human consumption patterns.** In this document, the IAP recognizes that unsustainable consumption is the basic cause behind the threats we face today. Conspicuous consumption leads to resource depletion and environmental damage. The forces that drive consumption include economic output, distribution of wealth and income, technological choices, social values, institutional structures, and public policies.<sup>15</sup> In all of these areas, we need to temper our decisions and our actions with a responsible and conscientious stewardship of the earth. Science and technology can contribute to these goals by providing information necessary to make responsible decisions. Science can also aid by increasing the efficiency of various technologies and reducing damaging impacts.

The IAP does warn that science and technology alone cannot solve the problems threatening us, nor achieve the goal of sustainability. Economic, social and political efforts are necessary as well. To succeed, we must forge a new relationship with the natural world.

Reinforcing remarks in the 1997 Union of Concerned Scientists' declaration, the IAP states:

*Military programs, even in periods of peace, have consumed resources that could otherwise be devoted to meeting such needs as food, housing, and education. During the decades ahead, conflicts could arise from competition for resources such as food, water, and information. A better understanding of how these events can be mitigated, or made less probable, is essential for a successful transition to sustainability.*<sup>16</sup>

The IAP statement concludes:

*To preserve human well-being over the long term, people need to move toward new ways of meeting human needs, adopting consumption and production patterns that maintain the Earth's life support systems and safeguard the resources needed by future generations. Yet if current trends in population growth, consumption of energy and materials, and environmental degradation persist, many human needs will not be met and the numbers of hungry and poor will increase.*

*Such a dismal forecast need not come to pass. Scientific, technological, and health capabilities-if supported by the necessary worldwide political will and international cooperation, and mobilized by appropriate social and economic policies-can produce substantial progress over the next two decades toward a sustainable human future.*<sup>17</sup>

### **Guide to World Resources, 2000-2001**

This study is the first global assessment of the state of the world's ecosystems ever undertaken. The report, **Guide to World Resources, 2000-2001: People & Ecosystems; The Fraying Web of Life**<sup>18</sup> was a joint venture of the United Nations Development Programme, the United Nations Environmental Programme, the World Bank and the World Resources Institute. The project took over two years to complete and contained the input of 197 scientists. The model developed for this study is known as the Pilot Analysis of Global Ecosystems (PAGE). It is a pilot study because it points out where further study is needed to fill existing gaps in our knowledge about the world's ecosystems.

PAGE drew its assessment from information already available on a global scale about the condition of the planet's ecosystems. The study concentrated on five major classes of ecosystems: agro ecosystems, coastal areas, forests, freshwater systems, and grasslands. PAGE assessed the condition of these ecosystems based on resource output (both quantity and quality) and the biological basis for production (soil quality, water quality, biodiversity, etc.). PAGE also took into account all the ecosystem goods and services that people rely on but do not buy in the marketplace. Scorecards were developed to judge ecosystem health, with each ecosystem graded on the following criteria-where applicable: food/fiber production, water quality, water quantity, biodiversity, carbon storage, recreation, shoreline protection, and wood fuel production.

Here, then, is the resulting report card on the status of the planet:

#### **Agro ecosystems**

**Food Production:** Decreasing **Water Quality:** Decreasing **Water Quantity:** Decreasing **Biodiversity:** Decreasing **Carbon Storage:** Mixed

Agro ecosystems cover more than one-quarter of global land area, but almost three-quarters of this land has poor soil fertility. Two-thirds of agricultural land has been degraded in the past fifty years due to erosion, salinization, compaction, nutrient depletion, biological degradation or pollution. Forty percent of agricultural land has been strongly degraded.

#### **Coastal Ecosystems**

**Food Production:** Decreasing **Water Quality:** Mixed **Biodiversity:** Decreasing **Recreation:** Not enough data **Shoreline Protection:** Decreasing

Population increase and conversion for development, agriculture, and aquaculture are reducing mangroves, coastal wetlands, seagrass areas, and coral reefs at an alarming rate. Almost seventy percent of the world's major fisheries are fully fished or over-fished, and fishing fleets have the capacity to catch many more fish than the maximum sustainable yield.

#### **Forest Ecosystems**

**Fiber Production:** Increasing **Water Quality:** Decreasing **Water Quantity:** Decreasing **Biodiversity:** Decreasing **Carbon Storage:** Decreasing **Wood Fuel Production:** Not enough data.

Logging and conversion have shrunk the world's forests by as much as half. Thirty percent of the world's original forests have been converted to agriculture. Thirty percent of the world's major watersheds have lost more than three-quarters of their forest cover. Sixty percent of the remaining forest cover has been fragmented due to agriculture, logging and road construction. Tropical deforestation probably exceeds 130,000 km<sup>2</sup> per year. Nine percent of the world's tree species are at risk of extinction.

#### **Freshwater Ecosystems**

**Food Production:** Mixed **Water Quality:** Decreasing **Water Quantity:** Decreasing **Biodiversity:** Decreasing

Algal blooms and eutrophication<sup>19</sup> are becoming more frequent on most inland water systems. Currently almost forty percent of the world's population experience serious water shortages. Large dams have increased sevenfold since the 1950s and now impound fourteen percent of the world's runoff. Almost sixty percent of the world's largest 237 rivers are strongly or moderately fragmented by dams, diversions, or canals. Half the world's wetlands are estimated to have been lost in the 20<sup>th</sup> century. Fish are being hauled out at or above the maximum yield for these systems. Twenty percent of the planet's freshwater fish species are extinct or endangered.

#### **Grasslands Ecosystems**

**Food Production:** Decreasing **Biodiversity:** Decreasing **Carbon Storage:** Decreasing **Recreation:** Decreasing

Though grasslands cover forty percent of the Earth's land surface, fifty-five percent of all grasslands are considered fragile drylands, and one-fifth of these are now degraded by human activity. Grasslands are being gobbled up by agriculture and urbanization. In the North American prairies, conversion is already nearly one hundred percent.<sup>20</sup>

The report concludes that even the most remote ecosystems on the planet are affected by human influences. The world's major ecosystems are all in decline and in all nations people are experiencing the effects of ecosystem decline. And the situation will only get worse if we continue our current patterns of usage. We are drawing on the world resources now more intensely than ever, and we are degrading the planet's ecosystems at an accelerating pace. The planet's capacity to provide goods and resources is declining, while demand for both goods and resources are climbing. Human activities are impacting the biosphere and even altering the earth's basic chemical cycles (water, carbon, and nitrogen) upon which all life depends.

However, the damage has not yet reached critical proportions. The earth can recover, if we act now to curb our demands and manage our resources in a sustainable manner. But time is growing short, and if we fail to act responsibly, then we will pay the price, as will our children and our children's children.

### **Global Environmental Outlook-3 (2002)**

The Global Environmental Outlook (GEO) was undertaken following a United Nations Environmental Programme (UNEP) decision in the mid-1990s that requested a comprehensive global state of the environment report. The first report (GEO-1) was issued in 1997 and the second (GEO-2) was issued in 1999. The third report, GEO-3<sup>21</sup> provides an assessment of environmental trends over the 30 years since Earth Day 1972, identifies four divides which separate the world and threaten sustainable development, and then outlines four disparate strategies and projects the effects of each strategy 30 years into the future.

The four divides roughly represent the disparity between the haves and the have-nots. It is well recognized that the impoverished see no options but to draw down their local resource base in an unsustainable effort to stay alive. Likewise, the poor cannot afford proper waste disposal or remediation. Furthermore, due to their lack of personal resources, the poor suffer a more direct impact from environmental disasters.

The affluent, on the other hand, are in a much better position for weathering environmental catastrophes. Likewise, the affluent have no pressing need to draw down local resources below sustainable levels. And they have better access to science and technology with which to inform policy decisions and develop more efficient lifestyles. However, affluence does not necessarily equate to responsible behavior. The market principles that govern developed nations are ruled by unbounded growth, which leads to excessive consumption. The affluent are drawing down the resources of the entire world. They extort resources from developing countries while forcing their burgeoning wastes upon the poor.

The four gaps are:

- **The Environmental Divide**-This is a gap between regions characterized by a stable or improving environment (North America, Europe), and regions characterized by continued environmental degradation (most of the developing countries).
- **The Policy Divide**-This gap separates regions that have strong policy development and implementation, and regions that do not. This is not so clear cut as the other divides; for instance, the US vacillates between strong and weak policy positions.
- **The Vulnerability Gap**-This gap is widening both within countries and across regions. This is the divide between the disadvantaged, who are at greater risk from environmental change, and the affluent, who are at less risk.
- **The Lifestyle Divide**-This divide is characterized by the excessive consumption of the affluent and the extreme poverty at the other end of the spectrum. The most affluent one-fifth of the world population are responsible for 90 percent of personal consumption, while the poorest one-fifth of the world population live on less than US\$1 per day.<sup>22</sup>

Before examining the four scenarios projected over the next 30 years, first we must be aware of the delayed reaction time between policy changes and environmental impact. The direction of environmental change to occur over the next 30 years has-for the most part-already been decided by past and current actions. For instance, CFC emissions have been reduced significantly in the last decade; however, due to CFC/atmospheric chemistry, ozone depletion is still increasing. It is not expected to level off for at least another decade and will not decrease significantly until the middle of the century. Similarly, many environmental policy changes enacted over the next 30 years may not bear fruit until long afterwards.

Bearing in mind these caveats, let's introduce the four policy strategies considered in Global Environmental Outlook-3.

**Markets First:** Trust is placed in market mechanisms to economically resolve all problems. Globalization and neoliberal policies will raise the standard of living for everyone. Communities will be wealthy enough to insure or remediate social and environmental problems. Governmental powers to regulate society, the economy and the environment will be severely limited.

**Policy First:** Government regulation in an attempt to reach specific social and environmental goals. Environmental and social costs are factored into policy measures. Efforts are made to balance the momentum of economic development at any cost.

**Security First:** This is a scenario of increasing inequality and conflict. The impoverished rise up periodically in waves of violent protest. The elite seek protection in gated and guarded communities. Governments devolve into strong military and

police states to serve and protect isolated rich and powerful communities.

**Sustainability First:** A new paradigm evolves based on sustainability, equitable values and cooperation. There is a major change in the way people interact with each other and with the world around them. There is a much fuller application of democratic principles in local communities, between governments and in the management of corporations. Personal goals and basic needs are balanced with environmental health and the continued prosperity of future generations.

Applying each of these policy strategies to the global situation over the next 30 years, the hundreds of analysts contributing to GEO-3 came up with the following projections.

	<b>Markets First</b>	<b>Policy First</b>	<b>Security First</b>	<b>Sustainability First</b>
<i>Carbon Dioxide Emissions</i>	- Significant increases	+ Actual reductions by 2030	-- Significant increases, beyond Markets First	++ Decline by 2020
<i>Biodiversity</i>	- Much worse	-+ Continues to decline, beginning to stabilize by 2032	- Much worse	-+ Continues to decline, but stabilizes in 2032
<i>Hunger and Population</i>	- Even with a percentage decrease in hunger, actual numbers increase due to population growth	+ Dramatic reductions	-- Sharp increases	+ Dramatic reductions
<i>Soil Depletion</i>	-- Better quality land taken over by commodity & cash crop production, depletion elsewhere	+ Improved soil management, integrated land management	- Improvement only in areas serving elite, severe depletion elsewhere	+ Improved soil management, integrated land management
<i>Fresh Water Depletion</i>	-- Water stress increases globally	+ Water withdrawals remain at current level or decrease	- Slower economic growth tempers demand	+ Water withdrawals remain at current levels or decrease
<i>Transportation &amp; Energy Efficiency</i>	- No improvement	+ Improvement	-No improvement	+ Improvement
<i>Land &amp; Forest Degradation</i>	-- Significant loss of forest cover	+ More effective management ameliorates some problems	- Control of forests by transnationals promotes some forest growth, but not enough to stop net deforestation	++ Unsound deforestation stops almost completely

<i>Fisheries</i>	-- Fish populations crash	+ Total collapse averted	- Fishing highly regulated, but controlled exploitation rises to very high levels	++ fish and marine mammals are defended against overexploitation
<i>Marine &amp; Coastal Pollution</i>	-- Nitrogen loading increases sharply	-- Only small increases	-- increases sharply except in guarded areas	-- Only small increases
<i>Poverty &amp; Disparity</i>	- Increase	+ Decrease	-- Sharp increase	++ Largest decrease

Overall, the Markets First and Security First scenarios will likely prove untenable. Both of these scenarios will probably result in environmental and social meltdowns that could lead to the complete collapse of modern civilization. The Policy First scenario could prove to be a more viable option, though overregulation has the potential to derail the market economy entirely. Sustainability First would not only produce notable improvements in the health of the environment and pronounced decreases in poverty, it could also result in safe and hospitable communities where families can flourish and children will be nurtured.

### State of the World 2003

Much of what is said in **State of the World 2003**, issued by the Worldwatch Institute<sup>23</sup> is a repeat of data mentioned above in previous reports. The Worldwatch Institute is a highly respected organization founded in 1974 for the purpose of helping the world move toward an environmentally sustainable and socially just society. The Institute offers data and fact-based analysis on critical global issues and is consulted by governments, scientists, businesses and citizen groups.

The 2003 **State of the World** report reiterates the warnings covered earlier in this chapter. This publication warns that the more time that passes without remedial action, the greater the degree of misery and biological impoverishment that humanity will have to suffer. Most importantly, the report states that we have only one, or at most two, generations to resolve the situation.

### Energy Depletion-The Warning Being Whispered

All of the warnings and reports mentioned above fail to take note of one impending crisis that will severely affect all of these other problems, and impact our world in only a few short years. This is the issue of energy depletion.

These reports are not to be blamed for this failure; the issue of energy depletion is hidden by false and misleading data from the energy industry and governmental regulatory agencies. And the issue is further obfuscated by economists and other well-wishers who refuse to face the problem, because it would mean that their pet economic models are flawed and worthless. Yet the threat of energy depletion is already beginning to have an impact on all of our lifestyles.

Beginning in the early 1990s, petroleum geologists and other energy specialists began sounding the alarm about energy depletion. Most of the early warnings were issued by retired petroleum geologists who were now able to speak freely about the approaching threat. They were either ignored or shouted down by critics using flawed data. Yet the energy depletion argument has slowly gained support as more authorities reach the same conclusions, and as their analysis of data has been perfected.

There is an unstated consensus that oil depletion will become an inescapable reality by 2010. And evidence is mounting that world oil production peaked in the year 2000 and has leveled off since then. By implication, rising energy demand will soon exceed oil production, and the result will be rising prices and limited capacity.

The end of the oil age could signal the collapse of technological civilization. There are those who believe that we are preparing to enter a period of social disintegration that would make the Dark Ages seem idyllic. There are warnings that once hydrocarbons fail, we will never again be able to achieve an industrial level of civilization. And hydrocarbon depletion will affect every other problem mentioned in this report, mostly for the worse.

### To Be Continued

So you haven't heard about any of these scientific warnings or global assessment reports? Don't feel alone; in the United States, very few people have heard more than a passing comment on these issues. These reports have been buried under the sensational news of terrorist threats, school shootings and a flood of advertising exhorting us to buy, buy, buy our way to



a better world.

In the second half of this series, we will look at some of the reasons why these warnings have been underreported. And we will address the questions of why we are not doing anything about these impending crises and in what direction our leaders are taking us. Finally, we will look briefly at alternatives.

*[Part II of this series, which is already completed, will be published in two weeks. FTW has received many inquiries about the publication of PART II of Michael Ruppert's series, "Beyond Bush". Completion of this special report was delayed by an unexpected illness. Please be assured that "Beyond Bush II", which so many have been asking for, will be completed. Thanks to all for your get-well messages and prayers. They have made a difference. – MCR]*

**Endnotes:**

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**(continued from page 1, Behind The Blackout)**

survival. He is a man of seeming contradictions by virtue of his opposition to the environmental movement on the one hand and his absolute dislike of energy deregulation in the 1990s on the other. There are very few who have interacted with him from any camp who doubt either his honesty or his sincerity. For that reason alone, what this insider has to say about the Northeast Power Grid collapse deserves our fullest attention. His words carry weight in Washington and around the world. Black Thursday was, he says, only the beginning.

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**FTW** interviewed Simmons via telephone from his home in Rockport, Maine on August 18, 2003

**FTW:** *What's the most important thing you want the American people to know about Black Thursday?*

**Simmons:** This blackout ought to be an incredible jolt telling us about a host of energy problems that are ultimately going to prevent any future economic growth. It's like people have been ignoring annoying phone calls and living in denial about a problem that won't go away. It's like the ghost of Enron calling. The event itself was astonishing. Senior people like Governor Pataki or the head of NERC [North American Electric Reliability Council] were asking how this could happen. But the problem was inevitable. The only thing we didn't know was when it would happen.

**FTW:** *What did happen?*

**Simmons:** On a large scale what happened was deregulation. Deregulation destroyed excess capacity. Under deregulation, excess capacity was labeled as "massive glut" and removed from the system to cut costs and increase profits. Experience has taught us that weather is the chief culprit in events like this. The system needs to be designed for a 100-year cyclical event of peak demand. If you don't prepare for this, you are asking for a massive blackout. New plants generally aren't built unless they are mandated, and free markets don't make investments that give one percent returns. There was also no investment in new transmission lines.

Underlying all this is the fact that we have no idea how to store electricity. And every aspect of carrying capacity, from generators, to transmission lines, to the lines to and inside your house, has a rated capacity of x. When you exceed x, the lines melt. That's why we have fuse boxes and why power grids shut down. So we have now created a vicious cyclical that progresses over time.

Another problem was that with deregulation, people thought that they could borrow from their neighbor. New York thought it could borrow from Vermont. Ohio thought that it could borrow from Michigan, etc. That works, but only up to the point where everyone needs to borrow at once and there's no place to go.

A second major reason is that decisions were made in the 1990s that all new generating plants were to be gas fired. We've had a natural gas summit this year and, as you know, I have been talking for some time about the natural gas cliff we are experiencing. Many thought that this winter would be deadly, and I have to say that it's just a miracle that we have replenished our gas stocks going into the cold months. This winter could have been a major disaster. We've seen a price collapse in natural gas to the five to eight dollar range (per thousand cubic feet) and the only reason that happened was throughout almost the entire summer there were only a handful of days when the temperature rose above eighty degrees anywhere. That was miraculous. It allowed us to prepare for the winter but we shouldn't be optimistic. One good hurricane that disrupts production, one blazing heat wave, one freezing winter after that and we're out of solutions.

**FTW:** *And natural gas too?*

**Simmons:** Well, I know you understand it, but people need to understand the concept of peaking and irreversible decline. It's a sharper issue with gas, which doesn't follow a bell curve but tends to fall off a cliff. There will always be oil and gas in the ground, even a million years from now. The question is, will you be a microbe to go down and eat the oil in small pockets at depths no one can afford or is able to drill to? Will you spend hundreds of thousands to drill a gas well that will run dry in a few months? All the big deposits have been found and exploited. There aren't going to be any dramatic new discoveries and the discovery trends have made this abundantly clear.

We are now in a box we should never have gotten into and it has very serious implications. We also see the inevitable issues that follow a major blackout: no water, no sewage, no gasoline. The gasoline issue is very important. Our gasoline stocks are at near all time lows. With the blackout, more than seven hundred thousand barrels per day of refinery capacity were shut down. People were told to boil their water. So what do they do, they go to their electric stove which isn't working. What then?

**FTW:** *Makes you wonder about France and the heat wave that has killed 5,000.*

**Simmons:** The only reason Europe was spared a far worse blackout than what hit the USA was that Europe barely uses air conditioning. In fact, even though America uses a lot of air conditioning some areas have become fairly efficient in the ways they use it. Quantitatively, we use more energy because there are more of us. But air conditioning is a relatively new experience in Ontario, Canada. Until recently Ontario had been a net energy exporter. They have a population of just over 12 million. With air conditioning in the last five years, Ontario became a net importer of electricity. Now, on just a normal hot summer day, Ontario's peak power use averages about 23,000 Gigawatts.

Texas, with a population of 25 million, set an all time record of 60,000 Gigawatts just a week before the blackout. The difference is that except for one tiny line running into Arkansas, Texas is self-contained for electricity. It's not tied to any other users. As we saw on Black Thursday, Ottawa was part of a whole interlocking system that had no place to go but down.

**FTW:** *So how big a factor was the weather?*

**Simmons:** It was THE factor in my opinion. To show much weather determines power use, in the week of August 3<sup>rd</sup>, the

US set an all-time national record for electricity use of 90,000 Gigawatts. The Mid-Atlantic States' use of power had jumped 29.5% over last year and 20% over just the previous four weeks. Why? The temperature had been as hot as we experienced on Black Thursday. If you want to compare it to vehicles and roadways, air conditioning is the interstate highway system and the Internet is the equivalent of SUVs. Everything that happened on August 14 started in the 17<sup>th</sup> hour. (5 PM at various local times). That's when everything is running at once: industrial, residential, and commercial. This is when demand peaks regardless of the weather. And we know that in hour 17 on that day the US experienced all-time peak energy use. That's when the system tripped out.

**FTW:** *So we have two basic camps saying that the problems are generating capacity and transmission lines, without addressing feedstock issues. What about the advocates for deregulation who argued that there would be more generating capacity as a result?*

**Simmons:** History answers that one. Following the 1965 blackout when NERC was created there was a mandate that publicly owned and regulated power providers had to build new plants. Every five years, ten per cent was added to the generating base. As deregulation was implemented in the 1990s, it was argued that it would open up vast quantities of energy in neighboring states. In the first five years of the decade, only four per cent capacity was added over the entire period. In the second five years, only two per cent was added.

In the summer of 1999, we had thirty consecutive power events which unleashed the single biggest construction boom in history which built 220 thousand megawatts of new plants at a capitalization cost of six to seven hundred thousand dollars per megawatt. Ninety-eight per cent of those plants were gas fired.

It was decided to use solely natural gas plants for several reasons. Coal fired plants took five to seven years to build. They are very dirty environmentally and the permit process is difficult. We have built on all the available hydroelectric sites we can build on. Nuclear is unpopular and expensive. Oil fired plants are remnants of the days when oil was cheap. Those days are not coming back because Peak Oil is with us now. Besides that, oil fired power plants are about the least efficient use of a barrel of oil that I can imagine. That left natural gas and the economists mistakenly presumed there would be large supplies. But natural gas plants were built with no supplies. Synthetic contracts were used, Enron-style, to sell gas futures when the gas didn't necessarily exist.

**FTW:** *Assuming that there was enough feed stock to run the new plants how much building are we talking about?*

**Simmons:** Each state would need to build forty to fifty per cent excess capacity. A forty per cent cushion merely provides the chance to withstand a day of high summer heat and the chance to grow by about 3% per year for three years.

**FTW:** *Yet even if we re-regulate there are still going to be problems with feed stock to power the plants. How serious is that?*

**Simmons:** Someone's going to be left holding the bag big time. If natural gas consumption surges in ten days of excessive heat then it would require almost a complete shutdown of industrial consumption to compensate and protect the grid. As I have been reporting for years now, there isn't going to be enough gas to run those plants, let alone new ones.

**FTW:** *You mean shut down the economy for ten days to keep people from cooking?*

**Simmons:** Yes.

**FTW:** *Everyone keeps saying that ANWR (The Arctic Natural Wildlife Reserve) is the answer if we drill there. Is it?*

**Simmons:** ANWR is not "The Answer." However, it makes great sense to develop. Drilling there should not have a negative impact on the coastal plains of the Arctic. With great luck, it could create between 300,000 and possibly up to 1.5 million barrels of oil a day and lots of natural gas that could last a decade or two. But this does not become the sole answer. On the other hand, if ANWR is kept off limits, it becomes no answer.

**FTW:** *What about imports of natural gas from overseas? Russia and Indonesia have huge reserves; Canada, as the Canadians are painfully aware, is almost depleted when it comes to natural gas.*

**Simmons:** Indonesia's gas fields are very old. Its Natuna gas fields, a source of stranded gas that gets discussed all the time has 95% CO<sub>2</sub> and apparently costs about \$40 billion to develop a mere 1 bcf/day of dry gas. Russia has four old fields that make up over 80% of their gas supply and they all are in decline. Canada's decline problems are as serious as the US.

**FTW:** *Windmills? Solar?*

**Simmons:** There's no way they can replace even a portion of hydrocarbon energy.

**FTW:** *Reducing consumption?*

**Simmons:** Reducing consumption has to happen, but many of the favorite conservation concepts make little overall difference. The big conservation changes end up being steps, like a ban on using electricity to either heat water or melt metals and instead, always using the "burner tip of natural gas". The latter is vastly more efficient, the energy savings are enormous and we need lower ceilings and smaller rooms. We need mass transit, and to eliminate traffic congestion. Finally, we need a way to keep people from using air-conditioning when the weather gets really muggy and hot at same time. The strain this puts on our grid is too overwhelming.

We also must begin to use our current discretionary power during the nighttime. All of these steps are hard to implement but they make a difference.

**FTW:** *What is the solution?*

**Simmons:** I don't think there is one... The solution is to pray. Pray for mild weather and a mild winter. Pray for no hurricanes and to stop the erosion of natural gas supplies. Under the best of circumstances, if all prayers are answered there

will be no crisis for maybe two years. After that it's a certainty.

**FTW:** *On that cheery note let's take a look at oil supplies.*

**Simmons:** Currently, oil supply issues are as serious as the electrical grid. Last month the IEA (International Energy Agency) updated their database. They had for years been talking about a coming huge surge in non-OPEC supply, excluding the FSU (Former Soviet Union). It hasn't happened. We have the highest oil prices in 20 years and even great technological advances have not had a measurable impact on discovery or production.

**FTW:** *I have recently noted the speed with which the Chad-Cameroon pipeline was built and switched on. Chad only has estimated reserves of around 900 million barrels (World consumption is 1 billion barrels every 12 days). I see a sense of urgency there.*

**Simmons:** It's amazing. What's that pipeline going to pump, fifty thousand barrels per day? That figure may go up, but it's inconsequential in the long run. It's a sign of how strapped world supplies really are and that we may be finding out that we are already over the peak.

**FTW:** *What about Iraq and Saudi Arabia? We have been following Iraq closely and all the sabotage, infrastructure damage and the pipeline bombings are actually reducing Iraqi capacity. That leaves Saudi Arabia with 25% of known reserves.*

**Simmons:** I have for years described two camps: the economists who told us that technology would always produce new supply and the pessimists or Cassandras who told us that peak was coming in maybe fifteen or twenty years. We may be finding out that we went over the peak in 2000. That makes both camps wrong.

Over the last year. I have obtained and closely examined more than 100 very technical production reports from Saudi Arabia. What I glean from examining the data is that it is very likely that Saudi Arabia, already a debtor nation, has very likely gone over its Peak. If that is true, then it is a certainty that planet earth has passed its peak of production.

What that means, in the starkest possible terms, is that we are no longer going to be able to grow. It's like with a human being who passes a certain age in life. Getting older does not mean the same thing as death. It means progressively diminishing capacity, a rapid decline, followed by a long tail.

**FTW:** *What about people like Alan Greenspan and popular writers who tell us that there is no basic problem with energy supplies? Others offer us hydrogen, which is laughed out of hand by people who have looked at its feasibility and efficiency.*

**Simmons:** Basically they just don't get it. Some of them have gotten lazy. They were so carried away by the arguments of the economists that they stopped doing their homework. Month by month, and year by year, events are proving them systematically and thoroughly incorrect. They just don't get it. Right now, there is a deluge of stories on the wonders of hydrogen. This is another area of great confusion. Hydrogen is not a primary source of energy. For a Hydrogen Era to occur you need an abundance of natural gas, or you need to create a great deal of new power plants using coal and nuclear power.

What I find so ironic about our very serious energy problems is that they started in Santa Barbara in 1969. This was where the best work was being done to create a new technological evolution in our ability to recover energy from deep water sources. Then we had a tragic spill. This gave birth to the environmental movement. It began the war between modern energy and environmental "anarchists". They have worked overtime to shut down our access to areas that might have diversified our energy supply.

Had we been able to develop these areas, then we would have more options now to ensure a continuation of the economic prosperity we take so much for granted. And there is no better friend of the environment than economic prosperity.

**FTW:** *But peak oil is peak oil, is it not? Aren't we just talking about something that would have delayed the inevitable for a few years? It would take a couple of years to drill and pipe out of ANWR but there's only a two year (total US) supply of gas there at best, and even less oil. Then what? At the ASPO conference in Paris, I think it was you or another expert who disclosed that four out of five very expensive deep water holes were coming up dry?*

**Simmons:** Peaking of oil and gas will occur, if it has not already happened, and we will never know when the event has happened until we see it "in our rear view mirrors."

**FTW:** *Is it time for Peak Oil and Gas to become part of the public policy debate?*

**Simmons:** It is past time. As I have said, the experts and politicians have no Plan B to fall back on. If energy peaks, particularly while 5 of the world's 6.5 billion people have little or no use of modern energy, it will be a tremendous jolt to our economic well-being and to our health -- greater than anyone could ever imagine.

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*After I ended the interview, I recalled something that I had read recently in a book called "Contraction and Convergence - The Global Solution to Climate Change." ([www.gci.org.uk](http://www.gci.org.uk)). It was a startling revelation that since 1950 there has been a near perfect correlation between the growth in world GDP and the emission of greenhouse gases (i.e. - the consumption of hydrocarbon energy).*

*In an economic system that is predicated first and foremost on perpetual growth, Matt Simmons' statement that we are no longer ever going to grow took on a whole new meaning.*

