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Navigation

[Printer Friendly Page](#)

Start Here

[How to use this Website](#)
[About Michael C. Ruppert](#)
[Why Subscribe?](#)
[Our Achievements](#)
[Our Writers](#)
[Upcoming FTW Events](#)
[Local Peak Oil](#)
[Preparedness Events](#)

Since 9/11

[Bio Warfare](#)
[The Bush Family](#)
[Civil Liberties](#)
[The Draft](#)
[Drugs](#)
[Economy](#)
[Gov't Corrupt/Complicity](#)
[Insider Trading](#)
[Investigations](#)
[Post Peak Lifestyle](#)
[Oil & Energy](#)
 (more than 110 original articles!)
[Miscellaneous](#)
[Osama Bin Laden](#)
[Previous Newsletters](#)
[PROMIS Software](#)
[Timelines](#)
[Unscrambled Fighter Jets](#)
[Vreeland](#)
[Infinite War](#)
[Watergate II](#)

Pat Tillman

[The Tillman Files](#)

Archives

[C.I.A & Drugs](#)
[Politics](#)
[Regional Conflicts](#)
[The Economy](#)
[Pandora's Box](#)
[Hall of Unsung Heroes](#)

Community

[The Forum](#)
[Upcoming Events](#)

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LOCAL SOLUTIONS TO THE ENERGY DILEMMA

April 27, 28, 29, 2006
New York City

by

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Senior Staff Writer

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May 10, 2006 0800 – PST – (FTW) - NEW YORK CITY - **T**hree days of brilliance and data are too much for one writer to summarize, but I'll survey some highlights of the recent "Local Solutions" conference with special emphasis on relocalization.

The program included several heavy-hitters: James Howard Kunstler critiqued America's obese complacency; Derrick Jensen railed against the rape of the planet; David Pimentel performed his devastating review of the ethanol boondoggle; Matt Savinar ventured into psychohistory and sociobiology with remarks on instinct and group cohesion; and Catherine Austin Fitts showed the way our economic system drains people and neighborhoods (i.e., by allowing predatory elites to flush wealth out of the community and into offshore accounts through a system of narcotraffic and massive global money-laundering, government fraud, and dirty tricks). She offered a solution in the form of the www.solari.com model of community investment, along with sound advice on precious metals, banking, and local stock issuance.

[Philip Botwinick](#) organized this conference, and it's particularly heartening to FTW that he came to Peak Oil awareness from [Crossing the Rubicon](#). Indeed, the first day of the conference unfolded at the Community Church on 35th and Madison, a Unitarian Universalist venue that had been the site of some of the 9/11 Truth movement's major events in years past. New York City is one of the more Peak Oil-aware locations in the country, partly because the attacks spurred people to look for the real reasons for false-flag terror and flag-waving war, and partly because of the efforts of conference emcee [Dan Miner](#). Dan leads the www.peakoilnyc.com meetup group, where he leads discussions on scarcity, crash, and sustainability.

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7 members of the FTW staff attended the NY Local Solutions Conference. L to R: Jamey Hecht, Monica Psomas, Jenna Orkin, Carolyn Baker, Michael Kane, Dmitry Orlov. Mike's the guy on his knee (as it should be!).

New York was not only the venue, it was also the subject of a three-person panel on the relocation of the whole State. [Jon Bosak](#) had to follow the literary fireworks of James Howard Kunstler, to whom he acknowledged an intellectual debt. But he carried it off with aplomb: Bosak is the leader of a major [relocalization effort in the Tompkins County area](#) around Ithaca, New York that is host to 100,000 people. He urged that the *county* is the ideal level for sustainability planning, far smaller than the State but large enough to include the relationships among cooperating towns. Relocalization is *local* in that every place has its unique challenges and strengths. Bosak gave excellent advice for the persuasion of county officials and local businesspeople:

- Use the [Hirsch Report](#)—that crucial SAIC document [which has been so strangely absent from public discourse](#) in these days of \$3.50 per-gallon gasoline. It is official, quantitative, and essentially uncontroversial; and it predicts a Great Depression over the next twenty years, without venturing into the uncertain territory beyond the crash itself.
- Include some description of climate change effects.
- Present the oncoming crash in terms of prices, rather than directly warning of a breakdown in essential services. Few people can readily contemplate empty supermarket shelves, but everyone can imagine prohibitive prices.
- Don't use the word "relocalization" in your group's name, or people will misread it as "relocation."
- Present the enormity of fossil fuel inputs in the green revolution, but don't go on to point out the implications for mass starvation. Those who make the logical connection on their own are usually the few who can tolerate it.
- In general, present the new world as a plethora of business opportunities for productive and commercial activity at the local level, emphasizing local strengths (such as the canal waterways of upstate New York).
- In developing documents and software tools, arrange for responsible crediting of intellectual property and licensing. Bosak closed with a plea for clearly focused charts and graphics about Peak Oil and natural gas with a clear permissions policy.

Melissa Everett, author of [Making a Living While Making a Difference](#), added crucial pieces to the New York State picture. She represents [Sustainable Hudson Valley](#), which services a vast area currently home to 2.2 million people. The Valley's labor situation is grim, with major layoffs by IBM and other big employers whose industrial spaces were vacated and left idle. Economic development policy was dedicated to

gratifying such corporations for so long that when they left, nobody knew what to do:

They were cutting down the area's last significant urban forest to create an industrial park on a hilltop in the middle of the city, for one tenant. And ten years later, most of that industrial park is still vacant, and the surrounding remnants of forest are still threatened with development. We simply did not know how to have the discussion about the forest as an asset, and about tens of thousands of square feet of industrial capacity being vacated by IBM, while the local government could legally and with impunity be building new [industrial] space. How can we have this conversation with the responsible agencies at the county level? We're not trying to just create employment or purchasing power; we're trying to meet basic human needs regarding economic activity, like food security and energy security. Those are things that economic planners are just not used to planning, and that's why these models are so important. Make them see that a forest is not a resource to be consumed, but an asset to be preserved.

This was the theme of Derrick Jensen's talk near the conference's close; from his perspective, the very word "resource" implies consumption, waste, and destruction. Jensen's material hasn't changed much in three years, and everything he said was familiar to me from his previous speeches and writings. But his work has such emotional power that it was worth the ticket to see it live. I found his message rather frustrating, since his excruciating focus on the pain of eco-devastation leads straight to warrior activism that he can't possibly be doing without landing in prison. Jensen's radicalism makes it impossible to honor his eloquence on its own terms, since it's ultimately all talk. This is talk that all but exhorts us to go out and bomb the ecologically disastrous system of river dams that have decimated wild salmon populations and kept the Colorado from reaching the sea. "Whatever it takes" is the motto. If you want an emotionally raw appreciation of the depth and scale of the ecological harm we do, you can't go wrong with Jensen. But he had little of the humble pragmatism I heard from the relocation panel. His job is not so much to help build lifeboats as to help people think about the dark truth without feeling alone or crazy. He does that job well.

Returning to the New York State panel—it closed with a bracing talk on climate change from the legendary eco-pioneer [Albert Bates](#), author of ten books and a plethora of articles on sustainable design, permaculture, climate change, and other subjects. His first graphic showed three warming scenarios from the [IPCC](#) with an alarming mark showing the current levels of atmospheric CO₂. We're in even worse shape than the worst scenario predicted. Sea levels tend to rise abruptly, not gradually; the ice shelves don't have to melt, they need only break off into the water and the coastal areas will be flooded. There followed a series of terrifying charts with Calcutta, Shanghai, London, New York, and Florida inundated by the waters that made them such attractive locations for human settlement in the first place.

Bates explained that relocation of services will not only offset fuel depletion, it will radically reduce the annual carbon load added to the ecosystem. A graphic showed the Dutch city of Delft, circa 1660, with its 1:1:1 ratio of green-space to water to buildings. That kind of public planning may be a nearly impossible dream in many areas, but we can still take small steps forward:

Taking a survival course is a way of building up your spirits. You become prepared for meeting your own food and water needs, health and shelter and energy needs for a few days. One ought to have a three day survival kit. We've learned from Katrina and Rita that civilization as we know it is illusory; that social structures can disappear; that people have become very dependent on those social structures external to their own personal preparations. They need to store food and prepare medical kits and meet their neighbors.

Bates comes from [The Farm](#), a four-generation ecovillage where paved land was reclaimed (much in the manner now advocated by Jan Lundberg and the [depaving movement](#)). "It takes a while to learn how to make soil," Bates explained, "but once you learn how to make soil you can make food." He recommended soy in particular,

because its natural ability to fix nitrogen eliminates the need for natural gas-derived nitrogen fertilizers. He ended with encouraging statistics on the growth of the intentional community movement in the U.S. and worldwide.

Listeners to the wit and wisdom of Dmitry Orlov need all the encouragement they can get, as his depiction of the American predicament is very dark indeed. It's also a highly structured argument about America's susceptibility to a rapid, cascading breakdown of social and economic services. His presentation's main points were articulated for *FTW* subscribers a year ago in three brilliant installments:

- [Post-Soviet Lessons for a Post-American Century, Part One](#)
- [Post-Soviet Lessons for a Post-American Century, Part Two](#)
- [Post-Soviet Lessons for a Post-American Century, Part Three](#)



Russian writer and analyst Dmitry Orlov delivers a haunting analysis comparing the collapse of the Soviet Empire with the pending collapse of the American Empire.

Dmitry has also posted [the slides from his presentation](#). The slides have a brutal truth-telling character that makes them almost artistic. For example:

Closing the Collapse Gap

Post-collapse environment – what comes next?

- New subsistence/barter economy emerges almost immediately.
- Old capital – stocks, bonds, capital equipment, cash – all worthless. Connections, favors, access to supplies – prove to be of abiding value.
- Asset stripping: assets dismantled and reused, stockpiled, or sold as scrap. Many items of value exported (especially art objects, antiques, scientific and industrial equipment)
- Elements of organized crime, former military, and former law enforcement meld into new power structures (very messy).

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8

Julian Darley described the origins of www.globalpublicmedia.com and the [Post Carbon Institute](#), then reminded us of their terrible importance: "We need something to integrate and coordinate, which is the job government should do but generally

doesn't do...Civilizations are built on surplus (of food, energy, and so forth). We're finding out what happens when surplus disappears and how things like democracy can continue without it." Darley wisely urged the audience to read one of the great (if underrated) texts of the last hundred years, William Catton's 1982 book [Overshoot](#). That book includes the haunting parable of the [reindeer herd on St. Matthew's Island](#). Jay Hanson's seminal, www.dieoff.com, built on Catton's work, as does the whole sustainability movement, since the concept of "carrying capacity" took on its full significance with *Overshoot*. Without using haunting words like "dieoff," the cool dignity of Darley's presentation kept his listeners focused on the big troubles ahead while remaining connected to the PCI's hopeful mission. He distinguished between "plans," whose fragility has been aptly pointed out by Mike Ruppert, and "planning," an ongoing fluid process of adaptation like the tacking of a sailboat in unpredictable winds. Relocalization is a planning-driven process that includes: production near housing, small businesses with short supply chains, community interdependence with cooperative resource sharing, and local renewable energy production.

After the geopolitical drama of [Michael Klare's](#) presentation, I spoke with [William Clark](#), author of *Petrodollar Warfare*:

JAH: When the Unocal crisis was going, we had the impression at *FTW* that the reason the Chinese were so motivated to buy that company was because acquiring hard assets—like US corporations and real estate—is a way of dumping dollars while getting something concrete in return.

WC: Yes, getting some goods and services in return on IOU's. The Chinese are trying to build up their strategic petroleum reserve, which is about 1 billion barrels. Multiply that by \$70 / bbl, and that's 70 billion dollars they can get rid of by buying a bunch of oil. So they're stockpiling stuff, investing in tar sands and gold mines in Canada, concrete and copper and so on. And most of those Chinese transactions are being done in dollars, not in yuan. But they have to pay Iran in euros.

JAH: And Japan? Because of their strategic relationship to the US, or their political bondage to the US, they seem stuck with their dollar reserves.

WC: If we go down, they're gonna go down. They were the largest purchaser of US Treasury bills until China surpassed them last year. Japan and the US are strongly linked; if either economy goes down, the other comes down too.

JAH: When do you think Britain will adopt the euro?

WC: At the last possible opportunity, when a crisis drives them to it.

JAH: It seems the dollar has lost 95% of its value since 1913. If the remaining 5% is locked in only by the petrodollar, is there reason to expect that oil exporting countries—including Russia—might convert to the euro in a concerted effort to cause a run on the dollar?

WC: They don't want to upset the apple cart. But they might be willing to overturn the apple cart if Bush invades Iran, or bombs Iran. That may be enough to piss off the Chinese and the Russians to such a degree that they say, "You guys are unsafe and unstable; you've got a ridiculous military; we each signed a hundred million dollar deal with the Iranians..." How would we like it if the Chinese bombed Canada, or Mexico? They allowed us to do it to their investments in Iraq, but they didn't join us and they're watching us die by a thousand cuts. They're waiting us out.

JAH: Hoping to buy up the assets of a fallen US for pennies on the dollar.

WC: Right. And the dollar is falling against gold, and against oil, and against other major currencies—against everything, really.

JAH: Is there anything the US government can do about it, other than endless rate hikes?

WC: They could repeal the tax cuts of 2001. If we wanted to restore the dollar's value we would repeal the tax cuts, curb our military spending, balance the budget—and foreign investors know that. A currency is only as good as the ability of its government to collect taxes from its citizens. Foreign investors say, "Well, they don't care about fiscal discipline anymore, so this currency has to go down because they can't possibly repay this stuff." We passed tax cuts in the middle of the Iraq War. I've looked through history and I can't find a single incident in which a country reduced its tribute revenues or its taxation in time of war.

JAH: Well, like many things this administration and its allies have done, that practice—of reducing taxes in the middle of a war—is so irrational on its face that it makes you wonder if it *is* rational in the pursuit of a very different aim. It may be that they're deliberately destroying America.

WC: I don't subscribe to that; I think it's purely ideological and political. I think they believe it will get them elected and keep them in power with tax cuts. Reagan did it and he got away with it.

JAH: I have to ask you about the Iranian oil bourse. You mentioned a figure of 29% of world oil production moving through that bourse.

WC: That's their long-term ceiling, they said. It should take years for them to reach that level. It's supposed to open up in the middle of 2006, but they're not putting a date down. They're finding trouble getting enough resources. All the infrastructure's there, the buildings are there, the IT's there, the legal system's there, you have French Total set up on [Kish Island; Shell set up there, which is Anglo-Dutch; Italy's AGIP; BP set up there](#); and a whole lot of international [European banks](#). So all this groundwork is being laid, but it doesn't seem that there are enough resources yet to make it work.

JAH: By "resources" you mean money?

WC: I don't think it's the money, because the Parliament completely backs it, and the President of Iran supposedly backs it, too. They need people who are highly trained in how to construct futures deals and oil contracts. And most of the people who are trained in that work in New York, or they work in London. I think it's a resource issue. A human resource issue.

JAH: Perhaps the Central Intelligence Agency is interested in the human resource issue at the always-imminent Iranian Oil Bourse.

On April 24th Oil Minister Kazem Vaziri Hamaneh said the IOB would be opening "[next week](#)." On May 5th the Iranian President said it would open "[within the next two months](#)." While Iran's own feasibility study has greenlighted the project, critics—like Ann Berg, in [this compelling review of the challenges besetting the proposed bourse](#)—argue that futures trading has its own unique fiscal and legal requirements which Iran will be hard-pressed to meet. Time will tell.

Geopolitical fireworks are the stock-in-trade of our Editor-in-Chief, and there were plenty of fireworks in Mike Ruppert's speech, "[THE PARADIGM IS THE ENEMY: The State of the Peak Oil Movement at the Cusp of Collapse](#)." The speech has three sections, dealing with energy, economics, and the movement, though elements of each are seeded throughout. We learn that the dollar is in deep trouble, and that the slope and timing of its collapse depend largely on the goodwill of the creditors America routinely insults. We learn that Peak Oil has definitely come and gone, with the gap between supply and demand opening its jaws wider every day. And we're advised that we should use all the tools at our disposal to help prepare those who wish to prepare. No effort need be wasted convincing skeptics or lobbying for large scale changes from a government owned and operated by doomed petroleum companies. From its independent media to the outposts of the Post Carbon Institute, the movement's response to Peak Oil must remain proactive, local, and thoroughly pragmatic.

I haven't mentioned great presentations by Dale Allen Pfeiffer, John Ikerd, John Howe, Steve Andrews, and many others. I haven't evoked the thrill of the new documentary from Community Solution, "[The Power of Community: How Cuba Survived Peak Oil](#)," or the new trailer for "[Escape From Suburbia](#)," a sequel to the hit "End of Suburbia" from Greg Greene, Barry Silverthorn, and Dara Rowland. But I hope I have conveyed some of the intellectual excitement, emotional sustenance, communal goodwill, and cultural fortitude that made this conference great. Apologies to those whose fine work I neglected, and thanks to all for an informative three days.

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