

A HEADS UP (Problem Discussion)

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Second in a series

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In the first column of this series we learned that PEAK OIL PRODUCTION has been reached and oil production is in decline. I made the point that this is a difficult topic because the consequences are vague and difficult to foresee, and so this is just discussion of the possible, maybe even likely, changes our future may hold.

From the previous column we concluded that it may be wise to reduce our dependence on oil. In this we envisioned a return to an earlier life style, perhaps a life style similar to the 1850's. We may see horse drawn wagons, buggy's and open sided public transportation wagons. We may see a return of steam engines. Perhaps lighting our homes with candles and making them as well. We may learn to sew clothing again, and how to construct homes and out buildings, dig wells, set up windmills and work collectively as a member of a team in a community. And this brings up the touchy subject of government permits. If government building permits are going to collide with the survival of our families, those permit requirements may have to be set aside. But since government is engineering much of our plight and struggle, it is difficult to be sympathetic. Somehow, I don't think that a permit is necessary for survival, but may be I'm wrong. I've been wrong before.

Most seeds of today are either genetically modified or hybrid. The vegetables produced by these seeds will produce seeds that are sterile. That is, the seeds gathered from growing vegetables that are genetically modified or are hybrid, produce seeds that will not grow another season of vegetables. It's a one shot deal. Therefore, it might be wise to get a supply of "organic" or "legacy" seeds of common vegetables. These vegetables will produce seeds that will grow another crop next year, or some future year.

We might ultimately decide that having a "milk cow" or two would be a good thing. Having a small flock of chickens might be good as well, not only for eggs, but for an occasional fried chicken meal. Remember, any food you produce in excess of our needs has the potential to be traded for something else on our list of needs.

We can probably survive and have a reasonable life style, not the one we currently have, but one that is reasonable. But the choke hold government has on us will have to end. Yes, a government may well be necessary, but choking us to death while we are trying to survive an economic and societal collapse it (government) has created will probably need to end.

It is important that we understand that all solutions begin locally. It begins with us electing leadership that believes in, and will restore "lawful civil authority" and abandon the Franklin Roosevelt "War and Emergency Powers authority" of the 1930's where all law is commercial, and commercial fines are levied for virtually everything, even riding our bicycle in an empty skate board park. After restoration of lawful civil authority, we can return to our "republican form of

government” that so many American’s died to provide for us, and abandon the commercial capitalism system that depends on infinite commercial growth produced by an imaginary infinite oil supply that no longer exists and is now in decline.

With an economic collapse there will most likely be no more Federal Reserve notes accepted for goods and services. If this happens, government workers will move onto survival with the rest of us. Therefore, roads, bridges and other facilities will no longer be maintained unless the community comes together to somehow pay workers with food and survival supplies and needs. For example, a community may support those who maintain the community water system. The infrastructure will be intact and usable for a while. We may eventually have to dig our own wells and hand pump our water. We may have to put in windmills. And all of that is going to require the “freedom” to do so without permission or attack from government. And this is where our local leadership of today comes into play.

OK, so oil production has peaked out. Take a look around you and see what is dependent on oil. All plastics are dependent on oil. Look around your house and your work place, in your mind remove everything that is plastic or synthetic. What about our transportation, is that oil dependent?

Let’s produce some crop and examine what it takes. First we have seeds delivered by oil powered transports. Then we have a planting machine towed by an oil-powered tractor. Then we have fertilizer applied by some machine either towed by an oil-powered tractor or flown by an oil-powered engine. Then we apply pesticides which are oil based. And they are applied by a machine towed by an oil-powered tractor or flown by an oil-powered engine. Then comes harvest in which the harvester is an oil-powered machine. The produce is then transported to a processing facility by an oil-powered truck. The food may well be wrapped with plastic or put in a plastic container. From the processing plant, the food is taken to distribution points by an oil-powered truck. And from the distribution points it is taken to the grocery store in an oil-powered truck. At the grocery store is it purchased and taken home in an oil-powered automobile.

Are we beginning to see how dependent we have become on oil? Can we begin to visualize how our life styles will change as oil runs out? We may be required to preserve our food, either through canning or other processes. Can we do that? My parents canned food. Meat was a bit tricky.

What has happened here in America is that the leadership of this country has mismanaged our economic system so badly that today’s Federal Reserve Note is worth considerably less than when I was in high school. The price of gold on October 6, 2010 was \$1344.39 an ounce. The purchasing power of gold remains relatively constant. And what this means is that if you had enough gold to build a home in 1960, and you still had the gold, you could still build the same home. It is the Federal Reserve Note whose purchasing power changes, and so we can use the price of gold to determine the loss of purchasing power of the Federal Reserve Note. The price of gold when I was in high school in 1962 was \$32 an ounce. Today’s price is approximately \$1344.39. That means that today’s one dollar Federal Reserve Note has 2.38 cents (\$0.0238) the purchasing power it did in 1962. That, in turn, means that if a job paid \$2.25 an hour in 1962 and

the wages of that job had kept pace with the *engineered* devaluation of the dollar, the same job today would pay \$94.52 an hour, instead of maybe \$14.00 an hour. At \$92.53 we would be making \$16038.53 each month. And at that wage we could easily make a payment on a \$300,000 home and we could pay it off within ten-years like we did in the 1950's and early 1960's.

Tune in next week for more discussion.