

# MuseLetter

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*MuseLetter #219 / August 2010 by Richard Heinberg*

*(Author's note: This is the Introduction to an inspirational / financial-advice / environmental / diet / dating / self-help / survivalist / humor book that I started to write—and quickly decided should never be finished. Maybe I shouldn't have taken it even this far. You be the judge.)*

What can you do to optimize your chances in the case of hyperinflation, a deflationary economic Depression, an oil crisis, a famine, or a series of horrendous environmental disasters? If you don't already know, you'd better wise up fast—because some or all of these exciting opportunities are on their way to a neighborhood near you! In fact, one or two may already be tapping you on the shoulder and asking to make your acquaintance.

Pointy-headed intellectuals have been warning us about this stuff for years. Decades. Who cares? Who's had the time for depressing, worrisome, gloomy, hard-to-understand statistics and graphs? There's been work to do, money to be made, kids to put through college, new episodes of American Idol to watch.

Until now. We have finally arrived at the fabulous convergence of two Earth-shattering developments: First, real environmental and economic catastrophes are starting to happen and are tugging on our Comfy Cushion of Consumer Complacency, requiring us to actually Do Something. Second, someone (guess who?) has figured out how to frame these mega-scary events in such inviting, entertaining, and potentially profitable terms that the irresistible win/win euphoria of it all can make you almost completely forget just how abysmally awful our situation actually is.

Welcome to my book, *YOU can Be a BILLIONAIRE Without Doing Anything!!!* In it, you will learn why the U.S. economy is now the butt of jokes in Chad; why the stuff that makes your car go is about to become as rare and valuable as . . . as . . . as something actually *rare* and *valuable*; why the global food system is making more and more people watch their waistlines (as they shrivel); and why Mother Nature seems to be puzzlingly mean-tempered lately—almost as if we had done something to annoy her.

*And*, best of all, you will learn how to anticipate and cash in on the lucky breaks opened up by these seeming calamities. You will thrill to the sheer ease with which you and your family can surf the waves of change lapping at the thighs of a dazed and sadly un-opportunistic

world. You will adopt as your new motto: *A crisis is a terrible thing to waste!*

With this book you just can't lose: If you decide *not* to take my advice and *not* to do anything to save yourself from the smorgasbord of apocalyptica to which we are all about to be treated—well then, you might as well chortle in the face of certain destruction. You can still revel in the fresh, snarky prose with which your grisly fate will herein be detailed. You still win!

But you stand to win even BIGGER if you get with the program! Each of the following chapters will inform you of fun ways to profit from global collapse—so get ready to get ahead!

**Chapter 1**, "*How to Become a Billionaire Without Doing Anything!*", will prepare you to thrive in a period of hyperinflation. Remember Germany in the early 1920s? Well, I don't either. But I've actually seen an old picture on the Internet of a German lady heating her home by tossing bricks of currency into her furnace. How could money become so worthless? Easy: If the government decided to print gazillions of Papiermarks, or Dollars, or Euros, Baht, Drachmas, Guilders, Nakfa, Pesos, Pounds, Rand, Rubles, Rupees, Shekels, or Yen in order to pay for obligations it otherwise could not meet. With more money chasing an equivalent quantity of goods and services, individual units of currency would lose value. Soon a loaf of bread that used to cost only two Tugrik could cost hundreds, then thousands, then millions, eventually billions of Tugrik!

Of course, this could never happen TODAY, in our enlightened modern world run by politicians and economists with their profound scientific understanding of how to keep monetary systems oiled, tanned, and buff. Nevertheless, there is always the theoretical possibility that, in a poor and corrupt backwater nation somewhere, a power-mad Prime Minister or President could decide to borrow colossal amounts of cash to pay for social programs and infrastructure projects (knowing these debts could never be repaid), which would eventually cause the national currency to lose nearly all of its value. If you were to find yourself in such a country then, you could become a billionaire without doing anything!

Think of the opportunities! Like the government, you could inflate your debts away! Your total mortgage of 1,000,000 Ringgit could easily be paid off with a single month's salary . . . assuming, of course, that you still had a salary and that salaries were keeping up with prices. You see, there are some strings attached: when the waiter gives you a dirty look after you leave him what you thought was a generous 50,000,000 Dinar tip, you might start to think that being a billionaire isn't all that you expected. Your savings would have been inflated away by this time and society might be shredding at the edges.

But . . . you'd be a *billionaire!!!*

As we'll see in more detail later in the chapter, there are plenty of things you can do now to get ready for life under hyperinflation: Stop investing in Wall Street and start investing in your community! Stock up on things of real and enduring value that you can always trade or

barter! And develop skills that will enable you to be useful to people in your community when the monetary system breaks down!

Naturally, you will only be able to benefit from hyperinflation if you haven't already lost everything to deflation—which brings us to **Chapter 2**, *"How to Buy the House of Your Dreams for \$1000!"*

Deflation is in some ways the opposite of inflation: If lots of loans are being defaulted upon, if new loans aren't being written, and if loads of people are losing their jobs, then money starts to disappear from the system. Money is worth more than it was before, but there is less of it to go around. This is what happened in the U.S.A. during the Great Depression of the 1930s, when 40 cents could buy a decent meal, a two-bedroom bungalow came with a monthly mortgage payment of \$35, and a new Chevrolet could be had for \$20 down and a series of \$15 monthly installments. You could live well on \$100 a month—but who had that kind of money?

Of course, this could never happen TODAY, in our enlightened modern world run by politicians and economists with their profound scientific understanding of how to keep monetary systems oiled, tanned, and buff. Nevertheless, there is always the theoretical possibility that, in a poor and corrupt backwater nation somewhere, a cabal of greedy bankers could create a set of bizarre investment instruments that appear to generate enormous amounts of wealth but in reality are nothing but an elaborate con game, so that at some point all these investments would lose their perceived value and several fantastigillion Taka's worth of apparent wealth would just evaporate, causing the stock market to implode in a puff of smoke and leaving millions upon millions of people without jobs or income of any sort. If you were to find yourself in such a country at such a time, and you still had a few Taka in your pocket, you could buy yourself a Rolex, a car, a house, maybe even your own judge or police chief!

Naturally, that would only hold true if you did indeed still have those few Taka and hadn't lost all your savings to hyperinflation (see Chapter 1). And, to be sure, there are some downsides to deflation: You might be out on the street, and society could splinter. But hey, does that Rolex look great or what?

As we'll see in more detail later in Chapter 2, there are a few things you can do now to get ready to make the most of life under deflation. And some of them look a lot like ways to protect yourself from hyperinflation: Buy your support system ahead of time (hand tools, solar panels, and other items that will help move you toward self-sufficiency)! Develop and improve your tradable skills! However, in this case an additional strategy might be helpful: If your community starts a local currency now, then as your national currency collapses you'll still have some basis for trade. Invent your own money—do it today!

In **Chapter 3**, *"Pick Up Any Guy or Girl with Three Magic Words!"*, you will learn that, in an inevitable future in which gasoline is unaffordable and oil shortages are commonplace, the words *"I've got fuel"* will make you instantly attractive.

You see, our entire transport system is petroleum-dependent: cars, trucks, trains, planes, ships—they all run on diesel, gasoline, or bunker oil (with the exception of about twenty Tesla Roadsters and Arnold Schwarzenegger's hydrogen Hummer). But over the past century or so the petroleum industry has guzzled up all the cheap, easy-to-find Texas Tea and is now undertaking a Journey to the Center of the Earth to get those last few tasty slurps of light, sweet crude. Meanwhile, today's remaining oil-exporting countries are using more and more of their precious petrol domestically, which means that oil-importing countries (like the U.S.) will soon be up a creek without a drill rig. How soon? We're not talking centuries here, we're talking a decade or so at best, maybe only a few years.

It would be sensible for towns and cities in the U.S. to ready themselves for that fast-approaching future by building robust, energy-efficient electric public transit systems that could potentially run on solar or wind power—but instead most are using Federal stimulus money to build or widen highways. Why? It's because urban planners are required by law to assume that the future will look just like the 1960s, only more so. Smart! Well, that's bad for cities, but good for you if you're looking ahead!

People need to travel. If they have no alternative to cars but can no longer afford to own and operate their own vehicles, then ingenious new sorts of carpooling services might pick up the slack. Start now to plan how you'll run your informal jitney business—gathering up carloads of passengers along semi-regular routes, dropping folks off one at a time close to where they need to go, while collecting nominal fares (a couple of eggs, a few potatoes) to make it all worthwhile. Form friendships now with the people most likely to have access to fuel (including home-made biodiesel) when the shortages hit. Figure out what kind of vehicle you intend to buy (don't purchase it yet!—wait until nine-passenger vans and SUVs are virtually worthless due to deflation and fuel shortages). When the time comes, if you've followed these simple instructions, you'll be picking up guys and gals on a regular basis!

Yes, there are some trade-offs and risks attached to the impending oil crisis. Forget that yearly vacation at Disney World—or anywhere else that requires air travel (sorry, there will be no electric 747s in our future). And you might have to deal with a bit of social upheaval from time to time. But why dwell on the downside? Just think of the bonuses! You will get to know your neighbors better and we'll all get lots more exercise riding bicycles—as long as bike tires are available (too bad they're made from oil).

**Chapter 4, "How to Lose 40 Pounds Without Even Trying!"**, offers advice on a sure-fire way to beat the obesity epidemic. It's called global famine!

Now, I know this one sounds terrifying at first. But remember: the more enormous the crisis, the huger the opportunity!

A whopping big famine is a safe bet sometime in the first half of this century. That's because we have a still-expanding human population (nearly seven billion of us now and counting) with growing appetites; but we're eroding or salting our topsoil (losing 25 billion tons a year),

we're facing water scarcity (so much for increasing food production through irrigation), the amount of arable land available globally is starting to decline, we're depleting world rock phosphate supplies (phosphorus is essential to modern industrial agriculture and there's no substitute for it), bugs and weeds are becoming resistant to nearly all our pesticides and herbicides, and—to top it off—our entire food system is totally dependent on the use of depleting petroleum to fuel tractors and to transport farm inputs and outputs. Oh yes, I almost forgot to mention that we're over-fishing the oceans, so that by mid-century most wild commercial fish species will be depleted, endangered, or extinct. It's a food system that's virtually designed to fail!

You think it's going to be tough to find the bright side to this one? Think again! We'll be swimming in silver linings!—those of us who are prepared, that is.

If you can figure out how to grow food sustainably, starting now, you are guaranteed to become a Very Popular Person. In fact, your biggest problem could be TOO MUCH popularity! Your whole neighborhood might want to start hanging out with you every day to share meals. Some neighbors might even want to visit you (or your garden) in the middle of the night. Cozy—maybe too cozy! But if you plan ahead for all of this popularity, you could find ways to put all your new friends to work weeding, planting, and harvesting. You could turn this into a system—a *feudal* system, to put a name to it—with you as the, um, *facilitator*!

And you thought global famine was going to be a big downer. Silly. There's always an upside for those with a smile and a can-do attitude!

And that brings us to the concluding, inspirational **Chapter 5**, "*Ten Ways YOU Can Change the World!*"

Not all profits are financial in nature; sometimes the best things in life come simply through knowing that we've made a difference. We all want to leave our mark; we want future generations to remember us. Often, this longing gets frustrated along the way: when we're young, we have dreams of doing something great and being famous, but the requirements of making a living tend to mire us in mediocrity. After we're dead, we might be remembered for a while by a few close relatives, but then it's off to oblivion. Gone and forgotten. Meanwhile the world shambles on as before, not much different as a result of our having been here.

That all may have been true a few decades ago, but not anymore! Haven't you heard? It's the New Age of globally interconnective instantaneously hyperactive feedback loops! In other words, we've arrived at a point in our development as a species where we can change the world in truly dramatic ways, just by each of us doing our own little bit. No, it's better than that: it has gotten to be so easy to change the world that today it's actually much, much harder NOT to! What an amazing species we are! What a time to be alive! Yes we can!

Massive oil spills, climate change, species extinctions, resource

depletion, deforestation, air pollution, water pollution, rapid population growth, widespread reproductive disruption among vertebrates due to environmental toxins, ocean acidification . . . the list could go on and on. These are BIG changes—so big that their traces would be obvious to alien geologists visiting our world millions of years from now. With global warming alone we are turning the Earth into a very different planet from the one on which civilization developed (author Bill McKibben says we should give the planet a new name, “*Eearth*,” as a way of celebrating our collective achievement). And all we have to do to contribute to these great smacking big planetary changes is to continue doing exactly what we are doing right now! Fly and drive! Use plastic bags! Eat fast food! Turn up the air conditioner! Have lots of children! Buy stuff and throw it away! It’s so fun and easy to change the world!

Sure, those space-alien geologists may not credit you personally for making such a big difference to our world. But rest assured: You’ll have been part of a socio-economic phenomenon that future human generations, if there are any, will remember intensely. In fact, they will probably think about us every single day of their lives!

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Okay, enough with the cynical sarcasm. It should be fairly clear by now why this book should never be finished. (My publisher: “Keep it to one category, please. Two, maybe. Three, absolute tops. *This*—this is ridiculous!”)

Of course, the main reason the book shouldn’t be written is that, rather than reveling in planetary collapse or trying to profit from it, we should be doing everything in our power to prevent or minimize it. That means *not* flying and driving, *not* using plastic bags, *not* eating fast food, *not* turning up the air conditioner, *not* having lots of children, *not* buying stuff and throwing it away.

Nevertheless, the tough truth is that hard times are on the way regardless of what we do at this point. Over the past century or so we humans have set processes in motion that cannot entirely be halted even if we change our ways dramatically and instantly. During the next few decades, humanity will (one way or another) make the transition from a mode in which it relies primarily on the extraction of non-renewable resources and giddily grows its population and per-capita consumption rates, to a mode in which non-renewable resources are mostly depleted and population size and per-capita consumption rates are constrained by the availability of the world’s remaining renewable resources. Along the way, we will reap the unintended ecological consequences of our Big Binge even as it passes into collective memory: climate change, habitat destruction, soil erosion, and aquifer depletion will be gifts that just keep on giving.

Our economic situation doesn’t look any cheerier. You see, during those last couple of centuries, while we were developing our ability to extract Earth’s fossil fuels and minerals on a grand scale and transform them as quickly as possible into carbon dioxide and landfill, we got the idea that this could go on forever. We developed economic dogmas that said growth is good and normal. And we

created currency and finance systems that only work properly when the economy is expanding. Now that it's getting harder to extract Earth's remaining non-renewable resources, economic growth is no longer a given. Indeed, year-over-year world aggregate GDP growth may already be a thing of the past—over, done with, extinguished, extinct, kaput. Whether or not we've already reached that inevitable point, when we do our economic system is going to careen either into deflation or hyperinflation—there will be no middle ground to cling to.

All of this is fairly plain when you stand back and look at the trajectory of human history with the laws of thermodynamics in mind. Yet most people are so invested in business-as-usual that they simply can't allow themselves to contemplate the possibility that time has run out on our current round of Wheel of Fortune. Some environmentalists are painfully aware that nasty impacts are in the pipeline, but don't want to frighten away their potential audience. So they focus on easy, painless, little things that average people could do to reduce those impacts (even though hard, painful, big actions by governments and corporations are actually necessary), and they daydream about how abundant life will be in a promised eco-groovy future (while in fact the best way to describe what's in store is austerity compounded with more austerity).

In short, we live in a state of denial. The mainstream media occasionally scare us into paralysis with CGI-laden disaster documentaries, but then proceed to label people who talk rationally about the coming challenges and how to prepare and adapt as "survivalists" and "prophets of doom"—that is, as individuals so far outside the mainstream as to be worthy objects of derision.

So it's a challenge to get across to policy makers or the general public any sense of what's ahead and how to respond.

Those of us in the business of trying to do so have to accomplish many things at once: Get real about the scale of the problems and the risks, *and* avoid freaking out. Be hopeful *and* deadly serious. Help people improve their own survival prospects *and* work for institutional change so as to minimize impacts.

It's a difficult balancing act. In fact, it's more than anyone can do. What are the natural human responses to situations that require us to stretch us far beyond our capacities? Often we either laugh or cry.

So here's to laughter (we'll do the crying thing another time, I'm sure). My final advice, offered in all seriousness: Adopt a cheerful and helpful attitude. And cultivate a sense of humor during this trying period—doing so will not only preserve your mental health, it could help you and your family survive.

Remember: When life hands you a lemon, don't just make lemonade . . . make limoncello, and make enough for friends!

#### **ABOUT THE AUTHOR**

Richard "Sunnyside" Heinberg is the author of nine books including *Blackout: Coal, Climate, and the Last Energy Crisis*, and *The Party's*

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