

Introduction

I AM NOT AN EXPERT or a scholar or an activist. I am more of an eyewitness. I watched the Soviet Union collapse and this has given me the necessary insights to describe what the American collapse will look like. It has been a couple of years since I started writing on the subject of economic collapse as it occurred in the Soviet Union and as it is likely to occur here in the United States. Thus far, I remain reasonably content with my predictions: all the pieces of the collapse scenario I imagined are lining up, slowly but surely.

But for me it all started late in the summer of 1996, when I arrived in the US after an extended stay in Russia. I was just married and my thoughts turned to the future. I had visited Russia many times before, on family visits as well as on business trips, and had been able to observe in detail the fall of Communism and the ensuing economic collapse. Unlike the people who had lived there throughout that period, and also unlike those who had visited just once or twice, I was able to notice both the gradual changes and the sudden ones. Because I was born and grew up in Russia, I was not thwarted by any cultural or linguistic barriers. It was just the place where I grew up, in some ways remarkably unchanged after more than a decade of absence, but in other ways remarkably transformed.

By the time my wife and I settled back in the States, I had seen and heard enough to grasp the complete and utter hollowness of bombastic

phrases such as “the defeat of Communism” or “Cold War victory.” For a time, there was even talk of the Cold War paying a dividend, but it was soon followed by recriminations over “who lost Russia.” I had already understood that the Soviet collapse had precious little to do with Communist ideology, and was not hugely influenced by anything Americans said or did. Rather, I could not help but feel that the relative timing of the collapse of the two superpower adversaries was a matter of luck. And so I came back to the States expecting that the second superpower shoe would be dropping sometime soon, certainly within my lifetime, and the question for me became: How soon?

Let us imagine that collapsing a modern military-industrial superpower is like making soup: chop up some ingredients, apply heat and stir. The ingredients I like to put in my superpower collapse soup are: a severe and chronic shortfall in the production of crude oil (that magic addictive elixir of industrial economies), a severe and worsening foreign trade deficit, a runaway military budget and ballooning foreign debt. The heat and agitation can be provided most efficaciously by a humiliating military defeat and widespread fear of a looming catastrophe. In the Soviet case, crude oil production peaked a few years before the collapse, foreign trade imbalance had much to do with the Soviets’ inability to grow enough food or manufacture enough consumer goods, the military budget was huge to start with and was further swelled by the Soviets’ knee-jerk response to a silly thing called “Star Wars,” Afghanistan provided the military humiliation and Chernobyl the backdrop of catastrophe.

It took a couple of decades for the United States to catch up, but now all the ingredients are in the pot and starting to simmer. US crude oil production peaked in 1970 and global (conventional) crude oil production appears to have peaked sometime in 2005, with all of the largest oil fields in terminal decline and global oil exports set to start crashing. The trade imbalance is such that the US produces little of the high technology on which it depends, having exported jobs and moved production offshore for over a generation now. Although the US grows enough food to feed itself, it imports the fossil fuels with which to grow it and deliver it, at a ratio of roughly nine calories of fossil fuels to one calorie of food. The runaway military budget, which

now stands at one trillion dollars a year, has been swelled by something called the “War on Terror.” The situation with regard to runaway foreign debt is slightly different: it is denominated in America’s own currency, giving the US the option of inflating it away rather than defaulting on its obligations. But the results are the same: a worthless national currency and unhappy international creditors unwilling to extend further credit. Iraq provides the needed military defeat and killer hurricanes that are part of global climate upheaval the fear of a catastrophe.

Let us not even try to imagine that this will all just blow over. Make no mistake about it: this soup will be served, and it will not be tasty! My soup-based method of predicting superpower collapse may not please a scholar or an expert or an activist (as I mentioned, I am none of these) but it is probably rigorous enough to adequately warn and equip an innocent bystander. I am not too interested in constructing rigorous scientific models and producing forecasts. Nor do I wish to set agendas, promote reforms or take part in protests. Try to form a picture in your mind: it is a superpower, it is huge, it is powerful, and it is going to come crashing down. You or me trying to do something about it would have the same effect as you or me wiggling our toes at a tsunami. Nor do I wish to force my opinions on you, so please form your own. But I do want to guide your imagination by providing a lot of real world detail about an actual economic collapse that has recently transpired, along with some honest, apples-to-apples, oranges-to-oranges comparisons between the United States and the Soviet Union, to serve as a foundation for setting some commonsense expectations and making your own plans, separately from the happy toe-wiggling masses.

People generally find it hard to act on knowledge that contradicts their everyday experience. The experience must come first, even if it is second-hand; hence all the support groups for people who want to change their lives or their habits. There are plenty of books on subjects similar to this one, complete with tables of figures, charts, graphs and diagrams, that argue for or against this or that thesis, initiative or proposal. This, I hope you will be happy to find, is not one of them. My goal is to take various important aspects of the Soviet post-collapse

experience and to recast them in an American context, allowing you to imagine what will become of your surroundings, your situation and your options. I hope to add a lot of detail to what, I would hazard to guess, is currently something of a white spot on your cognitive map. In the same way that medieval cartographers sometimes drew sea monsters on yet-to-be-explored sections of the ocean, perhaps yours is populated by dreary Mel Gibson clones, or leather-clad extras from the movie *Waterworld*, or those charming little Cannibalistic Humanoid Underground Dwellers from *C.H.U.D.*, Douglas Cheek's 1984 film in which grotesquely deformed sewer dwellers terrorize New York.

Beyond giving your imagination something meaty to chew on, I would like you to take some specific steps, but it would be arrogant of me to presume to know what they should be. You will have to work that out for yourself. Here is one starting point: currently, over a third of the working-age population in the United States responds in the negative to the survey question "Will you be able to afford to retire?" Perhaps you are one of them or would consider joining them after giving the question some thought. By the way, the question is splendidly euphemistic, making it seem as if being ready for retirement is like being ready for the big weekend. The actual question is, "Will you be able to survive once you are too old to work?" If not, then what are you planning to do about it? Slave away until destitute old age catches up with you? Here is a bad solution: get drunk a lot. With any luck, you would not live long enough to reach retirement age and you would be too drunk to care even if you did. I don't wish to set any unreasonable expectations, but I do hope that I can help you come up with a better solution than that!

Let's keep in mind that in every age and circumstance, some people have always managed to find enlightenment, fulfillment and freedom: this is the best that can be hoped for. And I hope that by helping you overcome your fear of the future and the old, ingrained habits of thought that promote reliance on what must surely be a transient and unstable present, I will make it easier for you to start your process of adaptation sooner than necessary, instead of too late, and to go on to live a full and happy life, come what may.