

This is a public version of a report about preparing for the possibility of an oil shock. The full report is available to members of mutuallyassuredsurvival.com

Surviving an oil shock

This report is the result of an internet chat in which one of the participants posed the question as to what would happen if there were an oil shock—that is, some sort of event (war, terrorism, perhaps even a natural disaster) that disrupted petroleum supplies sufficiently to cause a panic. His point was that the current situation is so precarious, it bears thinking about the day when supplies are disrupted. The other two participants in the chat decided to take him up on the question, with an eye to the practical goal of surviving the event.

Unfortunately it is impossible to quantify the unknown! We don't know what will happen in the future. Our working assumption is that it is possible that some event *could* create a situation where

- fuel prices would be out of reach of many customers
- there would be shortages in some areas that would cut off the fuel supply at any price
- The government is likely to respond with price controls, rationing, & restrictions on personal freedoms.

These results would produce downstream effects such as

- Rising unemployment
- Loss of income
- A breakdown in the division of labor
- Goods & services becoming more expensive & less available
- Food & water shortages
- Breakdown of law enforcement & government maintenance

These suppositions are necessarily *qualitative*. Let's *quantify* them with made-up numbers just long enough to understand what the risks are. Suppose that gasoline hits \$20/gallon. Suppose that unemployment hits 40%. Suppose that one or more critical utilities become unavailable.

People in places like the Balkans, Iraq, Palestine, Bangladesh, & much of Africa have experienced systemic breakdowns. People elsewhere generally haven't for a long time now. The more complex the infrastructure, the more things that can go wrong with it.

“In an economy as sophisticated as ours, people have to interact and exchange goods and services constantly, and the division of labor is so finely articulated that every household depends on commerce simply to survive. If people withdraw from everyday economic life—if investors dump their stocks, or businesspeople back away from trades, or citizens stay home for fear of going to malls & being exposed to suicide

bombers—there's a snowball effect. It's the psychology that leads to panics and depressions. A shock like the one we'd just sustained could cause a massive withdrawal from, and major contraction in, economic activity. The misery could multiply.”

Alan Greenspan, *The Age of Turbulence*

Do you really believe that it is *psychology* that leads to depressions? Participation in the economy requires trust. Not surprisingly, if that *trust is broken*, people withdraw from the economy & it's back to “every man for himself”. If powerful institutions such as the central banks are dependent on the beliefs & subsequent actions of average people, what do you suppose they might do to influence those beliefs & actions?

The complexity & subsequent fragility of the national economy isn't the only problem. Many of the “Western” countries de-industrialized, & are dependent on a stream of imported goods flowing from other countries, paid for with money borrowed from other countries. Oddly enough, due to the structure of the entire global economy, exporting economies are almost as vulnerable as importing, because their goods would probably sit on the docks unsold while waiting for new buyers.

A ray of hope

End-of-the-world scenarios are no fun; there has to be a ray of hope so that we can develop a coping strategy & keep playing the game.

If there were an oil shock, whereby prices dramatically increase, a few things would happen:

- the crisis that caused the oil shock would eventually be resolved
- higher prices for fuel would discourage waste & unimportant uses, while encouraging saving it for the most important & productive uses.
- High prices would reduce dem&, which from the point of view of the consumer would help prices reach a more tolerable equilibrium.

The purpose of pointing this out is to define the scope of the problem. Although the aftermath would last indefinitely long, the real crisis would probably be a matter of weeks or months. Surviving the crisis then becomes the problem of how to live without affordable, reliable supplies of fuel, & without reliable supplies of things transported with fuel, for some number of weeks or months.

Finally we can make some sense of these vague generalities by pointing out that there are only a few basic necessities that we need to live, such as food, water, & shelter from the elements.

Modern people are very mobile. In times of emergency, sometimes their first instinct is to try to flee the danger. In some cases, such as when your house is in the path of a flood, this is a good idea. In most types of emergencies, it's usually not a good idea to flee, especially if your escape route hasn't been well-planned. In a tragedy in rural Oregon, a man froze to death looking for help & getting lost, while his wife & children survived because they stayed put & conserved their energy. In a number of

recent wildfires, people have been killed because they fled their homes, drove into the brush, & were surrounded by the flames. In the case of an oil shock, transportation would shut down & you would likely find yourself stranded & a refugee. If you must flee then it would be better to have made plans *before* the crisis hits.

Hoping for a resumption of payments, bankers would be reluctant to quickly evict borrowers who default on their home mortgages. Even when they do start foreclosure proceedings, it takes a while to complete the process. If you do have a lot of mortgage debt you shouldn't completely rule out the prospect of homelessness. Make contingency plans. One possibility is creating alliances with like-minded folks to pool assets to maintain one dwelling. This might be a hard choice, but better than homelessness.

If you heat your home in the winter, prepare for the possibility of losing whatever utility you use. Here are some factors that will improve your chances of surviving a severe winter without heat:

- Don't live alone.
- Wear coats or blankets as needed. Have them ready before you need them.
- Limit strenuous activity.
- Don't smoke or drink alcohol.
- If you live in a climate with deep snow, make sure that snow does not cut off your supply of oxygen. This is true of both houses & especially cars. Keep at least some sources of ventilation clear of snow.
- Snow can be a blessing in disguise though as it is a fantastic insulator. Stacking snow against the outside walls of your home/dwelling can provide valuable insulation. Be prepared to spend the bulk of your time in a basement if one is available. Basements are generally below ground on at least 2 sides & can provide a reasonable living environment even in the worst outdoor conditions.
- Indoors, burn only "clean burning" fuels such as K1 kerosene, alcohol, & propane, not in a tightly-sealed room, & **turn them off before there is any chance of falling asleep.**
- A carbon monoxide detector will improve safety but is not itself failsafe due to the technology not being not consistently reliable.
- Fuel-burning appliances including & especially candles, are not a good match for small, cluttered rooms, trailers, or mobile homes. Leave plenty of clearance around the appliance, & avoid combustible clutter.
- Don't burn charcoal indoors. A few people die every year from this.
- Don't run a generator indoors, or even in the garage. Every year there are dozens of deaths from being asphyxiated by the fumes from a generator.

We've discussed how to avoid freezing to death; now let's discuss how to avoid starving to death. First let's talk about some popular strategies we've heard of that are unlikely to work:

- Unless you already have a crop ready to harvest, you won't be able to grow food fast enough not to starve to death.
- It is hard to find enough game to survive. Your best chance is if you are not picky & are willing to try snails, rats, frogs, toads, squirrels, groundhogs, rabbits, mice, raccoons, opossum, sparrows, starlings, pigeons, & other common animals most people won't touch. Domesticated species should not be ruled out either.
- Foraging is easier than hunting but still challenging. Your best chance is if you are already experienced foraging before it becomes necessary, you know which wild plants are edible & which ones aren't, & if you're not too picky about eating things like cat-tail rhizomes & pollen, dandelion roots, haw berries, & similar coarse wild foods.

Your best bet is to store & rotate food stocks before a crisis hits. Grocery stores will empty out fast, & except for canned foods, they tend not to stock much in the way of foods that are easy to store without refrigeration or freezing. A lot of foods that were originally designed for storage, such as cheese & pickles, don't store well anymore & are now made to be eaten fresh.

The Y2K hoax (which was a cover for an unrelated potential crisis) made fools out of people who rushed out to buy big sacks of beans & rice. Instead of trying to guess when the crisis will come, get into the habit of systematically storing significant stocks of food in your pantry & rotating your stock.

Here is a short list of traditional foods that are easy to store:

- Dry beans, peas, & lentils
- White rice
- White flour
- Sugar
- Rusks (very dry, cracker-like ethnic breads)
- Traditional home-made pickles
- Dried fruits & vegetables
- Dried pasta
- Anything canned (Applesauce, tomatoes, chow chow, legume-based soups etc)

The larger "winter" squashes last about 4-6 months in a root cellar; they are "self-storing" crops. Apples & potatoes stored in clean sand or sawdust in a cold but not freezing location last into spring.

Canning involves the container drawing a vacuum seal to discourage aerobic bacteria. Maintaining a sodium chloride concentration above 6.5% prevents proliferation of anaerobes such as *Clostridium botulinum* (botulism). Canned foods that are acidic & low in protein are less associated with food poisoning than pH neutral, high-protein foods.

Here are some non-traditional ways of storing food:

- Pasteurized or irradiated foods in hermetically-sealed pouches or boxes

- Almost any dehydrated food, including powdered milk, in vacuum-sealed bags.

Water is something else you can't live long without. People in dry climates would be in severe distress if the taps go dry. In dry climates you should probably have emergency water in storage. In climates where fresh water is abundant, water purifying tablets will do. Bear in mind that water purifying tablets only kill microbes; they don't remove toxic chemicals or eliminate cryptosporidium. Read the instructions before use & be prepared to wait until the chemicals finish their job.

There are a number of water filters on the market that can be purchased for around \$100 that can produce enough potable, chemical-free water for up to 4 people per day. Someone will need to be tasked with running the filter. Own 2 of these filters; one as a primary, another as a spare.

How not to be financially ruined

How long can you last without wages? Divide your savings by your fixed monthly costs to arrive at the number of months you would last before going insolvent. For most people in the English-speaking countries the answer would be “zero” or more likely actually negative.

You can increase saving while there is still time either by increasing income or decreasing expenses. The latter is usually easier, but some people can easily sign up for more hours of compensated work.

People used to live quite comfortably on significantly less money than they do now, even after accounting for inflation. For example, during the Great Depression, many goods became luxuries, but starvation was almost non-existent in the USA because so many people still lived on farms (or moved back to their parents' farms) & simply grew their own food. People lacked money, but no money changed hands when they collected their eggs in the morning or harvested their cabbages.

Own paper currency & precious metal coin. Currency loses value but you'll need something fungible. Silver is no longer generally considered a medium of 3rd-party exchange; people have been re-trained to accept electronic digits mysteriously referred to as “dollars”, “euros”, “yen”, etc. Currency is being replaced by electronic money, but it will have to do for now for lack of better alternatives.

Precious metal coin is insurance against loss of buying power due to increase or loss of confidence in the money supply, & against the possibility of insolvency of the banking system due to debt levels that are constantly racing with the money supply.

- Cash may be used to pay mortgages & other bills during the early stages of a crisis while it is still accepted. Once cash is no longer accepted, there will be more important things than mortgage & utility payments to worry about.
- Get out of debt to whatever extent possible. In uncertain times, governments tend to enact draconian policies with regards to taxes & debt. History has shown time & time again that in a best-case scenario, debt equals servitude. In the worst case it equals downright slavery.
- Gold should be purchased in physical bullion form. US Gold Eagles come in 1/10, 1/4, 1/2 & 1 ounce denominations. If in doubt, buy the smaller denominations as you will avoid using too

much of your reserves for smaller but necessary purchases. Silver, the cheaper of the two major precious metals can generally be purchased in 1 ounce increments at a cost of approximately 1/50 the price of gold. In this case it is not as essential to seek lower weight coins. In a period of financial turmoil, precious metals will regain their monetary attributes. They have at every critical juncture in history.

Coins should be distributed between a location on your property, but not readily obvious & another location, preferably underground in a sealed container with desiccant packs. If for some reason you are forced to vacate your dwelling suddenly it is nice to know that there is a cache of reserves elsewhere.

Emergency supplies

If at all possible, a small emergency kit should be buried with your coins which contains at **minimum:**

- A pocketknife or 'survival' knife
- Waterproof matches
- A length of rope
- A large sheet of at least 5ml plastic
- One pound of sea salt
- 2 'space' thermal blankets (one for shelter, one for a sleeping 'bag')
- Tackle for makeshift fishing gear (if fishing is a possibility in your area)
- A versatile caliber firearm & at least several hundred rounds of ammunition (.357 Magnum revolver, 6-inch bbl preferable)
- Energy bars
- Water purification tablets
- Potassium Iodide (in the event of a nuclear event)
- Water storage bottle (32 oz)
- Thermal clothing (one change)
- First aid kit
- Hand-crank combination flashlight/radio.

If you practice, all of these items can be stored in a large backpack used by school students for books. The amount of items is up to you & your comfort level. Items may be added as deemed necessary.

Avoid being a victim

You can't own something if you can't defend it. In the best of times, you can lose property to predatory lawsuits (there is a whole industry devoted to ADA lawsuits) & crime; even if you are

insured, the insurance premiums are a loss to you.

In the worst of times your property & possibly your life will be in jeopardy.

- Keep a low profile. Be humble & keep your business to yourself. Nobody will make a plan to steal something they don't know exists. Before a thug can bother you, he has to set his mind on doing so; don't encourage him by drawing attention to yourself.
- There is safety in numbers. Live & travel in groups.
- Have a plan to defend yourself & those whose safety you are responsible for before you have to.
- Don't look for trouble, & don't respond aggressively until you or someone you care about is under immediate threat or attack.

Your natural rights are the right to your own life, the right to freedom of action as long as it does not interfere with the rights of others, & the right to own property. Although they are called “natural rights”, they exist only to the extent that those who claim them are willing to defend them. There is a debate raging today as to whether individuals have a right to defend themselves from either the state or each other. You should not concern yourself with this debate, but simply ask yourself whether or not you want to control your own destiny or be susceptible to the whims & actions of others.

There are types of weaponry that do not require consumable ammunition, & types that can be had in jurisdictions where guns are outlawed & hard for private citizens to acquire.

Bow & throwing knives are two likely candidates. The real benefit to using a bow & arrow is that in many cases, the ammunition is somewhat reusable. Arrows or bolts for a crossbow can be purchased rather cheaply in large quantities & stored indefinitely. For a novice, a crossbow is probably the most logical choice as the crossbow eliminates many of the intricacies of tension-firing weapons. Spare parts should also be purchased for any weapon owned, particularly bowstrings & firing pins.

Home Defense

Your home is your castle, & in a crisis you'll understand that a “castle” was a fortress not a palace. As discussed earlier, fleeing is probably not the best reaction to a crisis unless there is immediate danger to life & health. If you've taken the advice mentioned so far, your food stores & other provisions are in your home. You should emphasize defending it. Recruit help (your enemies almost certainly will).

Creating alliances or 'block patrols' with neighbors will be useful in keeping areas safe. In other crisis situations, gangs of bandits have roamed & looted without resistance. Having your supplies poached is not a viable option.

You should take steps to be able to restrict conventional entry to your home. Doors may be barricaded, lower-level windows barred with wood bar stock & garage doors jammed. Chimney flues should be shut. Thorny or spiny plants placed strategically are excellent passive deterrents to trespass. Generally people will not barricade unless there is something valuable to protect. Exercise subtlety & discretion in installing barriers; don't advertise what you're up to.

A two-pronged approach

Your keys to defending your property are two-fold: Detection & deterrence. Be able to detect potential intruders before they attempt an incursion. This is where it is beneficial to have multiple individuals defending the premises, particularly at night. NEVER turn the lights on in your home during a state of siege. Doing so will paint you for the intruder. Your advantage is your knowledge of the layout of your property & the fact that the intruder(s) has no idea where on the property you happen to be. Darkness is your advantage.

Examine the layout of your home & property & determine vantage points & blind spots. What areas can you cover from the windows? What areas can't you see without going outside?

Install a window if necessary to cover potential blind spots. Without electricity it will be hard to detect potential intruders without actually seeing them. At night in particular, establishing a watch schedule will be beneficial. If you live in a less densely populated area, this may not be necessary. Those individuals living in suburban/urban areas will need to put more thinking into their watch strategy. The need for multiple defenders cannot be stressed enough.

During the day hours, you should be prepared to defend yourself at all times. Let's face it: surviving an oil shock will involve spending a lot of time outdoors growing & gathering food & heat sources such as wood etc if available. Carrying water may also be a necessity. Don't go outside without protection. Work & travel in groups as much as possible.

Make friends & influence people

Our most important advice is to develop strong & extensive bonds of kinship & friendship. It's easier to get through a crisis in the spirit of cooperation & common purpose, than the increasingly common tendency to turn on each other when times are tough.

- Give a high priority to events centering around family & friends.
- Be generous & thoughtful. You will benefit from better relationships.
- Make it a *habit* to express your warm feelings in both words & deeds.
- Turn off the television so that you won't emulate the dysfunctional behaviors depicted.
- Do your planning for emergencies *in cooperation* with those you care about.
- Politics is the *problem* not the *solution*. If someone close to you expresses a strong opinion with which you disagree, try to understand why they feel that way & find ways to work around your differences. The best way to win an argument is to avoid it.

Pascal's wager

"Pascal's wager" refers to an argument that it is better to live a godly life even if it turns out there is no God. We claim that it's better to be prepared for a crisis even if one never materializes. Decreasing debt & being prepared for emergencies are good things in themselves. If the oil shock never happens, so much the better. Unfortunately, with all the instability in our world, the chances are increasing that at some point there is going to be a shock be it oil or otherwise. At that point, if one has not

prepared, the chance to do so will have been lost. Think of it as cheap insurance. The alternative won't be.