



Retirement *Lifestyle*
Advocates

RADIO PROGRAM

Expert Interview Series

Guest Expert: Dr. Chris Martenson
Peak Prosperity / Crash Course

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Dennis Tubbergen:

Welcome back to RLA Radio. I'm your host, Dennis Tubbergen. Joining me on today's program is returning guest Dr. Chris Martenson. Chris is a prolific author and commentator. In fact, he has just updated his book *The Crash Course* we're going to talk to him about today. Is also the founder of the number one online resilience community Peak Prosperity. We'll talk to him about that as well. Chris, welcome back to the program.

Dr. Chris Martenson:

Dennis, it's a real pleasure to be back with you.

Dennis Tubbergen:

So, Chris, let's start with Peak Prosperity. You said it is the number one online resilience community. Can you explain to our listeners exactly what that means and why they might want to check it out?

Dr. Chris Martenson:

Well, sure. Look, our view that's contained in *The Crash Course* which we'll get to in a bit, is that there's a lot of change coming. The future is going to be anything but an extension of the past. We think that there's some turbulence coming, economic turbulence, energy markets, things like that. And so our point of view is people should be ready for that.

And the reason I consider us, and why we're the number one community for this, is we cover all the bases. We have a point of view that says that resilience is much more than most people think. Sometimes people hear resilience, and they think preppers, sure. Hey, we think you should have some food stored, maybe have a garden. But we touch on eight different forms of capital. We like to help people get to real financial resilience. We love talking about financial freedom for people and how they can get there and all the different strategies and things around finance, managing it well, but also what the opportunities are given this changing landscape.

As well, social capital is a really important piece of capital to build up, just not how many people you know, but that plus how well you know them. And we build through eight different forms of capital. And because of that, we're really unique. I don't think there's another community out there like this. You can find pieces of this in other communities. We put it all in one spot and we attract a really curious, very successful, intelligent audience. And we have great conversations. So our virtual community is extended into becoming the real communities for people in their own physical locations. So that also kind of sets us apart. We're kind of like the meetup.com for people

who see things this way and want to be in relationship with other people who do.

Dennis Tubbergen:

And the website once again is peakprosperity.com. I'd encourage the listeners to check it out. So, Chris, I think that I interviewed you when *The Crash Course* or shortly after *The Crash Course* was first published. I read the book more than once. It's a great book. Talk a little bit about the original *Crash Course* book and what motivated you, motivated you to undertake that work, and what's it all about?

Dr. Chris Martenson:

Sure. This is my life's work, my mission. I got onto a... I'd like to tell you that I did this because I was that smart. I fell into it because what happened was, I was sitting there in 2001 and my portfolio got shredded. And I'm a curious guy, and so I started looking into things. And I was just looking at all things through a really economic lens. I found out how the money system and the banking system works. It's not a big secret, but it's not well taught. So, I got my mind around how money is created, what the Federal Reserve does, banks that. So, I got a sense of that. But then because I'm curious and I like to connect dots, I discovered that the economy is just a subset, it's an extension of, well you have to have resources.

So, I started looking at oil, which is the prime driver of all things economic, and peeled that onion a few layers deep and said, oh my goodness, this stuff doesn't last forever. Hey, no big deal as long as we have a decent plan for how we wean ourselves off of that, either geology does that for us or we do it ourselves. Doesn't matter, one way or another, it happens. And I found out we didn't have any plans for that. And I was like uh-oh, planning as if, you can do a pension 75-year time horizon. Oh look, social security's good till 2100 and other things like that. And I found out none of that was true. And then, so economy and energy are two E that are in the story.

And then the third one is the environment, or ecology. And there, you just wander over and whether you're looking at aquifers, water situation, soil going away, where we are on resources in terms of copper, lithium. There's a whole story there and the story is simply that, well, we're humans and we went through all the easy stuff. Now there's some harder stuff left. It's not going to run out, but boy, it's not what it was 30, 40, 50 years ago. And everybody was pretending as if it was.

And so, when you put the three E's together, you find out that our whole economic system needs one thing to happen, and that's for nothing to change, and we just keep growing the way we have for the past 40, 50 years. And that's not going to happen. It just can't. It has a math problem, it has an energy problem, it has a resource problem, is what it is. So, The Crash Course is about putting this together at a high enough level so that we can see it more clearly, more of the forest, not the trees. And the thing I'm particularly good at is explaining those things to people. That's sort of what I guess I was born to do in this life. So, The Crash Course explains that. And if you read it the way I do, you come away going, wow, things are going to change. And so, I like to help people get prepared for that mentally, financially, physically, all that.

Dennis Tubbergen:

Well I want to get into that with you, Chris. I guess just being a curious person myself, from the time you wrote The Crash Course initially until you just updated The Crash Course, how has your perspective about the economy, energy and ecology changed, if it has?

Dr. Chris Martenson:

Well, I'm surprised at the ability of humans to continue to dilute ourselves. That part has surprised me a bit. I never would've predicted that we would've gone through something like the COVID incident in 2020, where the central banks over the next year and a half, collectively the G7 central banks, would've printed over \$20 trillion. It's an extraordinary feat that they... I didn't think, nope, how did this happen? Right.

Dennis Tubbergen:

Second of all, the shale oil play came in and really changed things for a while. Again, for the ability of people to look at that and conclude that that's a permanent condition rather than a temporary condition was surprising. But here we are today, and the reason The Crash Course needed to be rewritten, Dennis, is because we can look at this situation very clearly now.

I talk with oil executives who are shale oil companies. They only have so much acreage, they can plot it all out, they know exactly how many wells they can put in precise spacings to squeeze the most out. And they're all telling me the same thing which is, hmm, 2025, that's it. Lights out, not lights out, but I mean, we start dimming the lights. We're going to hit an all-time peak of production from shale in the US, and that'll just turn on down. We're not ready for that in any way, shape or form. We don't have a plan for that in this country. This whole ESG will all get windmills, it doesn't pencil out. And there's a whole story there.

And so, what's changed is the data has only really confirmed that I was on the right track with that. It's taken a little longer to play out than I thought, and I'm sure there'll be twists and turns and surprises. But the reason I write this, and the reason I do what I do, Dennis, is because it doesn't have to be this way.

If our country, the United States decided to redirect some of the spending that we do at the federal level, trillions and trillions of dollars, and we would put that into legitimate technologies that are proven that could address our energy situation. Nuclear plants, there's other new fourth generation nuclear plants. There's the possibility of investing in something called thorium reactors, which is a form of nuclear energy. These things, if we were putting serious investment into that, I would be looking at the world very differently. But we're not.

And so, we're waiting for at least at the public level, the private market to come forward and decide it's the right time to put billions and trillions of dollars towards our energy situation, but that's not going to happen. That's not how the private markets work. So, I do think people need to be ready for a pretty ripping energy crisis. It's going to play out between now and I don't know, 10 years from now. It's going to be a long, slow burn. And by the way, Europe's already in the midst of this, partly for geological reasons, partly for geopolitical reasons, because of the whole situation with Russia and Ukraine.

Dennis Tubbergen:

Well, if you're just joining me, I'm chatting today with Dr. Chris Martenson. He is the founder of the Peak Prosperity Community. You can learn more at peakprosperity.com, and he is the author of the book, *The Crash Course*. Chris, we've got a few minutes left in this segment.

When you talk about an energy crisis that's kind of play out in the next 10 years or so, can you describe for the listeners what changes are on the horizon? I mean, has energy become more scarce and prices go up? Do we not have the resources to use the current form of energy? What does this look like?

Dr. Chris Martenson:

Well, we're in the midst of an early stage of an energy crisis. At this point, it's mostly around oil. Natural gas, there's still quite a bit of it out there in the world. We have some temporary disruptions that I think markets will

clear up, because now we're going to be turning more and more to it. We're not quite ready for that in a volume play, but that'll come.

But for oil, oh this couldn't be any clearer. We have some really big tectonic shifts going on in the world. As I mentioned, the United States shale oil play, we're running at about mm, 12.1 million barrels a day total oil output in the United States. Might wobble up or down, but I think it's basically flat from here on out. But we're going to need more of it. And meanwhile China is very, very busy doing everything it can to cement the deals that it needs to get the oil it needs. It's making huge deals with Russia, also with Saudi Arabia.

And this gets a little wonky, but it's actually one of the most important things to know about is that the United States economy in no small part, and the strength of the dollar in no small part, has been hinged on something called the petro-dollar that Henry Kissinger set up in 1973. It was a genius move. It had a lifespan. That lifespan is now clearly at the end of its term, and we know that because President G and Mohammed Bin Salman are busy doing deals in the Chinese Yuan directly, they are now cutting out the United States dollar from that system.

So, these are big, giant changes at the system level. Do they hit us tonight at 5:30? No. But they're coming, and I think people will need time to prepare for them. And if you add it all up and said, God, what's the conclusion? Oil's going to become a lot more expensive going forward, and as a consequence, inflation is going to continue to trundle upwards because oil is baked into the price of pretty much everything that we consume.

Dennis Tubbergen:

Well, my guest today is Dr. Chris Martenson. You can learn more about his work at peakprosperity.com. I would encourage you to do that. And he has now updated his book, *The Crash Course*, which is an excellent book. I would encourage you to check that out as well. I'll continue my conversation with Dr. Chris Martenson when RLA Radio returns. Stay with us.

I'm Dennis Tubbergen. You are listening to RLA Radio. I'm chatting today with Dr. Chris Martenson. If you're just tuning in, Dr. Martenson is the founder of the number one online resilience community, Peak Prosperity. You can learn more at peakprosperity.com. And he has just updated his excellent book, *The Crash Course*. I noticed that's after 11 years it's updated. So you want to check that out as well.

Chris, I'd like to just jump in where we left off in the last segment when the clock so rudely interrupted us. You had mentioned that Saudi Arabia now is cutting deals with China and the petro-dollars days are numbered. I think it was as part of Davos or at the same time the Davos meeting, the World Economic Forum was going on that Saudi Arabia came out and openly said that we're perfectly willing to entertain other currencies when it comes to buying oil from us. So, to what extent do you think this affects inflation? How bad do you think this gets as a result of this, and how long do you think it takes for us to feel the full effects of this?

Dr. Chris Martenson:

Well, let's see. Starting with where we are in the story, it's going to be a very challenging year for the supply of oil in the world. And there's two prime drivers of that. The first is that for the past... 2015, oil trundled down a little bit. Most people don't remember this, but it was a really wonky moment. In 2020, oil actually went negative for a period of time. What's negative oil, right? They will pay you to take it away. It was an insane moment, but it created a lot of uncertainty in the oil business, those \$38, \$28 barrel negative price for oil, those little moments. So we have about Dennis, we have six, seven years now of underinvestment in upstream oil and gas discovered. So, it's expensive business, a lot of capital, big companies have to get these \$100 million dollar drill rigs out in the ocean and take some huge risks and poke holes in the ground.

It takes a long time. So even if tonight the missing \$2 trillion of upstream investment that did not happen already over the past six years. If tonight they tried to dump it in and say, well spend it all tonight, you can't do it. It takes time, it's a slow business. Sometimes they've lost the needed expertise and they have to rebuild it. It's a very difficult business.

So part one of the story, we don't have a lot of discoveries to point to because we weren't spending the money. By we, I mean global citizen rate. So that's already done. Part two is that because of that, a lot of oil companies also got some other religion, including in the shale space. Remember, we were increasing output by 20, 30% a year, that's not coming back. Every single person in the shale space now, all the companies, they've got this new discipline around wanting to make money.

They burned money for years getting the growth. Now they're not getting the growth, they're making money. And because of that, we can't count on the United States shale producers to do anything other than what they're doing, which is turn in a crank and keeping the oil flowing, but they're not

going to go back to aggressive growth. Related to that is Russia has been cut off from, through sanctions, from the international oil services market. Their fields are old, they require a lot of specialized companies and services to come in, help them squeeze it, map it, inject, re-drill, all that stuff. Not happening, and because of that they're having to throttle back production right now because it's not flowing into Europe. And they'll redirect it over time. But my best guess is that somewhere between 1 and 2 million barrels a day of Russian production is going to be taken offline, and it's not coming back. Or it's going to come back really slowly.

Point being the next few years is when people wake up to the idea that oil is actually structurally in very short supply. And because of that, I think we're going to have to get ready for 100, 200, \$300 a barrel oil. And if people say \$300, we would never pay that. I will tell you that because of various technical supply disruptions, the East coast is really short of diesel and jet fuel right now, and it is selling at wholesale, at the equivalent price it would be at if oil was \$250 a barrel right now. Are people paying it? Hey, you bet. So, the whole idea that oil can't get that expensive because people would not buy it is not true. Trust me, if you had to push your car versus put a gallon of gasoline in there and it was \$10 bucks, you'd pay the \$10 bucks gladly.

Dennis Tubbergen:

So Chris, let's segue a bit because part of, from my perspective anyway, a lot of what we've seen over the last 10 years, economically speaking, has been artificial fueled by government stimulus, fueled by, as you mentioned in the first segment in the last couple years, world central banks have created \$20 trillion literally out of thin air. It seems that we've got this hugely artificial economy, and going back to reality is going to have to be really painful. What do you think?

Dr. Chris Martenson:

I agree with that. It's one of these situations where you live beyond your means for a period of time, and then to adjust, you have to live below your means. That's called austerity. Nobody likes it. No politicians want it. The central banks hate it because people get cranky. So, they were going to try and print again, and we all expect that. But every time they turn the printing crank, what happens is they just create more and more billionaires, and more and more people who end up on skid row in LA.

It's a very unfair system, socially I think it's become unpalatable for them to continue to do that. Politically it's going to get harder and harder, because

people have caught on to the scam. The Fed turns its crank, a few billionaires get more billionaire, and everybody else suffers a little bit more with high inflation and all of that.

So, we have to just reckon up... We square up to this idea. We had bad leadership, we made some bad decisions, and now we've got to sort of face that. And that just came due I think in a report that I just saw for the first time last week, where the congressional budget office said something I found shocking, which is they said, oh that social security trust fund that you and I both know isn't actually there, it's a bunch of IOUs. They said, even the IOUs run out by 2033, it zeros out. There's nothing left in that so-called trust fund. So, they said to fix that, what do you got to do? And they came up with two solutions. Let's pay retirees less, and/or let's tax current people who are in paychecks more. And if they just taxed people with paychecks, Dennis, people would have to go from paying 12.6% to 17.9% of their paycheck just so that they wouldn't have to cut the current payments to retirees.

That's where we are. And you ask, well how did we get there? It's priorities. The United States made a few decisions. And we're going to spend \$800 billion a year on defense, and we're just going to ignore this looming entitlement program problem here. We know we're running these massive deficits; we know Medicare's underfunded, nobody's been willing to deal with it. So, when we deal with it, we're going to have to square up to the idea that we can't have it all. We can't be the world's police, global policeman and spend as much as the next 10 countries combined. We can't have one of everything. We'll have to make decisions, and that's going to be a real political bare knuckle fight, I think.

Dennis Tubbergen:

So Chris, you're assuming that some group of politicians in the future will, and correct me if I'm putting words in your mouth, but it seems that you're saying some group of future politicians is going to have to address these problems proactively. I guess I've always been kind of the opinion that this thing's going to have to blow up and then there's some group of politicians that's going to have to come in and figure out how to pick up the pieces with a very angry electorate. How do you see this playing out, and what do you think it looks like? Is this a 1930s type environment again?

Dr. Chris Martenson:

I do think that's more, most likely. To get a proactive politician is a tall order these days. Seems to me, personal opinion, politicians with integrity don't

get far in the system. So, I would agree with you. The concern I have is that often the way that corrupt or venal politicians will go about trying to address something like this is to find someone to blame.

Historically, that's meant we blame some external party, and we call that war. We've seen that demonization of Russia; we find scapegoat and we push it that way and then blame all the problems on them. Or, and this is even more troubling, we've seen that internal scapegoating as if we've sort of turned that process inward. And I see politicians doing very dangerous things right now, which is creating a sense of othering, us versus them, from internal Republicans, evil Trump people, evil Democrats.

They do that othering, vaxxers, anti-vaxers, trans-phobs, all that. So, we see that othering, and the next thing that happens after othering is you end up dehumanizing people. And that's a slippery path. History says that after you dehumanize people, the thing that follows that is mass atrocities. So I'm working as hard as I can to make sure that we understand that it's not people at our levels pointing fingers at each other. We shouldn't be fighting each other, that in fact we really need to put pressure upwards to make sure that the people up there understand we're watching, we know it's on them, and we're not going to fall for this thing where they try and make us blame each other for what's going to happening, because it was actually their decisions that got is here.

Dennis Tubbergen:

Chris, we've got just a few minutes left in this segment. We haven't really talked significantly about the third E, ecology. Can you give us just a couple minutes on what you see there?

Dr. Chris Martenson:

Sure. This is from an ecological standpoint, I talk to these ecological scientists, some of them are in tears because we're seeing really, really rapid changes. Disappearing insects. Where are they? They're not on our windshields anymore. But when you talk to the people who count them and measure them, they're just disappearing as if there was a rapture, only God took the insects instead of the humans. It's just a mysterious thing, and it's very concerning. It's alarming what's happening to the oceans. There's a lot of things to be alarmed about.

And so probably the one most immediately alarming is this conversion of soil. A rich, biological thing that a teaspoon of active soil has more organisms than a square mile of the rainforest. It's just this amazing stuff.

And we're returning soil into dirt, right. We strip it, we mix it, we just agriculturally farm it in a way that it ends up lifeless, and it basically becomes outdoor hydroponics.

Put the big macro fertilizers on there, some nitrogen, phosphorous, potassium, hope it rains enough, and there we go. The problem is, Dennis, when you look at where we get our phosphorus and potassium and nitrogen from, all of it's unsustainable, and we can clearly see where the ends of those, like they run out at some point. And then the question is, well if that's 40, 50 years, fine. But where are we going to be when 40, 50 years comes up? So, we have to begin today unless we want to face a huge future problem.

We have to begin facing how we are going to actually, sustainably feed ourselves over time. It's a big problem. And no, I don't believe we're going to put LEDs into little box containers and grow salads in cities. It's a non-workable solution as the technology stands. So, we've got to begin to understand that nature provides extraordinary services, they're very valuable.

If the honeybees disappear, we're going to discover how expensive a mistake that was. And so there are things there we need to begin to confront. And almost all of those predicaments, when it comes to ruining the microbiota of the soils or losing the insects, are because we're poisoning them with things like neonicotinoid pesticides, and the glyphosate, we're just doing, we're just really... We're spraying chemicals all over stuff and then failing to notice the impact of that, and it's getting quite alarming, actually.

So, solution to that? Because I love solutions. People, everybody, if you can, if you have any garden space, any yard space, get a garden. Start, grow it, build your soils, and start eating as much as you can from your own non-polluted environment.

Dennis Tubbergen:

Well, my guest today has been Dr. Chris Martenson. He is the founder of peakprosperity.com. I'd encourage you to check it out. I'd also encourage you to get his revised version of *The Crash Course*. Chris, really enjoyed catching up with you. Love to do so again here mid-year and keep up the good work. Love to have you back.

Dr. Chris Martenson:

Thank you, Dennis. It's been a real pleasure as always.

Dennis Tubbergen:

We'll return after these words.