

# **The Story of a Hurricane**

by

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This is the story of how a storm brewed in the Atlantic Ocean could spell the end of the most powerful nation in recorded history. It is a story which will continue long after the storm which started it has lost all of its fury. It is the story of untold tragedy and destruction. And it is a story which would have been totally unnecessary, had we simply acted more responsibly in the past. On August 29<sup>th</sup> of 2005, Hurricane Katrina came ashore east of New Orleans, and forever changed the history of the United States.

## **Human Suffering**

The devastation in New Orleans and other coastal towns is unthinkable. We have all seen the images of good people reduced to begging for help, of babies and senior citizens dying in the arms of their loved ones. Is there any doubt in anyone's mind that this scene is inexcusable in a country such as the United States? Why did it take so long for the National Guard and FEMA to respond? Why weren't adequate preparations in place for a category 5 storm striking the Gulf coast? We know that plans were made to deal with such a contingency; how come those plans were never acted upon?

The people of New Orleans and other coastal towns were left vulnerable because of the supposed "War on Terror." President George Bush scuttled the plans to prepare for a category 5 storm in his effort to fund his occupation of Iraq. His actions demonstrated how important the welfare of the American people truly is to him. Most of the National Guard troops which should be responding to this emergency are overseas. Instead of restoring order in New Orleans, they are policing a hostile people in Iraq. In order to claim Baghdad, President Bush has sacrificed New Orleans. In order to get his hands on Iraq's oil wealth, he has left the United States oil wealth in the Gulf vulnerable to disruption.

But we cannot blame this failure entirely upon George W. Bush. What we are seeing in New Orleans is the ultimate effect of changes in our system which first began over twenty-five years ago, during the presidency of Ronald Reagan. Over the past quarter of a century, we have dismantled much of the social safety net which was erected during the quarter century previous to that. This safety net was meant to bring more parity between the working class and the managerial class. More importantly, it was intended to keep the most susceptible members of our population—the poor, the elderly, the children, the single mothers, the ill and infirm—from falling through the cracks.

You cannot fault those who are desperate from stealing to feed their children, when there is no place they can turn for help. The real culprits here are those who dismantled the safety net in this country which would have prevented such a tragedy from happening. What we are seeing here is the ultimate fruit of economic policies enacted by Presidents Reagan, G.H.W. Bush, Clinton, and G.W. Bush. It is only fitting that these fruits have grown ripe under George W. Bush, as he has taken these policies to their ultimate conclusion. The truth is that we now have a safety net only for those who have money, and those who do not must suffer.

It is to be wondered, though, why remaining military and national guards units—some of them in the vicinity of the disaster—were not deployed immediately to help the survivors. During the first four days of the disaster, when a response is most crucial to saving lives, the national guard presence was minimal at best. Was this why we gave up our constitutional freedoms to the patriot act and the Office of Homeland Security? If we have done away with the Posse Comitatus Act, which prevents the military from domestic engagement, then why did they not respond immediately to the pleas of those dying in New Orleans? Can the streets of New Orleans really be less safe for them than the streets of Baghdad? It took a nationwide public outcry before President Bush would take action. Then he flew to Louisiana for a photo op with some of the survivors. Rescue operations were staged for the press while real rescue efforts were grounded and delayed by the presence of President Bush and

his entourage.

Many informed people are wondering if the tragedy along the Gulf Coast is just the beginning; they wonder if this scene may be repeated throughout the country on a lesser scale. There is a strong chance that Katrina has knocked down the first domino of what could be a major economic collapse. Hurricane Katrina pounded through an area vital to domestic energy production and oil imports. It does certainly appear that New Orleans has given us a glimpse of what the rest of us can expect in the event of a thorough economic collapse.

### **The Damage being Whispered**

What is not so widely reported as of yet is the true extent of damage to the oil industry in the Gulf and in the vicinity of New Orleans. For one thing, they are still in the process of assessing this damage from the air. But some of the reports issued up to the time of this writing lead the reader to believe that there is less damage than can be seen in the photographs which have been released.

A significant portion of domestic US oil production comes from the Gulf of Mexico. The numerous deep water oil and gas operations in the area are all centered on Port Fourchon, which is the hub for oil and gas production in the gulf. In addition, there are several major refineries in the region, along with the only port in the country designed for supertankers, the LOOP or Louisiana Offshore Oil Port. At a time when global oil production can barely keep pace with demand, Hurricane Katrina has swept through an area which is most vital to our nation's energy needs. And, while Katrina had been downgraded to a level 4 by the time it hit shore, it was a level 5 out in the Gulf when it struck most of these structures.

Initial reports suggest that at least 20 oil platforms are missing, which means that they have sunk and are unrecoverable. In addition, numerous other platforms are drifting or have sustained serious damage. Pictures of Port Fourchon and the LOOP suggest that these vital structures have sustained severe damage. As of yet, there has been no attempt to cap the breached wells or repair any of the other damages.

Normally, repair crews would be housed and serviced in New Orleans, but this is not presently possible. They can fly the crews out to the damaged areas by helicopter, along with food, water and light equipment, but the heavy equipment they need must come from New Orleans or other damaged ports. It will take years before all of the damages can be repaired, and oil production in the Gulf may never return to the level it was at before Hurricane Katrina.

Already, Republicans in Congress are calling for a bill opening the remaining protected areas of the country to energy exploration, the waving of environmental regulations and the expediting of drilling permits. This will make no difference in the short term as it takes several years to bring a new field online. And in the long term we are not talking about enough oil or gas to make a difference in the energy production profile of the United States, much less the world. The only thing that such a bill would accomplish is line the pockets of some already rich people.

Nor can we turn to the Saudi's, the Canadians or anyone else to make up our losses in the Gulf of Mexico. World oil production is flattening out, and within a few years at most it will begin an irreversible decline. We are stationed now at the peak of world oil production; before us is an era of diminishing energy production. And Katrina may have given us our first push down that slope.

In the coming months, gas prices will continue to rise. They may go over \$4 per gallon within the next few weeks. And they may pass \$5 per gallon nationwide before the year is out. Within a year, we may see shortages, rationing and transportation disruptions. Police patrolling, fire fighting and school busing budgets could be affected. This winter, natural gas heating prices could skyrocket. And by next spring, the price of everything from plastics to food could begin spiraling upward. And once investors realize the true severity of our situation, it will be every man for himself.

By this time next year, those marginal peoples throughout the country—the poor and the elderly, children and single mothers, the ill and infirm—could all find themselves in a situation no less desperate than those in New

Orleans face today.

### **Falling Dominoes**

It has not been widely reported how vulnerable our economy is at present. Our stock market is grossly overvalued by derivatives and other forms of speculation. We have a derivatives bubble which could sink our economy by itself when it finally pops; likewise for our real estate bubble. Hurricane Katrina, through its damage to the US energy infrastructure, could be the pin to pop those balloons. There are indications that they are beginning to pop already.

Our employment statistics are falsely optimistic, because we do not keep track of workers who have run out of unemployment benefits without finding a job. For the last several years, the reported surges in employment have been due to immigrants coming to this country to take low paying jobs. Labor statistics for long term citizens are much bleaker. And average wages, in terms of real value, have either stagnated or declined in comparison with thirty years ago. In truth, the working class has nearly been squeezed dry.

Thanks to his tax cuts for the rich, and his record deficits to pay for the “war on terror,” George Bush has placed this country on the brink of bankruptcy. The only thing keeping us afloat right now is that foreign investors have bought up our markers, along with the surplus of dollars which are printed up every time the Fed raises interest rates. But, once these investors realize that they stand to lose money of their markers and their US dollar reserves, they will unload them. China—possibly the single largest investor in the United States today—has already studied how to use this situation to wage economic war upon the U.S. The only reason they have not done so yet is because implementing such a strategy in our current market would hurt them as well. But that is changing. When foreign investors perceive that it will hurt them less to divest, they will not hesitate to do so.

In the ensuing economic havoc, the U.S. dollar could lose most of its value and the U.S. government may no longer be able to support such vital services as education, health care, support for police and fire departments, and banking insurance—to name but a few. The United States might be forced into an IMF type bailout such as we hear about in countries like Argentina.

Could this be why Bush is doing next to nothing about the suffering in New Orleans? From his perspective, it might not make much sense to expend too much effort on one city or region when the whole house of cards is about to collapse.

And let us keep in mind that we are still two weeks from peak hurricane season, and that the hurricane season does not normally end until November. If even one more hurricane passes through this region of the Gulf, there may be nothing left to salvage.