



## Navigation

**Start Here**  
 How to use this Website  
 About Michael C. Ruppert  
 Why Subscribe?  
 Our Achievements  
 Our Writers  
 Upcoming Events  
[Preparedness Events List](#)

**Since 9/11**

► Bio Warfare  
 ► The Bush Family  
 ► Civil Liberties  
 ► The Draft  
 ► Drugs  
 ► Economy  
 ► Gov't Corrupt/Complicity  
 ► Insider Trading  
 ► Investigations  
 ► Post Peak  
**Oil & Energy**  
 (more than 110 original articles!)  
 ► Miscellaneous  
 ► Osama Bin Laden  
 ► Previous Newsletters  
 ► PROMIS Software  
 ► Timelines  
 ► Unscrambled Fighter Jets  
 ► Vreeland  
 ► Infinite War  
 ► Watergate II

**Archives**

► C.I.A & Drugs  
 ► Politics  
 ► Regional Conflicts  
 ► The Economy  
 ► Pandora's Box  
 ► Hall of Unsung Heroes

**Community**

► The Forum  
 ► Upcoming Events

**Shop Online!**

► Store Main Page  
 ► New Products  
 ► Packaged Deals  
 ► Subscribe to FTW  
 ► FTW Back Issues  
 ► Videos and DVD's

• [Printer Friendly Page](#)

# RITA: Storm May Be the Coup de Grace for the American Economy and Many of Us As Well

by  
**Michael C. Ruppert**

© Copyright 2005, From The Wilderness Publications, [www.fromthewilderness.com](http://www.fromthewilderness.com). All Rights Reserved. May be reprinted, distributed or posted on an Internet web site for non-profit purposes only.

*September 21st, 2005 1530 PST (FTW)* – **A**s I pack my bags to head to Washington for Congressional Black Caucus hearings on the September 11th attacks (to be conducted this Friday and Saturday) my inbox is being progressively flooded with emails from inside sources in the energy industry about what Hurricane Rita is now likely to accomplish – the near-complete destruction of an already teetering US economy.

Fully 30% of all US refining capacity is in the target zone. Perhaps most importantly, almost every refinery capable of producing diesel fuel is in immediate danger. This promises (especially in the wake of Katrina) a devastating and irreplaceable shortage of the diesel fuel needed to power America's harvest of grain and food crops this month and next. Without diesel fuel to power the harvesters and combines, crops may be left to rot in the ground presenting a double whammy: food shortages (with prices that may treble or quadruple) and export defaults negatively impacting the financial markets and trade deficit.

Even before Rita strikes, fully 30% of all domestic natural gas production is shut in. The US cannot import natural gas from overseas like it can both crude and refined products. Repair work on infrastructure damaged by Katrina has been halted as crews have been evacuated. The remaining half of Gulf energy production undamaged by Katrina is directly in [Rita's crosshairs](#). Natural gas prices are up over 110% and home heating oil futures are up almost 70% before Rita even gets here. Since Katrina, US domestic oil production is down one million barrels per day (from 5Mbpd to 4 Mbpd). We were producing 9 Mbpd less than a decade ago.

Peak Oil has made replacement of losses almost impossible even as Saudi heavy-sour is being spurned as useless around the world, even with discounts of up to \$10 and \$12 per barrel.

A [Bloomberg article](#) today contains a quotation from a Wall Street energy expert as saying, "Rita is developing into our worst-case scenario," said John Kilduff, vice

Audio CD's  
Special Investigations  
Books and Magazines  
Renewals  
Donations  
FTW Catalog

[Watch Lists](#) ▶  
Economy Watch

[Resources](#) ▶  
About Michael C. Ruppert  
Recommended Reading  
Links  
Whistle Blowers

[Website  
Information](#) ▶  
Copyright Policy  
Terms and Conditions  
Privacy Policy  
Site Map

FTW  
P.O. Box 6061-350  
Sherman Oaks, CA  
91413  
Phone:  
(818) 788-8791  
E-mail:  
service@copvclia.com

president of risk management at Fimat USA in New York. 'This is headed right into our other major refining center just after all the damage done to facilities in Louisiana. From an energy perspective it doesn't get any worse than this.'

The Chairman of Valero Energy agrees with the Bloomberg assessment calling Rita a [potentially national disaster](#). His opinion is important because Valero operates more refineries in the US than any other company.

CNN is now predicting \$5 per gallon gasoline and this will not likely go away with market manipulations. We had not yet experienced the permanent spikes resulting from Katrina, and the emergency reserves of the United States' Strategic Petroleum Reserve and the International Energy Agency have already been tapped once and not refilled.

The South Texas Project nuclear plant – one of the largest in the country – is being completely shut down in preparation for Rita's landfall. It is only 12 miles from the Texas coast and almost dead center in the hurricane's projected path. Texas has its own power grid but catastrophic electricity shortages could easily ripple throughout the country in a short time. Electricity lost from that that facility will only be added to what is lost from other facilities powered by now critically short supplies of natural gas.

For those of you who expect FEMA to behave any differently in Texas than it did in New Orleans you are in for a crude awakening. FEMA will do what it must now do to preserve even a functioning part of America's governing and economic infrastructure. Saving lives will be one of the least important functions in its mandate. While I had serious doubts about America's ability to recover from Katrina, I am certain that – barring divine intervention – the United States is finished; not only as a superpower, but possibly even as a single, unified nation with the arrival of Hurricane Rita.

•  [email this](#)

•  [Printer Friendly Page](#)

FROM email:

Your name:

TO email: