



FEBRUARY 2010 TRENDEVENTS

Oil use in rich industrialized countries will never return to 2006 and 2007

[EnergyResources List] by John Taylor – Feb.1 2010

Oil use in rich industrialised countries will never return to 2006 and 2007 levels because of more fuel efficiency and the use of alternatives, the chief economist of the IEA said on Thursday. The bold prediction, while made previously by some analysts, is significant because the IEA advises 28 countries on energy policy and its oil demand forecasts are closely watched by traders and policymakers. "When we look at the OECD countries - the US, Europe and Japan - I think the level of demand that we have seen in 2006 and 2007, we will never see again," said Fatih Birol. Flat or declining OECD demand may ease any strain on oil prices caused by ever-growing consumption in emerging economies. The Organisation for Economic Cooperation and Development (OECD) countries will account for 53% of world demand in 2010, according to the IEA. In its Jan 15 monthly Oil Market Report, the IEA forecast OECD demand would average 45.48 mil bpd in 2010, unchanged from 2009. World demand is forecast at 86.33 mil bpd, up from 84.89 mil in 2009. Birol said the economic crisis had played a role in curbing OECD demand but the main reasons were more efficient cars and the increasing use of electricity and gas instead of oil in areas outside transport.

Saudi Arabian Oil Co., the world's biggest crude producer, is exporting about 1 mil bbls a day to China, more than to the US, Chief Executive Officer Khalid al-Falih said. "We are already exporting more to China than to the US," he said yesterday. "We are prudent and careful about where to invest but our eyes are focused on China and we will continue to look for all opportunities." The US imported 1.014 mil bpd of oil from Saudi Arabia in the nine months through Sep, according to the Energy Information Administration. China and Saudi Arabia aim to boost trade 50% to \$60 bil by 2015, the state-owned Saudi Press Agency reported this month, citing Chinese Trade Minister Chen Deming. Saudi Aramco has begun to expand and upgrade its oil and gas production and refining businesses at a cost of \$100 billion to tap rising demand in Asia, Oil Minister Ali al-Naimi said in Nov. The Saudi company, which owns an interest in a refinery in China's Fujian province, is in talks with China Petroleum & Chemical Corp. to take a stake in a 200,000 bpd plant in Shandong. It is also expanding its Ras Tanura refinery on Saudi Arabia's east coast and the Port Arthur plant in Texas, al-Falih said. Aramco has shut in about a third of its 12 mil bpd of oil output capacity to prevent a price slump

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http://www.truthdig.com/report/item/the_creed_of_objectivity_killed_the_news_business_20100131

The Creed of Objectivity Killed the News - February 1, 2010

By Chris Hedges

Reporters who witness the worst of human suffering and return to newsrooms angry see their compassion washed out or severely muted by the layers of editors who stand between the reporter and the reader. Reporters who witness the worst of human suffering and return to newsrooms angry see their and the reader. The creed of objectivity and balance, formulated at the beginning of the 19th century by newspaper owners to generate greater profits from advertisers, disarms and cripples the press.

And the creed of objectivity becomes a convenient and profitable vehicle to avoid confronting unpleasant truths or angering a power structure on which news organizations depend for access and profits. This creed transforms reporters into neutral observers or voyeurs. It banishes empathy, passion and a quest for justice. Reporters are permitted to watch but not to feel or to speak in their own voices. They function as "professionals" and see themselves as dispassionate and disinterested social scientists. This vaunted lack of bias, enforced by bloodless hierarchies of bureaucrats, is the disease of American journalism.

"The very notion that on any given story all you have to do is report what both sides say and you've done a fine job of objective journalism debilitates the press," *the late columnist Molly Ivins once wrote. "There is no such thing as*

objectivity, and the truth, that slippery little bugger, has the oddest habit of being way to hell off on one side or the other: it seldom nestles neatly halfway between any two opposing points of view. The smug complacency of much of the press—I have heard many an editor say, ‘Well, we’re being attacked by both sides so we must be right’—stems from the curious notion that if you get a quote from both sides, preferably in an official position, you’ve done the job. In the first place, most stories aren’t two-sided, they’re 17-sided at least. In the second place, it’s of no help to either the readers or the truth to quote one side saying, ‘Cat,’ and the other side saying ‘Dog,’ while the truth is there’s an elephant crashing around out there in the bushes.”

Ivins went on to write that “the press’s most serious failures are not its sins of commission, but its sins of omission—the stories we miss, the stories we don’t see, the stories that don’t hold press conferences, the stories that don’t come from ‘reliable sources.’” This abject moral failing has left the growing numbers of Americans shunted aside by our corporate state without a voice. It has also, with the rise of a ruthless American oligarchy, left the traditional press on the wrong side of our growing class divide. The elitism, distrust and lack of credibility of the press—and here I speak of the dwindling institutions that attempt to report news—come directly from this steady and willful disintegration of the media’s moral core.

This moral void has been effectively exploited by the 24-hour cable news shows and trash talk radio programs. The failure of the fact-based press to express empathy or outrage for our growing underclass has permitted the disastrous rise of “faith-based” reporting. The bloodless and soulless journalism of the traditional media has bolstered the popularity of partisan outlets that present a view of the world that often has no relation to the real, but responds very effectively to the emotional needs of viewers. Fox News is, in some sense, no more objective than The New York Times, but there is one crucial and vital difference. Fox News and most of the other cable outlets do not feel constrained by verifiable facts. Within the traditional news establishment, facts may have been self-selected or skillfully stage-managed by public relations specialists, but what was not verifiable was not publishable.

The cable news channels have cleverly seized on the creed of objectivity and redefined it in populist terms. They attack news based on verifiable fact for its liberal bias, for, in essence, failing to be objective, and promise a return to “genuine” objectivity. Fox’s Bill O’Reilly argues, “If Fox News is a conservative channel—and I’m going to use the word ‘if’—so what? ... You’ve got 50 other media that are blatantly left. Now, I don’t think Fox is a conservative channel. I think it’s a traditional channel. There’s a difference. We are willing to hear points of view that you’ll never hear on ABC, CBS or NBC.”

O’Reilly is not wrong in suggesting that the objectivity of the traditional media has an inherent political bias. But it is a bias that caters to the power elite and it is a bias that is confined by fact. The traditional quest for “objectivity” is, as James Carey wrote, also based on an ethnocentric conceit: “It pretended to discover Universal Truth, to proclaim Universal Laws, and to describe a Universal Man. Upon inspection it appeared, however, that its Universal Man resembled a type found around Cambridge, Massachusetts, or Cambridge, England; its Universal Laws resembled those felt to be useful by Congress and Parliament; and its Universal Truth bore English and American accents.”

Objectivity creates the formula of quoting Establishment specialists or experts within the narrow confines of the power elite who debate policy nuance like medieval theologians. As long as one viewpoint is balanced by another, usually no more than what Sigmund Freud would term “the narcissism of minor difference,” the job of a reporter is deemed complete. But this is more often a way to obscure rather than expose truth.

Reporting, while it is presented to the public as neutral, objective and unbiased, is always highly interpretive. It is defined by rigid stylistic parameters. I have written, like most other reporters, hundreds of news stories. Reporters begin with a collection of facts, statements, positions and anecdotes and then select those that create the “balance” permitted by the formula of daily journalism. The closer reporters get to official sources, for example those covering Wall Street, Congress, the White House or the State Department, the more constraints they endure. When reporting depends heavily on access it becomes very difficult to challenge those who grant or deny that access. This craven desire for access has turned huge sections of the Washington press, along with most business reporters, into courtiers. The need to be included in press briefings and background interviews with government or business officials, as well as the desire for leaks and early access to official documents, obliterates journalistic autonomy.

“Record the fury of a Palestinian whose land has been taken from him by Israeli settlers—but always refer to Israel’s ‘security needs’ and its ‘war on terror,’ ” Robert Fisk writes. “If Americans are accused of ‘torture’, call it ‘abuse’. If Israel assassinates a Palestinian, call it a ‘targeted killing’. If Armenians lament their Holocaust of 1,500,000 souls in 1915, remind readers that Turkey denies this all too real and fully documented genocide. If Iraq has become a hell on earth for its people, recall how awful Saddam was. If a dictator is on our side, call him a ‘strongman’. If he’s our enemy, call him a tyrant, or part of the ‘axis of evil’. And above all else, use the word ‘terrorist.’ Terror, terror, terror, terror, terror, terror, terror. Seven days a week.”

“Ask ‘how’ and ‘who’—but not ‘why’,” Fisk adds. “Source everything to officials: ‘American officials’, ‘intelligence officials’, ‘official sources’, anonymous policemen or army officers. And if these institutions charged with our protection abuse their power, then remind readers and listeners and viewers of the dangerous age in which we now live, the age of terror—which means that we must live in the Age of the Warrior, someone whose business and profession and vocation and mere existence is to destroy our enemies.”

“In the classic example, a refugee from Nazi Germany who appears on television saying monstrous things are happening in his homeland must be followed by a Nazi spokesman saying Adolf Hitler is the greatest boon to humanity since pasteurized milk,” the former New York Times columnist Russell Baker wrote. “Real objectivity would require not only hard work by news people to determine which report was accurate, but also a willingness to put up with the abuse certain to follow publication of an objectively formed judgment. To escape the hard work or the abuse, if one man says Hitler is an ogre, we instantly give you another to say Hitler is a prince. A man says the rockets won’t work? We give you another who says they will. The public may not learn much about these fairly sensitive matters, but neither does it get another excuse to denounce the media for unfairness and lack of objectivity. In brief, society is teeming with people who become furious if told what the score is.”

Journalists, because of their training and distaste for shattering their own exalted notion of themselves, lack the inclination and vocabulary to discuss ethics. They will, when pressed, mumble something about telling the truth and serving the public. They prefer not to face the fact that my truth is not your truth. News is a signal, a “blip,” an alarm that something is happening beyond our small circle of existence, as Walter Lippmann noted in his book “Public Opinion.” Journalism does not point us toward truth since, as Lippmann understood, there is always a vast divide between truth and news. Ethical questions open journalism to the nebulous world of interpretation and philosophy, and for this reason journalists flee from ethical inquiry like a herd of frightened sheep.

Journalists, while they like to promote the image of themselves as fierce individualists, are in the end another species of corporate employees. They claim as their clients an amorphous public. They seek their moral justification in the service of this nameless, faceless mass and speak little about the vast influence of the power elite to shape and determine reporting. Does a public even exist in a society as fragmented and divided as ours? Or is the public, as Walter Lippmann wrote, now so deeply uninformed and divorced from the inner workings of power and diplomacy as to make it a clean slate on which our armies of skilled propagandists can, often through the press, leave a message?

The symbiotic relationship between the press and the power elite worked for nearly a century. It worked as long as our power elite, no matter how ruthless or insensitive, was competent. But once our power elite became incompetent and morally bankrupt, the press, along with the power elite, lost its final vestige of credibility. The press became, as seen in the Iraq war and the aftermath of the financial upheavals, a class of courtiers. The press, which has always written and spoken from presuppositions and principles that reflect the elite consensus, now peddles a consensus that is flagrantly artificial. Our elite oversaw the **dismantling of the country’s manufacturing base and the betrayal of the working class with the passage of the North American Free Trade Agreement** and the press dutifully trumpeted this as a form of growth. **Our elite deregulated the banking industry, leading to nationwide bank collapses, and the press extolled the value of the free market.** Our elite corrupted the levers of power to advance the interests of corporations and the press naively conflated freedom with the free market. This reporting may have been “objective” and “impartial” but it defied common sense. **The harsh reality of shuttered former steel-producing towns and growing human misery should have, in the hands of any good cop reporter, exposed the fantasies. But the press long ago stopped thinking and lost nearly all its moral autonomy.**

Real reporting, grounded in a commitment to justice and empathy, could have informed and empowered the public as we underwent a corporate coup d’etat in slow motion. It could have stimulated a radical debate about structures, laws, privilege, power and justice. But the traditional press, by clinging to an outdated etiquette *designed to serve corrupt power structures, lost its social function.* Corporations, which once made many of these news outlets very rich, have turned to more effective forms of advertising. Profits have plummeted. And yet these press courtiers, lost in the fantasy of their own righteousness and moral probity, cling to the hollow morality of “objectivity” with comic ferocity.

The world will not be a better place when these fact-based news organizations die. We will be propelled into a culture where facts and opinions will be interchangeable, where lies will become true, and where fantasy will be peddled as news. I will lament the loss of traditional news. It will unmoor us from reality. The tragedy is that the moral void of the news business contributed as much to its own annihilation as the proto-fascists who feed on its carcass.

Comments: By [Jimmy1920](#), February 3 at 10:51 pm # - Mr. Hedges: Thank you for a very insightful analysis. I would suggest that you need to explore a bit more the distinction between “balance” and “objectivity.” You appear to conflate the two, just as the journalists you decry do. I think you are trying to say that “balance” is what passes for “objectivity”. It is “balanced” to say that

the climate is warming, no it is not. It is balanced to say the world is flat, and no it is not. "Objectivity" states that the world is round and the climate is changing. We could use a bit more "balance" in our editorial pages, and a little less in our news stories... What really infuriates me is journalists who pretend that they are seeking "the truth." Like you, I will settle for a few facts. Let me figure out "the truth."

By **DornDiego**, February 4 at 7:46 pm - Journalism began to die way back in the early 1970s—as reporters began to defy the "objective" model and started to bring down people who'd previously only been inconvenienced by the occasional scandal or two. It's no accident that corporations almost entirely replaced private ownerships after Nixon was taken down by investigative journalists. Maybe Chris Hedges could have thought longer on the relationship of money to journalism, not just power's influence over democracy. The industry today does no investigation; it limits itself to "he said, he said" objectivity because it is cheaper to send employees to press conferences than to have them dig through the record for facts. So, profits and finances are secured through words and images; truth is not. All those toxic terms like "official sources" and "terrorists"—to which I would add the labeling of forces opposed to our occupying military as "insurgents," and of people like O'Reilly and Limbaugh as "conservatives" rather than "activists" and "radicals"—are just the language of people who depend on manipulation through media. Remember Orwell.

What Can We Learn from Gift Economies?

Posted by [Gail the Actuary](#) on January 28, 2010 - 10:15am in [The Oil Drum: Campfire](#)
Topic: [Economics/Finance](#)
Tags: [barter](#), [gift economics](#), [gift economy](#) [[list all tags](#)]

When I sat down to research this post, I thought I would write a post about barter, since it seemed like if our current financial system failed, barter would be one possible form of back-up. But when I started to research [barter](#), the first thing I came across was this statement: Contrary to popular conception, there is no evidence of a society or economy that relied primarily on barter. Instead, non-monetary societies operated largely along the principles of [gift economics](#). When barter did in fact occur, it was usually between either complete strangers or would-be enemies.

What is a Gift Economy?

Gifford Pinchot writes in [Business on a Small Planet](#):

In the potlatches of the Chinook, Nootka, and other Pacific Northwest peoples, chiefs vied to give the most blankets and other valuables. More generally, in hunter-gatherer societies the hunter's status was not determined by how much of the kill he ate, but rather by what he brought back for others.

In his brilliant book [The Gift: The Erotic Life of Property](#), Lewis Hyde points to two types of economies. In a commodity (or exchange) economy, status is accorded to those who *have* the most. In a gift economy, status is accorded to those who *give* the most to others.

According to [Wikipedia](#), a gift economy is...a society where valuable goods and services are regularly given without any explicit agreement for immediate or future rewards (i.e. no formal quid pro quo exists). Ideally, simultaneous or recurring giving serves to circulate and redistribute valuables within the community.

John Elemans [states](#) that an important difference between a gift economy and an exchange economy is that in a gift economy, a bond develops between the gift giver and the recipient, while in an exchange economy, the parties often don't care if they ever see each other again. Elemans goes on to explain that when a person takes a job in Japan, many of the exchanges are similar to those in a gift economy. The employer is closely involved in the life of the employee and may even help find a spouse for an employee. In return, an employee shows much more loyalty to the employer (in terms of not changing jobs) and is very concerned about the quality of his work.

[Wikipedia](#) gives a number of examples of historical gift economies. Within "modern" society, there are many places where the gift economy is operative today, even as the exchange economy (capitalism) goes on as well.

One of the big areas where the gift economy operates is within the home. A mother generally takes care of her children, without any particular reward in return. Often a mother does quite a bit of the housework as well. Before the expansion of capitalism in recent years, women did even more than they did today--staying home to care for children, rather than sending them to day care, and often taking care of grandparents as well.

Another place where we see the gift economy is sharing of information over the Internet, including sites like The Oil Drum (which is a volunteer organization) and Wikipedia, which is mostly volunteer. Peer to peer file sharing and free software are other examples of the gift economy. The *giving* of professional papers at conferences might also be considered part of the gift economy. Another form of gift giving is the huge remittances sent to home countries by those working in the US and Europe.

Matriarchal societies are gift economies according to the [Gift Economy Conference](#), most likely because with motherhood and household chores, women tend to think in terms of a gift economy. In comparison, Capitalism is sometimes thought of as patriarchal.

Gift Societies Promote the Unselfish Contribution Needed for Sustainability

Gifford Pinchot [explains](#) that if we are to have a sustainable society, we need to have something closer to a gift economy, because people will then value their contribution to society, rather than only considering what they get out in return. According to Pinchot: The first step toward a sustainable sense of success is taking pride in the value of our contributions to others rather than taking pride in the value of our possessions. By extension this means striving for quality in the use of whatever power we have rather than working to get more power over others as an end in itself. In this view, profit and wealth may help us to contribute, but they do not themselves constitute business success.

If we went to the grave with riches gained by gutting the pension fund, or selling pesticides we know because more harm than the insects they control, would we count our business lives successful? On the other hand, what if we stewarded a small company that repeatedly introduced more ecological ways of doing things? Maybe other larger players who quickly copied the ecological innovations gained much of the material reward. If we barely made ends meet, but clearly made the world a better place, is that a success?

Capitalism is (in one view) Acting to Steal from Gift Societies

Genevieve Vaughan in [The Gift Economy](#) indicates that many of the gains of the Capitalism have taken place at the expense of what previously would have been exchanges in the gift economy: Globalization is one more development of Patriarchal Capitalism by which more gift labor and cheap resources (resources of which a large part is free to the buyer) can be transferred from the South to the North. The market economy makes it appear that the gifts are going the other direction, that the Capitalists are giving jobs to the people of the South. Having caused enough scarcity through exploitation and debt creation, the North has diminished the level of life in the South so that the price of labor is cheap for the Northern investors - that is it brings a large percentage of gift value. By privileging a few workers by monetizing their labor, Northern corporations create a funnel or bridge by which gifts from the South can be brought to the North, with the appearance that the Corporation is providing the only source of a decent livelihood.

A structure of laws is made to uphold the flow of gifts from the South to the North, from the poor to the rich, from women to men. These laws are based on the values of the exchange system, on defending property over the satisfaction of needs, on 'paying' for crime, and maintaining the hierarchical structures of dominance. What is needed is not justice, which is based on the system of exchange, but a commitment to finding the problems which cause crime and solving them. That solution may include the protection of the gift givers rather than of the Patriarchal Capitalists, a re visioning of society, putting the gift paradigm first and showing the actual dependency of the market upon gift giving. In fact the market, the whole exchange economy is actually a parasite on the gift economy - and the gift economy allows this. It nurtures the parasite.

Religions and Gift Economies

If one looks at religious writings associated with Jewish, Christian, and Moslem religions, one can see statements that seem to encourage gift economies. (Obviously, even at the times these writings were written, an exchange economy went on as well, so this was not the only economy)...Acts 30:35 [Paul] In everything I did, I showed you that by this kind of hard work we must help the weak, remembering the words the Lord Jesus himself said: 'It is more blessed to give than to receive.'... Leviticus 35 ' If one of your brethren becomes poor, and falls into poverty among you, then you shall help him, like a stranger or a sojourner, that he may live with you... 36 'Take no usury or interest from him;

but fear your God, that your brother may live with you... 37 'You shall not lend him your money for usury, nor lend him your food at a profit.

Some Benefits of Gift Economy Actions

Some families seem to function more as gift economies than others. I know I grew up in a family that very much functioned as a gift economy, and my own family has tended to function fairly much that way as well. If there was ever an "argument", it was always in terms of, "You are doing too much. Let me do the work," or "Let me pay for it." If it is possible to get a family--or larger group--to function in this manner, it very much cuts down on arguments.

My father (who is no longer alive) tells of delivering babies, and in exchange getting a couple of dressed raccoons from the parents, probably about 1950. This really wasn't barter--even back then, it would have cost more than two raccoons to deliver a baby--it was more of sharing what one had, no matter how little it might be. Physicians weren't nearly as rich back then, and welfare played a much smaller role.

It is hard to imagine a gift economy functioning very broadly, but if it did, perhaps there would be less strife in the world and less need for social programs... It seems like a gift economy would be a whole lot easier to operate than a barter economy. Would that advantage be why gift economies, rather than barter economies, were so widely adopted historically? ... I understand that in Cuba, a law was passed that if you had extra room in your vehicle; you were required to pick up people needing rides, if they were standing in designated ride-sharing locations. Do you think the USA could get to this point of sharing?

Comment posted by [John Carter](#) on January 27, 2010- A pity when people rely on Wikipedia for anything connected with accurate information on societal issues, it is generally a really a poor source for information. Wikipedia's economics and energy articles are particularly bad and controlled by mainstream cliques through foundation money funding.

Gift economy is a throw back to low energy conversion and scarcity based societies. As far as a meaningful alternative, energy accounting keeps track of resources in a given area (technate) and measures those against population demand and ecology. This system was proposed in 1934 by M. King Hubbert and Howard Scott <http://mkinghubbert-technocracy.blogspot.com/>

Energy accounting, takes the place of religious or political control i.e. contract society based on abstract thought more connected with class/caste, because it is a science based method, secular and non partisan.

As in the Technocracy Study Course ... it is a non market economic system.

Wilton Ivie .. well known biologist and member of Technocracy Incorporated was very articulate as an essay writer on this subject of being a consumer in a science based society

<http://web.archive.org/web/20010514113821/www.technocracyinc.org/pamphle...> with that as a 'right of citizenship' and not at the whim of charity of politicians or religious people.

The old Ecclesiastic approach may have made some sense in its time and place of flat lined energy production and human labor and handicraft society... now it is just an antique throwback though.. and just another method that a class system is maintained based on old scarcity principles <http://www.technocracytechnate.org/> more info on energy economics.

'Waking up' January 22, 2010 [EnergyResources Group]

Posting From: Denis Frith

As the result of my research I have reasonable understanding of what will happen to our civilization in the coming decades because society has to power down as the natural capital driving all operations become scarcer. I expect that a small minority of smart people are already pursuing wiser policies with respect to what they do and consume. This minority can be expected to grow rapidly. The spreadsheet being developed in IPP group 'Senescence of civilization' will provide a powerful tool to aid this understanding.

However, governments and business are still pursuing economic growth even though it is fostering ecocide. The vast majority of people go along with this dependence on money because they know no better. They have been conditioned to believe in the power of this intangible rather than the reality of dependence on tangible, natural forces. They go along with the explosive growth of money as though it is a sustainable process. It is like believing in immortality.

The question then is when will there be widespread understanding of what is bound to happen? Greater understanding will assist in meeting the challenge to make wiser use of the remaining natural capital in what is now the senescence of our civilization, even though the vast majority does not understand that stark reality.

What is Carbon Currency and how does it work? In a nutshell, Carbon Currency will be based on the regular allocation of available energy to the people of the world. If not used within a period of time, the Currency will expire (like monthly minutes on your [cell phone plan](#)) so that the same people can receive a new allocation based on new energy production quotas for the next period... Because the energy supply chain is already dominated by the global elite, setting energy production quotas will limit the amount of Carbon Currency in circulation at any one time. It will also naturally limit manufacturing, food production and people movement.



Local currencies could remain in play for a time, but they would eventually wither and be fully replaced by the Carbon Currency, much the same way that the Euro displaced individual European currencies over a period of time. Sounds very modern in concept, doesn't it? In fact, these ideas date back to the 1930's when hundreds of thousands of U.S. citizens were embracing a new political ideology called Technocracy and the promise it held for a better life. Even now-classic literature was heavily influenced by Technocracy: George Orwell's *1984*, H.G. Well's *The Shape of Things to Come* and Huxley's "scientific dictatorship" in *Brave New World*... This paper investigates the rebirth of Technocracy and its potential to recast the New World Order into something truly "new" and also totally unexpected by the vast majority of modern critics.

Background

Positivism elevated science and the scientific method above metaphysical revelation. Technocrats embraced positivism because they believed that social progress was possible only through science and technology. [Schunk, *Learning Theories: An Educational Perspective*, 5th, 315]



Technocracy's early leadership (L-R): M. King Hubbert, Howard Scott, Del Hiltzcock

The social movement of Technocracy, with its energy-based accounting system, can be traced back to the 1930's when an obscure group of engineers and scientists offered it as a solution to the Great Depression.

The principal scientist behind Technocracy was M. King Hubbert, a young geoscientist who would later (in 1948-1956) invent the now-famous *Peak Oil Theory*, also known as the Hubbert Peak Theory. Hubbert stated that the discovery of new energy reserves and their production would be outstripped by usage, thereby eventually causing economic and social havoc. Many modern followers of Peak Oil Theory believe that the 2007-2009 global recession was exacerbated in part by

record oil prices that reflected validity of the theory.

Hubbert received all of his higher education at the University of Chicago, graduating with a PhD in 1937, and later taught geophysics at Columbia University. He was highly acclaimed throughout his career, receiving many honors such as the Rockefeller Public Service Award in 1977.

In 1933, Hubbert and Howard Scott formed an organization called Technocracy, Inc. Technocracy is derived from the Greek words "techne" meaning skill and "kratos", meaning rule. Thus, it is government by skilled engineers, scientists and technicians as opposed to elected officials. It was opposed to all other forms of government, including communism, socialism and fascism, all of which function with a price-based economy.

As founders of the organization and political movement called Technocracy, Inc., Hubbert and Scott also co-authored *Technocracy Study Course* in 1934. This book serves as the “bible” of Technocracy and is the root document to which most all modern technocratic thinking can be traced.

Technocracy postulated that only scientists and engineers were capable of running a complex, technology-based society. Because technology, they reasoned, changed the social nature of societies, previous methods of government and economy were made obsolete. They disdained politicians and bureaucrats, who they viewed as incompetent. By utilizing the scientific method and scientific management techniques, Technocrats hoped to squeeze the massive inefficiencies out of running a society, thereby providing more benefits for all members of society while consuming less resources.

The other integral part of Technocracy was to implement an economic system based on energy allocation rather than price. They proposed to replace traditional money with Energy Credits.

Their keen focus on the efficient use of energy is likely the first hint of a sustained ecological/environmental movement in the United States. *Technocracy Study Course* stated, for instance: *Although it (the earth) is not an isolated system the changes in the configuration of matter on the earth, such as the erosion of soil, the making of mountains, the burning of coal and oil, and the mining of metals are all typical and characteristic examples of irreversible processes, involving in each case an increase of entropy.* ([Technocracy Study Course](#), Edited by M. King Hubbert, p. 49)

Modern emphasis on curtailing carbon fuel consumption that causes global warming and CO2 emissions is essentially a product of early Technocratic thinking.

As scientists, Hubbert and Scott explained (or justify) their arguments in terms of physics and the law of thermodynamics, which is the study of energy conversion between heat and mechanical work.

[Entropy](#) is a concept within thermodynamics that represents the amount of energy in a system that is no longer available for doing mechanical work. Entropy thus increases as matter and energy in the system degrade toward the ultimate state of inert uniformity.

In layman’s terms, entropy means once you use it, you lose it for good. Furthermore, the end state of entropy is “inert uniformity” where nothing takes place. Thus, if man uses up all the available energy and/or destroys the ecology, it cannot be repeated or restored ever again.

The Technocrat’s avoidance of social entropy is to increase the efficiency of society by the careful allocation of available energy and measuring subsequent output in order to find a state of “equilibrium,” or balance. Hubbert’s focus on entropy is evidenced by [Technocracy, Inc.’s logo](#), the well-known Yin Yang symbol that depicts balance.

To facilitate this equilibrium between man and nature, Technocracy proposed that citizens would receive Energy Certificates in order to operate the economy:

“Energy Certificates are issued individually to every adult of the entire population... The record of one’s income and its rate of expenditure is kept by the Distribution Sequence, so that it is a simple matter at any time for the Distribution Sequence to ascertain the state of a given customer’s balance... When making purchases of either goods or services an individual surrenders the Energy Certificates properly identified and signed. (Or by use of an Energy Debit Card)

“The significance of this, from the point of view of knowledge of what is going on in the social system, and of social control, can best be appreciated when one surveys the whole system in perspective. First, one single organization is manning and operating the whole social mechanism. The same organization not only produces but also distributes all goods and services.

“With this information clearing continuously to a central headquarters we have a case exactly analogous to the control panel of a power plant, or the bridge of an ocean liner...” [[Technocracy Study Course](#), Hubbert and Scott, p. 238-239]

Two key differences between price-based money and Energy Certificates are that a) money is generic to the holder while Certificates are individually registered to each citizen and b) money persists while Certificates expire. The latter facet would greatly hinder, if not altogether prevent, the accumulation of wealth and property.

Transition

At prior to the start of WWII, Technocracy was collectively banned by Newspapers. During the War Years

Technocracy growth in members blossomed in the USA as well as in all the Provinces in Canada despite an illegal move by some political powers succeeding in briefly Banning Technocracy, but which was lifted by however both the organization and its philosophy survived.

Today, there are two principal websites representing Technocracy in North America: *Technocracy, Inc.*, located in Ferndale, Washington, is represented at www.technocracy.org. A sister organization in Vancouver, British Columbia is *Technocracy Vancouver*, can be found at www.technocracyvan.ca.

While Technocracy's original focus was exclusively on the North American continent, it is now growing rapidly in Europe and other industrialized nations.

For instance, the [Network of European Technocrats](#) was formed in 2005 as "*an autonomous research and social movement that aims to explore and develop both the theory and design of technocracy.*" The NET website claims to have members around the world.

Of course, a few minor league organizations and their websites cannot hope to create or implement a global energy policy, but it's not because the ideas aren't still alive and well.

A more likely influence on modern thinking is due to Hubbert's Peak Oil Theory introduced in 1954. It has figured prominently in the ecological/environmental movement. In fact, the entire global warming movement indirectly sits on top of the Hubbert Peak Theory.

As the Canadian Association for the Club of Rome recently stated, "The issue of peak oil impinges directly on the climate change question." (see John H. Walsh, "[The Impending Twin Crisis – One Set of Solutions?](#)", p.5.)

The Modern Proposal

Because of the connection between the environmental movement, global warming and the Technocratic concept of Energy Certificates, one would expect that a Carbon Currency would be suggested from that particular community, and in fact, this is the case.

In 1995, Judith Hanna wrote in *New Scientist*, "[Toward a single carbon currency](#)", "*My proposal is to set a global quota for fossil fuel combustion every year, and to share it equally between all the adults in the world.*"

In 2006, UK Environment Secretary David Miliband spoke to the [Audit Commission Annual Lecture](#) and flatly stated, "*Imagine a country **where carbon becomes a new currency**. We carry bankcards that store both pounds and carbon points. When we buy electricity, gas and fuel, we use our carbon points, as well as pounds. To help reduce carbon emissions, the Government would set limits on the amount of carbon that could be used.*" [Emphasis added]

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