Technocracy Inc.

February 2008 TRENDEVENTS

http://www.farmtalknewspaper.com/crops/local_story_022082331.html

Plan ahead to avoid fertilizer shortages Published January 22, 2008
K-State specialist says demand, high prices making it difficult to get fertilizer needs filled

by Steve Watson - Kansas State University

Supplies of nitrogen fertilizers, as well as phosphorus and potassium fertilizers, are tight throughout the United States, making this the time to plan ahead, a Kansas State University agronomist said.

In fact, it is currently difficult to buy fertilizer nitrogen for winter wheat topdressing and/or this spring's row crops unless the supply has already been lined up -- regardless of what the posted prices are, said Dale Leikam, K-State Research and Extension nutrient management specialist.

"The tight supply situation applies to all the main nitrogen fertilizer sources- UAN solution, urea, and ammonia -- as well as other phosphorus and potassium fertilizers. Fertilizer prices are continuing to increase and supplies will likely remain very tight for the foreseeable future," Leikam said. "Therefore, producers should keep in close contact with their supplier in order to line up their anticipated fertilizer needs. Waiting until it is time to apply crop nutrients to make arrangements for fertilizer needs could leave producers on the outside looking in."

The sharp increase in price and accompanying fertilizer N shortage is not a sudden development, the agronomist explained. Unprecedented market forces have markedly changed the fertilizer industry over the past decade which has set the stage for the current supply/demand imbalance and resulting high prices, he said.

"Over the past decade, much of our fertilizer nitrogen manufacturing capacity has shut down in the U.S. as a result of sharp increases and fluctuations in natural gas costs, lower-cost foreign competition, domestic environmental regulations, and so forth. In most cases, the domestic fertilizer manufacturing plants that have ceased operations will likely never come back on line despite the current higher fertilizer nitrogen prices,"… As a result, more and more nitrogen fertilizer is now imported from countries in the Middle East, South America, the former Soviet Union, and other low-cost natural gas areas, Leikam said.

"More than 50 percent U.S. fertilizer nitrogen supply is imported annually -- and our dependence on foreign imports continues to increase… "Also, global demand for this supply of fertilizer nitrogen continues to increase, especially in countries such as China and India with rapidly expanding economies," Leikam said.

Producers can do little about this situation except to keep in constant contact with their local fertilizer supplier and commit to needed products as soon they know what their needs are, the K-State agronomist said.

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After housing bust, hard times in Arizona - State and local governments tighten belts as tax revenues fall, a ripple effect of the housing slump.
By Faye Bowers | Correspondent of - The Christian Science Monitor

MESA, ARIZ.
Phoenix city officials are considering eliminating some 500 jobs, closing public pools for an additional two months each year, and reducing the hours of city museums and community centers to combat a $67.1 million projected shortfall in revenues this year… In Tucson, Ariz., officials are reducing employee travel, equipment purchases, and hiring to deal with forecasts that they the city will take in $12 million less than anticipated this

year… Mesa, Ariz., has asked its departments, the biggest of which is public safety, to cut expenditures by 5 percent to meet a projected $15 million to $16 million shortfall.

Gov. Janet Napolitano (D) announced a hiring freeze across the state's executive agencies on Feb. 21 to help meet an estimated budget shortfall of $1.15 billion this year. The state legislature is considering other belt-tightening measures, as well… The state of Arizona and all its cities and towns are confronting huge revenue shortages this year, mainly because sales-tax revenues are far below projected levels. In fact, Arizona has the dubious distinction along with California, Nevada, and Florida of leading the country in the current economic slide.

"Those four states are where the housing bubble was the biggest, where investors and speculators had a significant presence," says Marshall Vest, an economist at the University of Arizona's Eller College of Management in Tucson. "Those states saw a higher use of sub-prime mortgages. These are the states that have been in recession for several months already."

Consumers in Arizona, Dr. Vest says, lived beyond their means for the past seven years. It was easy for them to tap the equity in their houses and to get very low interest rates on credit cards. So when the housing bubble burst, housing prices declined, along with the equity homeowners enjoyed, and banks began to tighten up on credit. That meant people had much less money to spend.

"In addition to that, we had 6 percent employment growth just two years ago. Today it is essentially zero," Vest says. Arizona's economy peaked in August and has been shrinking ever since, he says. It's been in recession, he adds, since the third quarter of 2007… Arizona is a little different from other states in that property tax isn't the main source of revenue for state and city governments here. They rely more on sales taxes and income taxes. So when both earnings and spending are curtailed, so are the monies that local governments collect.

"The sales-tax side is the other chip to fall," says Chris Hoene, director of policy and research at the National League of Cities in Washington. "For the past decade, there's been a much stronger connection between housing values and consumer spending than was perhaps previously thought." …That's because, he says, people used the values of their homes for second mortgages to make other large purchases. And those large purchases, usually cars, appliances, and assorted luxury items, led to the collection of more sales tax. When those purchases fell off, so did the sales-tax collections… As a result, government entities here are tightening their collective belts. In Mesa, for example, the third largest city in Arizona and the 38th largest in the country, officials are struggling to cut spending to make up for the projected shortfalls.

The city's operating and maintenance budget is about $328 million this year, 66 percent is dedicated to public safety. So when the city asked the police and fire departments to come up with cuts equaling 5 percent, which means a $7.2 million reduction in expenses. Its tentative plan calls for a reevaluation of all open positions before they are filled, a curtailment of overtime hours that now total about 4,000 hours per month, and a rethink of capital expenditures. Such cuts are difficult, and the residents of Mesa are understandably concerned, Mr. Odom says… Phoenix and Tucson are adhering to similar processes, while the state legislature and the governor are jointly working on plans to reduce the state's spending.

If there's any reason for cheer, it's that the state has been in this position before, and it not only came out of it, but also came out of it with unprecedented growth to lead the country as the fastest-growing state last year… "There have been seven nationwide recessions since 1960, and each time we've bounced back," Vest says. "The two most recent recessions, in the early 1990s and 2001, were both short and mild. So far there's no reason to believe this is any different than the last two."

Comments by: David Mathews

"There have been seven nationwide recessions since 1960, and each time we've bounced back," Vest says. "The two most recent recessions, in the early 1990s and 2001, were both short and mild. So far there's no reason to believe this is any different than the last two." … Yeah ... there's no reason *at all* to believe that things are different this time. How easy is it for people to lie to their own self?

The people of Arizona are going to discover that things are very different this time. The people of America -- including the Hummer drivers and the obese obsessive-compulsive shoppers at the mall -- are going to discover that we're living in a different world, a harsh world which no longer indulges the excesses of the American consumer.

Arizona won't survive in the post-oil world. The Southwest will empty again. All those spectacular ruins in the desert should serve as a warning to the present-day citizens of the desert, but the lesson is lost in the casual optimism of technological dependence and oil addiction.

I'm telling everyone that I know and everyone that I meet that this is the real deal. America is going into a terminal depression, America will not recover, and America might cease to exist just as the Soviet Union suddenly vanished… The message is bleak but it is honest ... I won't know if it is correct, though, for a little while longer. But there is a perceptible acceleration of events leading to the economic collapse scenario. Unless Ben Bernanke can perform a miracle we're going to find our nation stuck in the quicksand and unable to escape by any means.

Peak Oil will merely deliver the death-blow. That's my expectation at the moment, but who knows what will happen tomorrow?

David Mathews http://www.geocities.com/dmathew1 from the February 25, 2008 edition - http://www.csmonitor.com/2008/0225/p02s01-usec.html

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Letter to the Editor - Feb. 10, 2008

The economic stimulus the president and Congress propose to proffer to the ?ordinary? people, as Bush so cavalierly put it in his State of the Union massage, amounts to little more than crumbs from the cake now being enjoyed by the upper one percent of incomes, who now controls fifty percent of the wealth of the nation (up from forty percent during the Reagan years), while the lower twenty percent of those ordinary people scrape by, and against each other for, five percent. Small wonder we read about further record profits for outfits like Exxon. Even less amazing that everyone from moms to city governments to school districts have to cut back, cut back, cut back.

Well might House Speaker Nancy Pelosi smile for the photo-op. She, along with virtually every other member of Congress, is among that favored elite. What they fail to mention, however, is that there are fatal flaws to our economy that no amount of Antoinette-like histrionics are going to correct.

First, our economy is based entirely on buy now, pay later. It has been so since the 1920?s, when machine production outstripped the capacity of the worker to purchase it. Technocracy had this pegged in 1921. This nation now labors under a combined public and private debt load that exceeds fifty trillion of the dollars that are daily losing value against currencies of other nations, some of whom just happen to hold the paper on hundreds of billions of dollars worth of U.S. securities. Wake up, folks, later has arrived.

Second, every dollar conjured into existence by the Federal Reserve carries its own debt load, payable by us ordinary folks. This guarantees that we will never, never be out of debt. Any talk of federal surpluses or deficits is just number-shuffling.

Third, military and business adventurism is bleeding the nation dry, while the infrastructure crumbles. We now support 730 bases worldwide that exist primarily to protect corporate America?s access to markets, natural resources and cheap labor (65 cents per hour on average in India, a dollar in China). In effect, the young people we send abroad are serving as muscle for corporate America. This condition has existed since the 1850?s, when we stationed gunboats in Tokyo Harbor to arm twist the Japanese into opening their ports to trade with the West. This is not a situation that is going to change, regardless of what extraordinary person occupies the Oval Office. Read War is a Racket by General Smedley Butler. To date, the occupation of Iraq has cost every American family over $16,000. And from all indications, a Republican victory in November will consign to more of the same, as long as we can shoulder the debt (John McCain, on how long we can expect to keep troops in Iraq: A hundred years. A million years. Ten million years?)

Fourth, the FDIC, the government agency charged with insuring the deposits of those ordinary people, is entering its crash mode, streamlining its procedures for covering depositor?s losses in the event of failures of major banks. The FDIC has never had to handle a bailout of more than 175,000 accounts. Some major banks have more than 50 million depositors.

Of course, many will point, with some justification, to those freewheeling ?ordinary? people as the cause for our economic malaise. They?ve saved too little, spent too freely and too fast (prodded, of course, by a relentless barrage of advertising that makes ?shock and awe? look like a pack of Fourth of July sparklers by comparison, designed to convince them that they need all this stuff in order to be anyone). And what does Bush do but exhort them to take their handful of crumbs and do more of the same?

No, it?s not government fiscal policy in the form of tax breaks and the vast policy-making influence of the wealthy that has tilted half the nation?s wealth toward one percent of its population. It?s not speculation on

a grand scale by the financial high rollers. It's not the sweetheart deals between policy makers and business. That?s just free enterprise at work.

It?s not government military policy that has dictated that we spend more on ?defense? than every other nation in the world combined. Freedom, especially when that freedom commands handsome profits for well-connected defense contractors, has its exorbitant price.

It?s not government security policies that have compromised many of our Constitutional freedoms, spied on millions of us ordinary folks and condoned torture, which we have to fear. It?s that homeless guy on the bicycle collecting cans, or the immigrants, or the sex offenders, or the serial killer that could be lurking next door ? or any of the other myriad fear factors the media so blithely parades in front of us on a daily basis.

Economic stimulus? We may as well drag out the AED fib paddles and try to jolt back to life the sloth at the Museum of Arts and Sciences. We need a new economy that is structured to serve us ordinary people?. We don't have it now.

Technocracy “Member At Large” - Stephen L. Doll

Totally Spent

By Robert B. Reich - New York Times - February 13, 2008

Berkeley, California - We're sliding into recession, or worse, and Washington is turning to the normal remedies for economic downturns. But the normal remedies are not likely to work this time, because this isn't a normal downturn.

The problem lies deeper. It is the culmination of three decades during which American consumers have spent beyond their means. That era is now coming to an end. Consumers have run out of ways to keep the spending binge going.

The only lasting remedy, other than for Americans to accept a lower standard of living and for businesses to adjust to a smaller economy, is to give middle- and lower-income Americans more buying power - and not just temporarily.

Much of the current debate is irrelevant. Even with more tax breaks for business like accelerated depreciation, companies won't invest in more factories or equipment when demand is dropping for products and services across the board, as it is now. And temporary fixes like a stimulus package that would give households a one-time cash infusion won't get consumers back to the malls, because consumers know the assistance is temporary. The problems most consumers face are permanent, so they are likely to pocket the extra money instead of spending it.

Another Fed rate cut might unfreeze credit markets and give consumers access to somewhat cheaper loans, but there's no going back to the easy money of a few years ago. Lenders and borrowers have been badly burned, and the values of houses and other assets are dropping faster than interest rates can be lowered.

The underlying problem has been building for decades. America's median hourly wage is barely higher than it was 35 years ago, adjusted for inflation. The income of a man in his 30s is now 12 percent below that of a man his age three decades ago. Most of what's been earned in America since then has gone to the richest 5 percent.

Yet the rich devote a smaller percentage of their earnings to buying things than the rest of us because, after all, they're rich. They already have most of what they want. Instead of buying, and thus stimulating the American economy, the rich are more likely to invest their earnings wherever around the world they can get the highest return.

The problem has been masked for years as middle- and lower-income Americans found ways to live beyond their paychecks. But now they have run out of ways.

The first way was **to send more women into paid work**. Most women streamed into the work force in the 1970s less because new professional opportunities opened up to them than because they had to prop up

family incomes. The percentage of American working mothers with school-age children has almost doubled since 1970 - to more than 70 percent. But there's a limit to how many mothers can maintain paying jobs.

So Americans turned to **a second way of spending beyond their hourly wages. They worked more hours**. The typical American now works more each year than he or she did three decades ago. Americans became veritable workaholics, putting in 350 more hours a year than the average European, more even than the notoriously industrious Japanese

But there's also a limit to how many hours Americans can put into work, so Americans turned to **a third way of spending beyond their wages. They began to borrow.** With housing prices rising briskly through the 1990s and even faster from 2002 to 2006, they turned their homes into piggy banks by refinancing home mortgages and taking out home-equity loans. But this third strategy also had a built-in limit. With the bursting of the housing bubble, the piggy banks are closing.

The binge seems to be over. We're finally reaping the whirlwind of widening inequality and ever more concentrated wealth.

The only way to keep the economy going over the long run is to increase the wages of the bottom two-thirds of Americans. The answer is not to protect jobs through trade protection. That would only drive up the prices of everything purchased from abroad. Most routine jobs are being automated anyway.

A larger earned-income tax credit, financed by a higher marginal income tax on top earners, is required. The tax credit functions like a reverse income tax. Enlarging it would mean giving workers at the bottom a bigger wage supplement, as well as phasing it out at a higher wage. The current supplement for a worker with two children who earns up to $16,000 a year is about $5,000. That amount declines as earnings increase and is eliminated at about $38,000. It should be increased to, say, $8,000 at the low end and phased out at an income of $46,000.

We also need stronger unions, especially in the local service sector that's sheltered from global competition. Employees should be able to form a union without the current protracted certification process that gives employers too much opportunity to intimidate or coerce them. Workers should be able to decide whether to form a union with a simple majority vote.

And employers who fire workers for trying to organize should have to pay substantial fines. Right now, the typical penalty is back pay for the worker, plus interest - a slap on the wrist.

Over the longer term, inequality can be reversed only through better schools for children in lower- and moderate-income communities. This will require, at the least, good preschools, fewer students per classroom and better pay for teachers in such schools, in order to attract the teaching talent these students need.

These measures are necessary to give Americans enough buying power to keep the American economy going. They are also needed to overcome widening inequality, and thereby keep America in one piece.

Robert B. Reich, a professor of public policy at the University of California, Berkeley, is the author, most recently, of "Supercapitalism

Huge study...wake-up call on state of world's oceans. Human activity damages more than 40% of seas

http://tinyurl.com/2w9e7r Feb.14 2008 - David Mathews - http://www.geocities.com/dmathew1

A global map of the overall impact that 17 different human activities are having on marine ecosystems. Insets show three of the most heavily impacted areas in the world, and one of the least impacted areas… Fishing, climate change and pollution have left an indelible mark on virtually all of the world's oceans, according to a huge study that has mapped the total human impact on the seas for the first time. Scientists found that almost no areas have been left pristine and more than 40% of the world's oceans have been heavily affected.

"This project allows us to finally start to see the big picture of how humans are affecting the oceans," said Ben

Halpern, assistant research scientist at the University of California, Santa Barbara, who led the research.

"Our results show that when these and other individual impacts are summed up the big picture looks much worse than I imagine most people expected. It was certainly a surprise to me."… Human impact is most severe in the North Sea, the South and East China Seas, the Caribbean, the Mediterranean, the Red Sea, the Gulf, the Bering Sea, along the eastern coast of North America and in much of the western Pacific.

The oceans at the poles are less affected but melting ice sheets will leave them vulnerable, researchers said… The study found that almost half of the world's coral reefs have been heavily damaged. Other concerns rest with seagrass beds, mangrove forests, seamounts, rocky reefs and continental shelves. Soft-bottom ecosystems and Open Ocean fared best but even these were not pristine in most locations…Previous studies of human impacts have focused on a single activity or on an isolated ecosystem, and rarely on a global scale… Fiorenza Micheli, an associate professor of biology at Stanford University, said the maps should guide ocean management in future… "By seeing where different activities occur and whether they occur in sensitive ecosystems we can design management strategies aimed at shifting activities away from the most sensitive areas."

To make the map scientists compiled global data on the impacts of 17 human activities including fishing, coastal development, fertilizer runoff and pollution from shipping traffic… They divided the ocean into one-square-kilometre cells and worked out which human activities might have touched each particular cell. For each cell, the scientists allocated an impact score to look at the degree to which human activities affected 20 types of ecosystems… Around 41% had medium high to very high impact scores. A small fraction, 0.5% but representing 2.2m square kilometres (850,000 square miles), were rated very highly affected.

Halpern said the results, which were published in the journal Science and presented yesterday to the American Association for the Advancement of Science annual meeting, still gave room for hope. "With targeted efforts to protect the chunks of the ocean that remain relatively pristine we have a good chance of preserving these areas in good condition."

Andrew Rosenberg, a professor of natural resources at the University of New Hampshire, who was not involved with the study, said: "Clearly we can no longer just focus on fishing or coastal wetland loss or pollution as if they are separate effects… "These human impacts overlap in space and time, and in far too many cases the magnitude is frighteningly high."… He added: "The message for policy-makers seems clear to me: conservation action that cuts across the whole set of human impacts is needed now in many places around the globe."… Highlighting examples of action, the researchers said that, for example, fishing zones have been shown to help ecosystems survive better, and navigation routes across seas have been altered to protect sensitive ocean areas.

Although the research will be helpful, making conservation decisions will require more detailed research at the local level, said Micheli… "Our results and approach, augmented with additional local information, can also inform management at a local and regional scale. Looking at the data globally, some information is lost."

Halpern said the map was a wake-up call. "Humans will always use the oceans for recreation, extraction of resources, and for commercial activity such as shipping. This is a good thing. Our goal, and really our necessity, is to do this in a sustainable way so that our oceans remain in a healthy state and continue to provide us with the resources we need and want." Yeah...All we really need is another WAKE-UP Call ???

Oceans… Dead zone threats

Seattle Post-Intelligencer – ***Editorial –*** Feb.19, 2008

Humans have always thought of the oceans in strong terms: vast mysterious, life-giving. The study showing the development of oxygen- depleted dead zones off Washington, Oregon and California provides a startling illustration of the breadth of today's threats to the environment… If we are changing the very oceans around us, we have every reason to worry. Scientists think global warming may be the main culprit, with changing wind patterns leading to the development of large areas with almost no oxygen along the Pacific Coast for parts of the world's oceans, is essentially unprecedented here.

Records over the past half-century show no sign of the oxygen-depleted zone. Since 2002, the zones have caused gruesome kills of marine life each year. Fish, lobsters and other critters that can't flee quickly to more oxygen-rich areas die… This is hardly the first sign that inattention to the environment is so widespread that

people are changing the oceans. Consider the huge rafts of trash and debris – Virtual islands – that float in some spots. Still, it is particularly shocking that a less direct factor warming air, may now be killing parts of the oceans.

Many political leaders tend to act as if they have plenty of time to implement climate-change measures. Perhaps they will recognize the changes in their environment quickly enough to swim to a spot that is healthier for them and for the planet

Michael Moore says insurance industry would love Clinton's healthcare plan By Jeffrey Young - 02/22/08

Sen. Hillary Rodham Clinton's (D-N.Y.) proposal to mandate that all people purchase health insurance would be a boon to the industry, filmmaker Michael Moore said Friday… "Can you imagine, every time Sen. Clinton says that, the licking of the lips that goes on with these health insurance executives?" Moore said during a conference call with reporters.

Moore, director of the Academy Award-nominated documentary "SiCKO" about the U.S. healthcare system, criticized both Clinton and her rival for the Democratic presidential nomination, Sen. Barack Obama (Ill.), for failing to support a universal system of government-financed health coverage during their runs for the White House. "The two Democratic candidates don't quite get it," he said.

Clinton's campaign responded with a shot at Moore.

"His movie notwithstanding, Michael Moore clearly doesn't know a whole lot about how healthcare policy works," Clinton spokesman Jay Carson said in an e-mail. He said Clinton's healthcare plan would insure every American and make sure that covering people and not profits are the top priority… He then took a shot at Obama, who battled with Clinton over healthcare Thursday night during a Texas debate, by stating that Obama's plan would leave 15 million people uninsured.

Moore, a flame-throwing liberal documentarian, who previously took on the Iraq war in "Fahrenheit 9/11," gun violence in "Bowling for Columbine" and General Motors in "Roger & Me," released "SiCKO" last June. The movie grossed $24.5 million in the United States and is up for best documentary film during Sunday's Academy Awards.

Moore credited Clinton and Obama with good intentions but suggested they were too influenced by campaign contributions from healthcare interests… "I think in their hearts, they want to get it. But it's not just their hearts that's speaking, it's their wallets," he said.

Moore noted that Clinton and Obama have received more campaign contributions from healthcare interests than any other presidential candidates, including all those who ran for the Republican nomination. Healthcare interests "know which way the wind is blowing" and believe the next president will be a Democrat, Moore said.

In place of the Clinton and Obama plans, Moore touted legislation sponsored by Rep. John Conyers Jr. (D-Mich.) that would extend Medicare benefits to the nation's entire population. Conyers has endorsed Obama for president.

Moore would not say whether he would campaign for the candidate who wins the Democratic nomination… He also said he will not offer an endorsement unless a candidate at least moves closer to his position on single-payer healthcare. Moore dismissed out of hand the healthcare proposals of presumptive Republican nominee Sen. John McCain (Ariz.).

But as he did in his film "SiCKO" and in recent writings on his Web site, Moore reserved some of his harshest criticisms for Clinton, who as first lady spearheaded President Bill Clinton's efforts to enact a healthcare system overhaul in the 1990s… Clinton has made efforts to differentiate the healthcare proposals in her platform from those of Obama, largely by pointing out that her plan would use mandates to require people to purchase health insurance as a means of getting coverage for all people. Clinton has even said she would not rule out garnishing individuals' wages if they failed to comply. Obama would only mandate coverage for children.

"They're having nutty debates about who's going to mandate how many people," Moore said. "We're not cars," he quipped, referring to the argument that health insurance mandates are equivalent to state laws requiring drivers to carry automobile insurance.

On Obama's healthcare positions, Moore pointed to statements the senator has made that would support a single-payer system if he were "starting from scratch," statements the Clinton campaign has used to criticize Obama. "He needs to go back to his original position," Moore said… Obama spokesman Tommy Vietor defended the senator's healthcare plan, saying it would significantly cut down on consumer costs. He also noted that Obama oes not accept contributions from federal lobbyists.

Moore said he was pressuring friends on Capitol Hill and Hollywood who have endorsed Clinton and Obama to push them closer to single-payer healthcare.

But, he said, the makeup of Congress could prove more crucial to the healthcare reform debate than whether Clinton or Obama is president… "It's equally, perhaps even more, important on this issue that people across the country elect members of Congress who support" Conyers's bill, Moore said. "The Democratic president is not going to veto that bill," he said. "At that point, they're going to have to ride the wave."

Moore held the conference call to promote a Capitol Hill rally scheduled for Tuesday to call for greater funding to treat the medical conditions suffered by rescue and cleanup workers who assisted on at the World Trade Center site in New York on Sept. 11, 2001, and the weeks following the terrorist attacks. Among the more than 200 workers and families expected to attend are some of the people portrayed in SiCKO," whom Moore took to Cuba to receive medical treatments.

Don't Rerun That '70s Show

By PAUL KRUGMAN - Op-Ed Columnist - NY Times, February 22, 2008

Will the next president be the second coming of Jimmy Carter? Given Thursday's economic headlines, full of dire warnings about the return of 1970s-style stagflation, you might think so.

Realistically, though, the parallels between the problems facing the U.S. economy now and those of the late-1970s aren't that strong. That's the good news… The bad news is that the economy probably will look similar to, but worse than, the economy that undid the first President Bush. And it's all too easy to see how the next president could suffer a political fate resembling that of both the elder Mr. Bush and Mr. Carter.

Let's talk first about the Carter-era economy.

Jimmy Carter's overall economic record was much better than most people realize the average economic growth rate under his administration was 3.4 percent per year, slightly higher than the growth rate under Ronald Reagan and far better than growth under either Bush.

Reagan famously asked Americans whether they were better off than they had been four years ago; the answer, actually, was yes most families had higher real income in 1980 than they did in 1976… But the good economic news came in the Carter administration's early years, while its final year was marked by rising unemployment and soaring inflation, largely caused by a surge in oil prices.

And once again we have a weakening economy coupled with rising inflation, again thanks in large part to a surge in oil prices.

That said, I don't believe we're really facing anything comparable to 1970s stagflation. For one thing, we're less dependent on oil: America has more than twice the real G.D.P. it had in 1979, but consumes only slightly more oil. For another, there's no sign of the wage-price spiral that once drove inflation into double digits in fact, wage growth has been declining even as inflation rises… What's much more likely is that we'll have an economy like that of the early 1990s, only worse.

The first President Bush presided over the 1990-1991 recession. But his real problem came during the alleged recovery, which was hobbled by financial problems at many banks, which had been badly damaged by the collapse of the late-1980s real estate bubble, and by sluggish consumer spending, held down by high levels of

household debt… As a result, the unemployment rate just kept rising, not reaching its peak of 7.8 percent until June 1992.

If all this sounds familiar, it should. Many economists have pointed out the parallels between the current situation and the early 1990s: another real estate bubble, sub-prime playing more or less the same role formerly played by bad loans by savings and loan institutions, financial trouble all around… The difference is that the problems look a lot worse this time: a much bigger bubble, more financial distress, deeper consumer indebtedness and sky-high oil prices added to the mix. So if history is any guide, we should be looking at an extended period of economic weakness, probably extending well into 2010, and quite possibly even longer.

Can the next president do anything to avoid that outcome? In terms of straight economics, the answer is a clear yes. To this day, it's not clear what Mr. Carter could have done differently: stagflation is a problem with no good solutions. But weak spending is a treatable condition. A serious fiscal stimulus plan one that emphasized public investment and aid to Americans in economic distress rather than across-the-board tax rebates, which many people won't spend could do a lot to ease the country's economic pain.

Politically, however, it's hard to see this happening.

If the next president is a Republican, he will be captive to the doctrine that tax cuts are the answer to all problems, and therefore won't seek an effective response to the economy's troubles… And even if the next president is a Democrat, any serious stimulus plan would face intense, ideologically motivated opposition in Congress. Will the next president be prepared to fight for an effective plan? Or will we end up with a compromise like the one Congressional Democrats agreed to this year, legislation that assuages conservative objections at the cost of undermining the plan's effectiveness?

Until recently, I thought the biggest political struggle facing the next president was likely to be over health care reform. But right now it looks as if the first thing on the next administration's plate will have to be dealing with a weak economy… And if effective action isn't forthcoming, the next president will suffer the fate of Jimmy Carter, who began his administration with words of uplift: "Let us create together a new national spirit of unity and trust" and ended up delivering America into the hands of the hard right…***(Mr. Obama could get his wish - become President of the United States - just in time to discover he's stuck his head in a cement mixer… Hard-right Republicans, unhappy with McCain, have basically written off the next 4 years with someone they don't like at the helm. They're hoping the growing bad news (which will almost certainly include the global peak of crude oil production, if it hasn't happened already) will hang around the president's neck like a stinking dead albatross, guaranteeing his or her loss in the election of 2012 and a new chance to find their Ronald Reagan of the 21st century.)*** Posted to The EnergyResourses List by Dick Lawrence

Shell President: America's Energy Security a 'Mess

President John Hofmeister addressed U.S. policy makers on Feb. 21 to proffer suggestions for energy policy changes. Hofmeister urged policy shapers to extend the rights of U.S. companies by allowing them to drill the outer continental shelf of the U.S., which is currently illegal.

Hofmeister said that the U.S.'s energy consumption, along with outdated policy, have led to a failure in energy security."During the course of today, the U.S. will consume 10,000 gallons of oil a second," said Hoffmeister. "That equivalent is 21 million barrels of oil a day ... that's a swimming pool full of oil every second of every minute of every hour throughout the day.

"In addition, we will consume some 60 billion cubic feet of gas. Sixty billion cubic feet of gas, if stacked on top of each other, would be 25 roundtrips to the moon. So when you put that kind of energy consumption in perspective when we deal with energy security in this country, that's a very big deal.

"It's the basis of our lifestyle."

Hofmeister admitted that while Shell has been one of the first big oil companies to invest in alternative energy sources, such supplies "while meaningful over the longer term cannot displace or replace the kind of day-to-day demand for hydrocarbon energy" the U.S. has today… "My goodness, what a mess we're in when it comes to national energy security," he concluded.

Hofmeister said that energy security should enjoy the same importance as homeland and economic security, because each contributes to the other as a part of the "foundation of America's well-being." … "With energy security, we can have the best of all worlds," he said.

The Shell president defines energy security as a "comprehensive, holistic strategy with a short-term makeup, a medium-term makeup, and a long-term makeup," which is how Shell designs its own business mode.

Consequently, Hofmesiter said that this country's "short-term hurt" is that it imports more than 60% of the oil it consumes. The $2 trillion the U.S. spends on oil imports is $2 trillion that the country will never see again, he said. That money is used to develop and maintain resources for oil exporters in other parts of the world.

Last year, S&P's top-six oil companies were state-run companies, like PDVSA, Petrobras, and Rosneft. Hofmeister said the nationalism of natural resources is the "legitimate" right of sovereign nations, yet this is where American energy security fails. He said that contrary to popular belief, the energy market place is not a free market… "When a cartel of countries can determine production limits which help to guide a price level, and when U.S. companies are prohibited by public law from developing U.S. natural resources, that represents constraint of a free market," said Hofmeister. "And so it is a myth to think that U.S. oil companies can just go and explore and produce where they choose in a free oil market."

Hofmeister pointed out that only 15% of the outer continental shelf of the U.S. is available for E&P purposes while 85% is off-limits by law… "As long as that is the case, we are contributing to, in a sense, the lack of development of our own national natural resources," he said, "and it is necessary for us then to pull upon a pool of international natural resources, which are controlled by nationally sovereign nations."

Hofmister said that to secure the U.S.'s energy future, policies must be moved so that the country can manage its natural resources in the interest of the American people… "Calling for a comprehensive, integrated, short-term, medium-term, long-term energy strategy would put in place for America an energy strategy that has not existed over the last 50 years," said Hofmeister. "The last time America had an energy strategy in terms of a coherent, integrated, short-medium-long-term approach, was World War II.

"The strategy was simple: Produce all the energy the nation can produce and ration it to consumers in order to support the war effort… "Since then, we've relied upon free markets, which have consistently lost their degrees of freedom over the last 50 years. It's time now for the nation to approach energy security in a bipartisan nationally led model, such as we do with homeland security and economic security."

Trendevents Comment:

Shell President John Hofmeister discovered the truth… There are no vast profits for Shell by investing in alternative energy sources: (Quote… “My goodness, what a mess we’re in when it comes to national energy security.”)

Dr. Al Bartlett, in his lecture on “The Exponential Function”, calls this “Strength through Exhaustion”, to accelerate selling off a vital non-replaceable resources for monetary profit… What a silly way to have “Energy Security”, to drill and pump out oil and gas… Best that they be maintained as untouched off shore reserves. It’s insane, replacing a valuable non-replaceable resource for useless dollars stored as code in banking computers. *(P. C.)*