

The Oil Drum: Campfire

Discussions about Energy and Our Future

Sacred Cows for Clunkers?

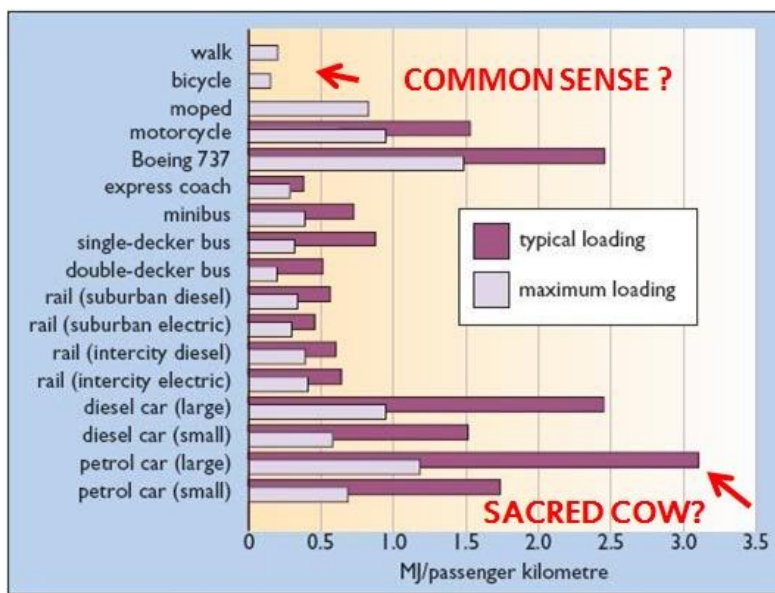
Posted by [Nate Hagens](#) on August 1, 2009 - 8:39am in [The Oil Drum: Campfire](#)

Topic: [Policy/Politics](#)

Tags: [bicycle](#), [efficiency](#), [paradigm change](#) [[list all tags](#)]

In the continued series of government-to-industry wealth transfers to prop up a system requiring paradigm change, the "Cash for Clunkers" program was extended this week, this time bailing out the car dealers and providing a shot in the arm to automakers and some folks looking for cheap cars. While the \$3-4 billion targeted for this program pales in comparison to the trillions already destined for the financial, auto, housing, mortgage, etc. industries, it gives another in an unbroken line of transparent signals as to the strategy: get us back to where we were and things will be OK.

Tonights Campfire questions revolve around what type of strategies could break the cycle of myopic baby steps?



Some quick wide boundary thinking on the CARS program shows that, ceteris paribus, the marginal fuel economy improvement of the trade-ins will be far exceeded by the increased longevity of the fleet. Basically, by buying new cars en masse, we have extended our dependence, by some amount, on an oil based system of transport.

According to [Hyundai](#):

The average age of a trade-in model is nearly 14 years, and the average odometer reading is more than 140,000 miles. The average "clunker" achieves about 16 miles per gallon according to EPA data, while the average new car sold under the program achieves more than 25 mpg.

I doubt that the efficiency upgrade will really be 9mpg, but lets assume that is right. I doubt the average odometer of all tradeins will be 140,000 but lets assume that too is correct. Lets assume that the program averages \$4,000 which is 1,000,000 new cars on the road. Assuming they too eventually drive 140,000 miles, we have just extended our dependence on gasoline/oil transport by 140 billion miles which at 25 mpg (irrespective of the efficiency gain), is 5.60 billion gallons of gasoline. When we import 2/3 of our oil and pay for it with a currency that doesn't inspire quite the confidence it once did, this gimmick goes in the wrong direction. Too, the average MPG of a NEW car in 2012 will be 27 mpg, HIGHER than the average fuel economy of the new cars being sold in cash for clunkers program...

President Barack Obama, said Friday that the clunker program "has succeeded well beyond our expectations and all expectations." His administration and Congress, he said, were "doing everything possible to continue this program."

The game of life works best when the monopoly money used for exchange stays in line with the assets underpinning it. The game board has become very populated, and the 2nd Law of Thermodynamics is having its way with much of the prime assets and infrastructure that got us to this point. As such, we are now entering uncharted territory in our socioeconomic system. Many think that the increase in debt is just a wealth transfer from the future (our children) to today, which is bad enough. But as our horizons recede (i.e. focusing on one aspect of our problems is futile because the rest of landscape is moving backwards), we find that the credit crisis, or oil prices, or nuclear plants being shut down due to water shortages etc., are not isolated problems. They are linked to a society, whose capacity to outpace its debts via growth is no longer possible due to resource constraints, and further hamstrung by a wealth disparity causing its citizenry to seriously question policy for the first time in a generation (or longer).

Instead of Cash for Clunkers, and other 'benefit now-pay later' civic strategies, what kind of things might have a chance of working within our current system, that might steer us in a better direction?

Here are some potential alternatives a bit more aligned with a longer term, more durable energy future:

BICYCLES FOR CLUNKERS

As the top graphic shows, bicycle transport is [far and away more energy efficient](#) than (even new) automobiles. A voluntary tradein of an old vehicle for a bicycle (perhaps with some added incentives) would be a radical, but positive direction.

CARPOOL COUPONS FOR CLUNKERS

Similarly, I remember the 'carpool' television commercials from the 1970s. I suspect we are headed that way again, once the economy stabilizes and we overtake the oil decline curve. To issue certificates for free rides (details beyond my purvey) might also be a step in positive direction.

ECOLOGICAL COOL POINTS FOR CLUNKERS

Perhaps we could have some Presidential Council of Sustainability, or some such, at national and local levels, who would stingily hand out status badges, like high school sports Letters, which could be sewn on someones clothing - "My boyfriend has 11 Sustainability badges - how many does yours have?" etc. (Again, I haven't thought this through - but something along these lines?)

KARMA FOR CLUNKERS

And for the existential and superstitious among us, perhaps some karmic media campaign of 'Sacrificing the Clunker' for pride and good planetary karma.

I suspect we are going to continue to fight our energy/equity/environmental battles with outdated tools - getting people cheap cars is one of such.

CAMPFIRE QUESTIONS:

1. What might be some other creative policies to steer us away from the business as usual path?
2. What year will a mainstream US politician publicly question economic growth as the goal of our society**? (Bonus points if you can guess the politician)

**I am not anti-american, nor anti-cars, etc. About the only thing I am really 'anti', is World War III. The business as usual path, given our fiat debt pyramid, and depleting cheap resources, has reasonably high odds of leading to that event, which is why I am not in favor of continuing current goals, aspirations and policies. (As usual, I speak only for myself, not the rest of TOD staff.)

Next weeks Campfire topic - "Does the World Need More Women in Policy Roles?"



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