



TECUMSEH TOPICS

May 2002

The newsletter of the Tecumseh Group of the Sierra Club

Serving Auglaize, Clark, Darke, Greene, Mercer, Miami, Montgomery, Preble, and Shelby Counties of Ohio
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Deadline for the May issue is June 20, 2002.

Our next general meeting will be
6:00 PM on Wednesday, June 19th
at the Wegerzyn Gardens Metropark

(see the article at right)

Glen Hikes

upcoming hikes from the Glen Helen 2002 schedule

Wildflower Walks (Meet at the Glen Helen Building parking lot off Corry Street in Yellow Springs):

- * Saturday May 18, 1:00 pm
- * Saturday May 25, 1:00 pm
- * Saturday, June 8, 1:00 pm

Glen to Gorge Hike: Saturday May 18, 10:00 am, meet in the Glen Helen Building parking lot

Early Summer Hike: Sunday, June 9, 1:30 pm, meet at the Jacoby Rd. Canoe Launch (Five miles/three hour hike)

Wetlands Hike (Meeting place TBA) Saturday, July 27, 1:00 pm

Tecumseh Group Meeting: Are We Running Out of Fossil Fuels?

Join the Tecumseh Group of the Sierra Club on one of the longest days of the year, as we discuss the topic "Are We Running Out of Fossil Fuels?". Dave Schmenk, Energy Issues Coordinator for the Tecumseh Group, will lead the discussion as we explore our present day fossil-fueled energy system and its implications for the future.

This meeting will take place in the Large Auditorium at the Wegerzyn Gardens Metropark, which is located on the east bank of the Stillwater River, off of Siebenthaler Road, a couple of miles north of Downtown Dayton. You can access the facility by bicycle by taking one of the various bikeways to the Great Miami River Bikeway, then north to the Stillwater River Bikeway to Wegerzyn Gardens Metropark.

Please join us for this discussion. We will have a potluck/social/hiking at 6 pm, followed by the main program at 7 pm. At 8 pm, we will have a short session on Tecumseh Group business, followed by general discussion, etc. Feel free to come to all or any part of this meeting. Special

door prizes will be given to those who come to this meeting using non-fossil fueled modes of transportation.



-Dave Schmenk

Misleading Auto and Energy Industry Rhetoric

"More and bigger SUVs is the market at work." Similar statements in the news are very effective: highly misleading without being totally false, making it very hard to critique in a world that consumes its news in 60 seconds. Phrases such as "market at work" legitimize a position by invoking what anthropologists call a "sacred cultural symbol." These phrases almost automatically *both* "explain" *and* legitimize an activity. Once you have been told that the market is at work, if you persist in asking questions you are likely to be labeled an "environmental extremist." "Everyone knows" that when markets are working properly, consumer need ("demand") is dictating resource allocation ("supply"); that is, consumers are directing resource allocation by what they purchase in the market. This is how markets are *supposed* to work, and there is usually some truth in this explanation. One can even find a couple of examples to support this idea: the flop of the "Flavor Savor" tomato despite a huge marketing budget or the retirement of the Oldsmobile.

An ideal market works through "pure competition" in which there is no advertising, buyers and sellers possess near-perfect information, and no buyer or seller can influence the price of the product. In short, *if* markets were competitive, *then* consumers would in essence dictate what was produced in what quantities. I'll return to this point.

In modern economies, new products can take years to develop, forcing companies to try to anticipate what consumers will buy in the future. Later, having committed many resources to design and production, they try very hard to convince people to buy their product and work very hard to keep the product affordable. Enter advertising and lobbying: Very big, persuasive companies employ the best marketing firms in the world to convince us we "need" the latest, biggest SUV, and employ the best lobbyists in the world to convince legislators to build highways and not railways. And, once committed to building and selling these EKV's (earth killing vehicles), the auto companies are going to do what they can to keep gas prices low. You think Ford and GM have failed to inform President Bush that they'd just as soon we not invade Iraq?



Advertising in the U.S. is less than 3% of Gross Domestic Product (GDP), but 3% of nearly ten trillion dollars is a great deal of money (somewhere a bit below \$300 billion). A sizeable portion of the cost of producing new automobiles is the marketing expense. The "big three" (General Motors, Ford, and the Chrysler subsidiary of Daimler-Benz) spend about \$5 billion a year on advertising, with the entire automotive sector spending nearly three times that amount. Rather than being designed to "inform" the consumer, the goal is to get people to buy a particular vehicle.

In other words, "the market" explains what is happening only in a hypothetical way. Remember, *if* markets were competitive, *then* consumers would in essence dictate what was produced in what quantities. But since markets are not competitive, the phrase "the market" describes what is going on only in the superficial sense that no one is holding a gun to the buyer's head telling her to buy that new Jeep ("free to roll over") Liberty. Our choices are limited by the information and options available, just like we "choose" to drive every morning because we have no or few

transportation options. Do you think that the highway lobby, just maybe, might have had a role in the fact that most Americans have no choice?

"The market" legitimizes the marketing and lobbying activities of these giant companies in three ways. First is the belief that we actually make free choices for ourselves, an idea contrary to the very social nature of humans. The choice has been framed as "which SUV should you buy?" instead of "what's the best way to get to work?" And because we tend to go along with the (perceived) crowd, many of us are stuck in the SUV frame.

Another part of the legitimization is the mistaken belief that restrictions on corporate behavior imperil our Constitution. This argument comes from Friedrich A. von Hayek's *The Road to Serfdom* (1944). Hayek argued government ownership of industry threatens political freedoms because the threat of losing your government paycheck will deter you from free speech and assembly. Hayek's fear

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may be justified if "whistle blowers" protections are absent and government is the primary employer — the primary *source* of income — but this argument does not extend to government restrictions on the use of income. Restricting how you use your income (e.g., forcing you to buy safety technology, emission controls, or fuel economy with your new SUV) in no way threatens political freedoms.



The third source of legitimacy comes from the myth that the prices people pay include all costs. Suppose we all agree that people should be allowed to buy anything they want so long as they pay a "full cost" price — a price that includes all environmental and social costs of producing and using a product. The Excursion's price is far below full cost, with unpaid environmental costs in both production (resource depletion and air and water pollution) and operation (greater risk for those in smaller vehicles who share the road with the Excursion). Excursions aren't much use without copious amounts of fuel, so some of the environmental and health costs of producing and burning gasoline should also be included in the Excursion's price, along with the

"national security" cost of the U.S. military presence in the Persian Gulf and elsewhere around the world to insure the uninterrupted transportation of oil. Then there are public subsidies to highways, highway patrol, and the ambulances and hospitals that repair the road carnage. Excursions, and indeed all vehicles, are way too cheap.

Since people buy SUVs without being forced to do so, it is true that increased sales of Hummers and Suburbans provide evidence of a "market at work," but this market bears little resemblance to the competitive market described in economics

textbooks. In today's market for vehicles, producers exercise a great deal of power, consumer choices are very limited, and prices do not come anywhere close to including all the social and environmental costs. So don't be hoodwinked by "It's the market at work."

~Jim Swaney, james.swaney@wright.edu

*Newsletter notes: Photos, articles, and editorials are invited for future issues. Please send submissions in e-mail messages (no attachments) to snowna@donet.com. You can also fax items to (937) 964-5044. **Deadline: June 20, 2002***

Energy Matters

Are We Running Out of Fossil Fuels?

At first, the answer to this question seems obvious. Of course we are running out of fossil fuels. We are burning up, in the course of a few centuries, reserves of oil, coal, and natural gas that took millions of years to form. Perhaps a better question would be "Will we be running out of fossil fuels in the near future?"

The answer to this question depends on the length of time that you define as "near future". By some estimates, at present consumption levels, we have many decades of oil and natural gas reserves left, and centuries of coal reserves left. And new reserves are still being found. But when comparing these time scales to geological time scales, this is certainly "near future."

And although we may have many years of fossil fuel reserves left, that doesn't mean that all of these reserves can be recovered. Or at least they

may not be economically recoverable, or maybe it'll take almost as much energy to recover the fossil fuels as what they're worth. We'll have to move more mountains to get to that coal. We'll have to dig deeper to get to that natural gas. Certainly it takes more money and energy to get oil from the Arctic.

And of course, our demand for fossil fuels has been consistently rising. If the demand continues to rise, the lifetime of the remaining reserves will be that much shorter. Perhaps the more important question will be, "When will our demand for fossil fuels exceed our ability to produce them?" When that occurs in a free market economy, prices will rise until the demand falls enough to reach the level of supply.

By any measure, we live in interesting times. I think it's time that we got serious about transitioning from a fossil fuel economy to a renewable energy economy. We will discuss these issues further at our June 19th Tecumseh Group Meeting. See you there.

~Dave Schmenk, Group Energy Issues Coordinator

Glen Helen Lecture Series

When: 3rd Thursday of each month at 7:00 pm

Where: Glen Helen Building Auditorium, Corry Street, Yellow Springs

May 16: Jim O'Neal. Jim will discuss the clothing that Native Americans wore in the 18th century. You will see that the images presented to the world are far from what the Native Americans actually looked like during this time period.

June 20: Lisa Abel. "Endorsing the CERES Principal: Ten Methods for Moving towards Sustainability" Lisa of Yellow Spring's YSI will discuss CERES, which is a coalition of environmental, investor, and advocacy groups working together for a sustainable future in business.



July 18: Bob Whyte. Bob will discuss issues in the Glen from a managerial standpoint.

Greenways Group Meeting

Land Conversation Efforts of Five Rivers Metroparks, Wednesday, May 15th in the Large Auditorium at Wegerzyn Gardens Metropark. Join Miami Valley Earth Central and the Tecumseh Group of the Sierra Club in hosting this Greenways of Greater Dayton (GGD) group meeting. Dave Nolin of Five Rivers Metroparks will present "Land Conservation Efforts of Five Rivers Metroparks."

The park is on Siebenthaler Road a couple of miles north of Downtown Dayton on the east bank of the Stillwater River. Because the Siebenthaler Road Bridge over the Stillwater is presently being replaced, you will need to access Wegerzyn Gardens from the east. You can access the facility from I-75 by taking the Siebenthaler Road exit east. From Downtown Dayton, take Riverside Drive to Ridge Avenue to Deweese Parkway to Siebenthaler Road to Wegerzyn.

We begin with a potluck/social/hiking at 6 pm, with the main program starting at 7 pm. At 8 pm, we will have a short session on GGD business, followed by general discussion, map browsing, etc. Feel free to come to all or any part of this meeting. Please join us in promoting greenways for the Miami Valley.

-Dave Schmenk



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Tecumseh Group

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