Circling the theory of an EV revolution, Lifton takes on the ‘dumbest assumption of the greens’

written by Jack Lifton | January 11, 2022

The “law” of supply and demand is in reality an academic ideal “model” that only works in a prescribed universe in which both demand and supply have no limits. In the real world, the model fails when it is applied to the finite supply of natural resources of this planet.

Case in point: The demand for lithium expressed as the necessary amount of this natural resource to accomplish the transformation of the motor transportation industry from the utilization of fossil fuels for motive power by internal combustion engines (ICE) to storage battery fueled electric motors (BEVs) is not possible, due to the limitations of lithium separation from the Earth’s lithosphere (crust) by man-made operations that are economically palatable to our civilization. The so-called green new deal is ridiculously expensive; it would require that all of our focus be on destroying the society that cheap energy has bestowed upon the world and making the current broadly shared consumer driven economies impossible of continuation, and close off any additions to consumer economies from Africa, most of India, and South America. The dumbest assumption of the greens is that there is an infinite supply of money to be used to achieve an unlimited supply of resources that would be needed to meet their mandated demands to turn the global energy economy “green.”

The only way that an EV “transformation” could take place with

the resources that are accessible to us would be if the current internal combustion engine motive power of land and sea transport were replaced by a hybrid system of combined internal combustion and battery electric power. This would conserve both types of motive fuels, fossil based for internal combustion and stored electricity produced by fossil, nuclear, and alternate (wind, solar, and hydro) fuels, by utilizing them in the most efficient way. The idealization of personal transportation would also require the end of consumer choice and its replacement by durable, commodity, easily maintained and repaired, recyclable vehicles with long use-lives. This, in fact, was the "ideal" that Soviet Russian communism was supposed to attain. It didn't work although it was mandated by the State and put into proto-practice across the Soviet empire. It was maintained only by fiat and fear. As soon as the Soviet experiment failed Western consumer choice driven cars rapidly replaced the dull, inefficient, poorly designed and made Yugos, Trabants, Lada's and Dacia's of the Soviet communist experiment.

The Chinese Communist Party has for the last twenty-five years embarked on a re-modeled approach to achieving communism, which has resulted in a system based on first using market capitalism to offer choices to rapidly improve the lifestyles and standard of living of China's people to be followed by a leveling of the inequality of income that inevitably follows when substantial private ownership of the means of production is allowed, by re-asserting the right of the state to control the markets for the products that capitalism has shown that the people want as a measure of a contented life.

The Chinese model of using capitalism with Chinese characteristics to bring about socialism with Chinese characteristics in order to bring about a society based on communism with Chinese characteristics is a work in progress.

Western thinkers believe that the intentionally chaotic system of modified free market capitalism used in the United States and Europe by their mostly republican, democratically elected, governments, is the “ideal model.”

Chinese rulers, elected by only a minority of the population, the members of the Chinese Communist Party, believe that their state managed economics with Chinese characteristics is the right model for the development of a Chinese Communist State, and express their beliefs in planning mandated long term industrial policies.

The Chinese don’t seem to want to bring Marxism with Chinese Characteristics to the world, by force, anyway, as the Soviets did. They are remodeling their own nation as a closed system using the outside world only to perfect and maintain that closed system.

It remains to be seen if the Western model of innovation through disruptive technologies will continue in the face of a green new deal that will exacerbate inequality and destroy the middle class which has allowed modern Americans to enjoy the highest standard of living in history.

I think that the chaotic disruption of the OEM automotive industry based on a false premise of an infinite resource supply to meet a mandated demand will fail and could bring about an accelerating decline in lifestyle, quality of life, and America’s standard of living.

For what purpose? Oh yeah. To save the world.

As an infamous American officer said during a meaningless war, “We had to destroy the village to save it.”

In the near term buy into the hard to produce battery and

electric motor metals, primarily lithium and the rare earths, and those companies that have found accessible deposits of any and all of them. Even if I'm wrong and there is an EV transformation it will take a very long time, and it will require for many years more lithium and rare earths annually than have ever been produced annually before.

Finally, be on the lookout for economically efficient new and newly applied process technology. It's the only thing that could get us through the coming grade deflation as the best deposits are high graded out.