

## Re: Viable hydrogen vehicle by 2010

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> *Shifting the cost of something to the government doesn't reduce the  
> cost. In most cases, there's a premium to be paid in having the  
> government handle it.*  
>

But it does make the cost more bearable. A hydrogen subsidy can be paid for by a progressive income tax that puts more burden on the wealthy than on the Middle and lower classes. I would consider it part of the defense budget.

> *So, to ask the government to solve our energy problem by subsidizing  
> uneconomic processes is worse than doing nothing. It perpetuates  
> patterns of abuse that waste resources the market would otherwise put  
> to better use. The recent history of coal conversion is a good  
> example of this;*  
>

The government can plan ahead, the market cannot. Energy is a strategic resource, and it would not do to have a foreign power suddenly cut it off and disrupt our economy. I think its worth a higher price for converting to hydrogen if we can preclude this from happening. You want another example: the government now routinely buys extra doses of vaccines causing drug companies to manufacture more than what they perceive is needed for the next flu season, this is an insurance policy to guard against the possibility than more vaccine may be needed than the drug companies anticipated. You see, drug companies have an incentive to keep the vaccine supply tight, if they produce too much vaccine for a given year, they won't sell it all and they'll lose money. The extra vaccine won't be good next year as the flu virus would have mutated by then, so drug companies try to come close to the mark and err on the side of vaccine shortages rather than over supply. Since the government has an interest in preventing vaccine shortages, it deliberately buys too much to guard against a vaccine shortage. Most years this is a waste of money, but you don't know its a waste of money until the flu season is over with, but sometimes the drug companies underestimate next years need and the government's wasteful expenditure actually saves lives by preventing vaccine shortages.

A similar role can be envisioned for government to prevent gasoline shortages, both accidental and deliberate.