



## The solutions to the problem are not always simple

Posted by [Heading Out](#) on September 23, 2005 - 10:39am

Topic: [Supply/Production](#)

There is a rather odd side to human nature. Take a problem, present it to the audience in its maximum horror and suggest it is about to happen, then ameliorate it a little, and tell everyone how the world is not nearly as bad as it is painted. And everyone agrees that things are looking up. But you are still facing a very bad situation - only the way the news has been presented makes it seem that there is no longer a problem.

Consider that, just yesterday, Texas was facing the third worst storm in known history and things looked very dire. The storm has now got just a bit less intense and folk are already talking about Houston having "missed the bullet." All of a sudden a Category 4 hurricane becomes news enough to [ease oil prices](#).

We have seen this over the past year with oil prices themselves. Prices rise from \$30 to \$40 to \$50 and then they fall back \$3 and we discuss the "collapse of the price of oil." It rises to \$60 and then \$70 and then slips \$4 and suddenly "the crisis is over."

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In neither case is this true, but sadly it is the transient nature of the viewer, or reader's attention span (or the one assumed by the writers) that makes it hard for the public to grasp the true nature of disasters. From this weekend it is likely that the problems of New Orleans will be subsumed by the new problems of Texas and it's Gulf Coast. The problems won't have gone away, they just will lose public attention.

Unfortunately the problems of the oil and gas loss in the Gulf will not let themselves be so easily moved from the front pages. The likely losses are identified in the posts that Prof G is so assiduously been keeping current over the past few days. Sadly they will become reality over the weekend. And the impact will then develop over the next couple of weeks as crude oil production fails to return to its early Summer levels, while needs start to go unmet. (And with due deference to [Econbrowser](#) those who have to heat a home in Boston this winter will not willingly forgo that need because the price is higher than last year).

It has been fairly easy for FEMA to meet the needs they have to hand out water, and to hire (purportedly at \$24/hr with 16 hours days allowed and a credit card for all expenses) a sufficient work force for that purpose. Unfortunately for the real work in getting the oil and natural gas supplies on hand for the winter they will likely be less lucky. The nation and the universities which carry the responsibility to train the technical support that must underpin our economy, has fallen into the management trap of purely meeting the immediate need. Petroleum Engineering Departments are high cost, and have not been strongly supported by an industry that has been more remiss than many in funding the research and development that it now has need of. Thus Departments have closed, and support infrastructure has declined.

But that needs merely highlights an overall problem, for the skill sets that we need to address

The Oil Drum | The solutions to the problem are not always <http://www.theoil Drum.com/story/2005/9/22/231218/314> many of the issues revealed over this past month have been neglected. All Engineering disciplines are more expensive, by their nature, than the competing disciplines which are found on our campuses. Increasingly state budgets have been unwilling to meet those extra costs. It has been easy, and cheap, to transfer our needs for those talents to countries overseas, where the costs are less. But there is a price to be paid for such indulgence. We can only hope that it will not be too steep. And we must also hope that we will now begin to recognize this need, and start to build a greater knowledge base and engineering infrastructure to protect us more effectively in the future. Because, inexorably, the talents currently being marshaled for our protection will need to be replaced, and the current crop of acolytes is small.

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