



## *Credit and Credibility*

by Richard Karn/ETR: 01.07.2009

### **Chapter 5:**     *“...passing laws, just because”<sup>1</sup>*

In what strikes us as the premise for an entertaining thriller, an evil foreign power unable to confront the US militarily concocts a diabolical scheme to use the US' own legal system as the instrument of its destruction. By tangling up all aspects of the American socio-economic structure in litigation, it is gradually strangled and grinds to a halt. This law contradicts that; unelected bureaucrats exert undue influence over all aspects of everyday life; political contributions buy favorable legislation; self-regulation becomes license to steal; media sensationalizes intolerance of every sort; special interests gorge at the public trough; politicians impoverish retirees and transfer the nation's wealth to inveterate gamblers and reprobates while promoting specious programs that indenture future generations of Americans to the service their debt. So successful is the conspiracy that no new energy source can be developed, and the cheapest, most abundant sources of electricity are abandoned in favor of the most expensive. No one speaks plainly for fear of being sued for treading on the delicate sensibilities of those purposefully over-represented. Advocates of reasoned debate on any issue are subject to ad hominem attacks by authoritarians intent on reducing all issues to the simple populist polemics of yes-no, good-bad, believer-heretic.

*...except it is not a novel: it broadly describes America today.*

Contrary to popular opinion, the notion of a 'global village' as espoused by media theorist Marshall McLuhan more than three decades ago did not foretell of universal brotherhood and tolerance. In fact, the term was used more as a warning, for “when people get close together, they get more and more savage, (and) impatient with each other.”<sup>2</sup> Perhaps this is nowhere better illustrated than with the debate regarding what used to be called Anthropogenic Global Warming (AGW) but now goes by the catch-all phrase 'Climate Change,' with the 'anthropogenic' part of the redundancy being mere innuendo.

***We choose, however, to continue to refer to this phenomenon as Anthropogenic Global Warming because it helps us to maintain a focus on the argument at hand, not the moving target that a broad coalition of politicians, Big Business and environmentalists we refer to throughout as the Green Agenda now offer up to justify***

<sup>1</sup> Tragically Hip: “Born In The Water”; *Road Apples*/Zoe: 1991.

<sup>2</sup> Caldwell, Christopher: “No Politics Are Local”; *The New York Times Magazine*: 18.04.2004.  
<http://www.nytimes.com/2004/04/18/magazine/18WWLN.html?ex=1397620800&en=5285ddf9444f5552&ei=5007&partner=USERLAND>

***the wholesale socio-economic changes they are trying to mandate under the guise of an urgent response to a pending global calamity.***

Anthropogenic Global Warming was the name the Green Agenda chose to assign to the phenomenon they claimed scientists the world over were seeing and have been confirming for more than two decades—until recently, that is, when real scientists started independently evaluating the projections of the Intergovernmental Panel on Climate Change’s (IPCC) computer models long held aloft as proof positive of their anthropogenic global warming claims. One result of these scientists’ investigation was that more 31,000 working scientists have signed the following petition urging the US government to reject the Kyoto Protocols and global warming for lack of scientific evidence:



Source: GWPP<sup>3</sup>

Out of these investigations also emerged a disturbing pattern of behavior on the part of the Green Agenda that regardless of your feelings about Anthropogenic Global Warming should prompt sufficient skepticism regarding their motives for you to investigate the matter for yourself.

It seems every regulatory and legal question today in the US and OECD pivots on the same over-riding issue: climate change policy. No one disputes climate changes. And with the amount of fossil-fueled industrialization and the pollution we have released into the atmosphere, not to mention the amount of chemicals and rubbish we have dumped in our seas or the stunning land use changes we have affected over the last two centuries, humanity *should* be ashamed of what poor husbands we have been to our bountiful planet. But not to the point that we subscribe to the tempting logical fallacy of Anthropogenic Global Warming, now re-branded as Climate Change, and embrace the changes the Green Agenda are trying to mandate in our lives.

Weather is arguably the most complex system on the planet and has never been ‘modeled’ with any degree of accuracy beyond a week or so—certainly not enough to justify projections decades into the future that are being used today to demand wholesale changes in virtually every aspect of modern life *in developed countries*. As Freeman

<sup>3</sup> Global Warming Petition Project: <http://www.petitionproject.org/index.html>

Dyson put it, “(Climate models) do not begin to describe the real world that we live in. The real world is muddy and messy and full of things that we do not yet understand.”<sup>4</sup>

In 2007 these independent scientists that looked into the work of the IPCC found that whether ignoring data that contradicted its AGW bias, altering submissions of contributing scientists to support its AGW bias, or repeatedly making “errors” in statistical analysis to “prove” AGW,<sup>5</sup> including Al Gore’s Nobel prize-winning but subsequently discredited ‘hockey stick’ CO<sub>2</sub> and temperature graph, which incidentally was not even included in the most recent report, the IPCC has disgraced itself as a scientific body—especially one upon whose findings so much depends.<sup>6</sup> But the IPCC is not in fact an independent scientific body, but a political consortium masquerading as a scientific body, and as such its findings were ultimately, as MIT professor and IPCC contributor Dr. Richard Lindzen termed it, “*written by representatives of governments, of environmental organizations like the Union of Concerned Scientists, and industrial organizations, each seeking their own benefit.*”<sup>7</sup>

What’s worse is that with each new revelation regarding IPCC or its proponents’ misdeeds, AGW supporters adopt an even more self-righteous condescension, today unilaterally declaring that the ‘debate is over.’ In November NASA’s Goddard Institute for Space Sciences was caught distributing false temperature data to substantiate its AGW claims.<sup>8</sup> Then in February of 2009 an ‘error’ in satellite data received from the NASA Goddard Space Flight Center led to *the revelation that the actual amount of sea ice present in the Arctic Ocean was being under-reported by 193,000 square miles<sup>9</sup>—an area roughly the size of Spain*, effectively undermining the vanishing Arctic sea ice phenomena that has regularly been trotted out as a mainstay proof of AGW. A simple web search shows what a cottage industry disproving AGW claims has become as well as the ludicrous lengths the Green Agenda will resort to in supporting it—a humorous example being the British government attempting to squash the results of its own study that inconveniently found that the use of traditional cloth diapers damaged the environment more than disposable diapers.<sup>10</sup>

A new study has found that *the southerly shift in wind patterns 17,000 years ago prompted Southern Ocean upwelling and preceded the deglacial warming and caused the CO<sub>2</sub> increase*, “directly link(ing) increased ventilation of deep water to the deglacial

<sup>4</sup> Dyson, Freeman: “Heretical Thoughts About Science and Society”; the Edge: 08.08.2007.

[http://www.edge.org/3rd\\_culture/dysonf07/dysonf07\\_index.html](http://www.edge.org/3rd_culture/dysonf07/dysonf07_index.html)

<sup>5</sup> Singer, S. Fred (editor): “Nature, Not Human Activity, Rules the Climate”; The Heritage Foundation: pp. iii-v, Febraury 2008. [http://www.heartland.org/custom/semod\\_policybot/pdf/22835.pdf](http://www.heartland.org/custom/semod_policybot/pdf/22835.pdf)

<sup>6</sup> 50 articles regarding the credibility and integrity of the IPCC can be found at “The IPCC under the Microscope.” <http://mclean.ch/climate/IPCC.htm>

<sup>7</sup> Ashworth, Robert A.: “No Evidence to Support Carbon Dioxide Causing Global Warming!”: pp.2, 10.01.2008. [http://www.ilovemycarbon dioxide.com/pdf/No\\_Evidence.pdf](http://www.ilovemycarbon dioxide.com/pdf/No_Evidence.pdf) referring to testimony before the Senate here

[http://epw.senate.gov/public/index.cfm?FuseAction=PressRoom.Blogs&ContentRecord\\_id=7E60E3FA-802A-23AD-4291-E3975CBB96CB](http://epw.senate.gov/public/index.cfm?FuseAction=PressRoom.Blogs&ContentRecord_id=7E60E3FA-802A-23AD-4291-E3975CBB96CB)

<sup>8</sup> Investor’s Business Daily (not attributed): “Cold, Hard Facts”; Investor’s Business Daily: 17.11.2008.

<http://www.ibdeditorials.com/IBDArticles.aspx?id=311816111671293>

<sup>9</sup> National Snow and Ice Data Center (not attributed): “Satellite sensor errors cause data outage”; NSIDC: 18.02.2009. <http://nsidc.org/arcticseaicenews/2009/021809.html>

<sup>10</sup> Wolfe, Marie: “Blow to image of ‘green’ reusable nappy”; Times Online: 19.10.2008.

<http://www.timesonline.co.uk/tol/news/environment/article4969413.ece>

rise in atmospheric CO<sub>2</sub>.”<sup>11</sup> Another study in the same issue of the journal *Science* has determined that a similar shift in prevailing wind patterns has been observed globally over the last 50 years and may be causal in nature.<sup>12</sup> Unable to dispute such findings, the Green Agenda has simply decided to ignore these reports and other like them, and such findings were quickly lost in the chaos attendant to the global financial crisis. Rather than retreating from their claims or investigating further, however, in the meantime the Green Agenda simply re-branded the crusade with a new, all-encompassing name, ‘Climate Change,’ in effect diverting attention from the fact that Anthropogenic Global Warming is not happening with a blustering ‘but by God something is and it’s our fault, and we have to pay for it.’

Information overload is pandemic in the global village, which has given rise to a trend in which issues are subject to but shallow investigation and an over-reliance on headlines, sound-bites and executive summaries that are easily exploited by ‘trusted sources.’ The Culture of Cheating has come to rely on this in the distribution of disinformation to the general public, which has been rampant in the run-up to the vote on carbon policy.

Today even President Obama parrots the Elmer Gantry of the environmental movement, Al Gore, in declaring that “the debate is over.” ***But with what they thought could pass for science in tatters, the Green Agenda is really hoping their long AGW crusade will have sufficient inertia to carry them over the finish line to legislative victory before their scheme is exposed and unravels completely, for if they can just get the bill passed they know how difficult it will be to undo the changes put in place.*** We submit this accounts for both the stridency and the tactics behind the new administration’s rush to pass their carbon bill when there are so many other far more pressing issues that need addressing, like getting the economy back on its feet instead of implementing policies likely to hobble it further.

The Green Agenda’s concern is warranted, however, for skepticism is indeed growing. In a grand experiment in market dynamics, they have put all but that one piece in place to *mandate* a new bubble in all things ‘green and sustainable’: subsidies, promising technologies, the full support of media as well as the Wall Street marketing machine, bureaucratic machinations circumventing public debate, supportive legislation, myriad ways to ‘game’ the system, a credible and easily grasped ‘story,’ even good old-fashioned propaganda—save the planet, cut our dependency on fossil fuels, stop supporting terrorists, save American jobs, rebuild the American economy.

It’s all there and sounds great. There’s something for everyone, except taxpayers of course, who although left out have been assured they won’t feel a thing. The day before the House voted, a new report by the Congressional Budget Office found that America, the largest, most profligate consumer of energy in the world, could transition to a whole new green energy economy for only \$175 per year in 2020—“less than the price of buying a postage stamp a day per household.”<sup>13</sup> Never mind that new report is notable

<sup>11</sup> Anderson et al: “Wind-Driven Upwelling in the Southern Ocean and the Deglacial Rise in Atmospheric CO<sub>2</sub>”; *Science*: Vol. 323, no. 5920, pp. 1443-1448, 13.03.2009.

<http://www.sciencemag.org/cgi/content/full/323/5920/1443>

<sup>12</sup> Toggweiler, J.R.: “Shifting Westerlies”; *Science*: Vol. 323, no. 5920, pp. 1434-1435, 13.03.2009.

<http://www.sciencemag.org/cgi/content/full/323/5920/1434>

<sup>13</sup> The Wall Street Journal (not attributed): “The Cap and Tax Fiction”; The Wall Street Journal: 25.06.2009. <http://online.wsj.com/article/SB124588837560750781.html>

for what it excludes from its computer model's parameters, such as "the potential decrease in gross domestic product (GDP) that could result from the cap."<sup>14</sup> Never mind that it contradicts the statement delivered less than two months earlier by the Congressional Budget Office's Director, who is a Democrat appointee, to the Senate Finance Committee that consumers would bear the brunt of the costs associated with a carbon cap-and-trade system, estimating it could cost each household between \$1600 and \$2200 each year<sup>15</sup> or that Harvard economist Martin Friedman estimates costs will run to \$1500 per person per year, or that even \$600 a year would constitute a "hardship" for 78% of American families, according to a Lauer Johnson Research poll.<sup>16</sup> Never mind that the blue ribbon report commissioned and released by President Obama just in time for the vote on the American Clean Energy and Security Act was immediately denounced for misrepresenting contributions from at least one scientist,<sup>17</sup> which is entirely consistent with behavior attendant to the IPCC reports. Never mind that in the UK, which has a few years' head-start on us in this regard, the Taxpayer Alliance now puts the cost of their carbon policy at more than \$1200 per year for the average family.<sup>18</sup>

However, what we should mind is the fact that the Environmental Protection Agency (EPA) had a report in its possession offering sufficient evidence to seriously question, if not disallow, the EPA's endangerment finding the White House had pushed for and which subsequently was used to force the House to act on Greenhouse Gas legislation. What we should mind is that the report in question, after taking issue and finding fault with a range of aspects of the IPCC report concludes its executive summary thus: ***"These inconsistencies are so important and sufficiently abstruse that in our view EPA needs to make an independent analysis of the science of global warming rather than adopting the conclusions of the IPCC and CCSP without more careful and independent EPA staff review than is evidenced by the Draft TSP. Adopting the scientific conclusions of an outside group such as the IPCC or CCSP without thorough review by EPA is not in the EPA tradition anyway, and there seems to be little reason to change the tradition in this case"***<sup>19</sup> What we should mind is that the author of the report is clearly suggesting that the EPA in making its endangerment finding classifying greenhouse gases as dangerous pollutants needing regulation, which has resulted in the House passing what many contend is the single most important of piece of economic legislation in decades, did not conduct any analysis of its own but just 'signed off' on the IPCC report as the basis for their endangerment finding. ***What we should mind is that***

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<sup>14</sup> Ibid.

<sup>15</sup> Investor's Business Daily (not attributed): "CO2 And You"; Investor's Business Daily: 08.05.2009. <http://www.ibdeditorials.com/IBDArticles.aspx?id=326678678947812>

<sup>16</sup> Driessen, Paul: "The Immorality of Waxman-Markey: Intense Pain, No Environmental Gain"; Investor's Business Daily: 16.06.2009. <http://www.ibdeditorials.com/IBDArticles.aspx?id=330043500143549#>

<sup>17</sup> Fuller, Thomas: "Climate scientist says he was misrepresented in Obama's Climate Change report"; The San Francisco Examiner: 17.06.2009. <http://www.examiner.com/x-9111-SF-Environmental-Policy-Examiner-y2009m6d17-Global-warming-debate-Climate-scientist-says-he-was-misrepresented-in-Obamas-Climate-Change-report>

<sup>18</sup> The Wall Street Journal (not attributed): "The Cap and Tax Fiction"; The Wall Street Journal: 25.06.2009. <http://online.wsj.com/article/SB124588837560750781.html>

<sup>19</sup> Carlin, Alan, Senior Operations Research Analyst at NCEE: "Proposed NCEE Comments on Draft Technical Support Document for Endangerment Analysis for Greenhouse Gas Emissions un the Clean Air Act"; National Center for Environmental Economics/EPA: pp. v, 16.03.2009. [http://cei.org/cei\\_files/fm/active/0/DOC062509-004.pdf](http://cei.org/cei_files/fm/active/0/DOC062509-004.pdf)

*the report was authored by a division of the EPA, the National Center for Environmental Economics (NCEE), and email exchanges demonstrate the EPA then took steps to suppress the information internally, including the reassignment of the author of the report, and failed to either disclose the information to the public or to include the report in the docket of the endangerment proceeding.*<sup>20</sup> What we should mind is that had this information been available to the public and our elected officials, it would likely have affected both the endangerment finding and the House vote on the American Clean Energy and Security Act, but the EPA made the decision to withhold the information in clear violation of the law and their charter in order to further the Green Agenda.

Clearly, everything hinges on the justification provided by the acceptance of anthropogenic global warming, strike that, ‘Climate Change,’ and the more those who stand to profit rally around the single controversial IPCC source as ‘proof-positive,’ the more it is declared that the debate is over, the more dubious taxpayers should become because we’ve heard this story too many times before, less than a decade ago with Enron and most recently with ethanol. Between the two, and considering the tectonic changes in Americans’ lives the Green Agenda is attempting to ram-rod through Congress, if ever there were a time to pause to reflect on the changes confronting us and to seek a second opinion regarding our options, this is it because the increasing desperation of the Green Agenda reeks of another Bum’s Rush.

Returning to the ‘Enron as template’ analogy for a moment, because it really is exemplary of the Culture of Cheating all too prevalent today, compare what happened then with what is happening today:

- Enron made substantial political contributions and developed the connections necessary to affect the deregulation of the energy industry;<sup>21</sup>
- as an energy trader, Enron was an early mover on the profit opportunities attendant to the regulation of greenhouse gases, and in an internal memo declared *the Kyoto Treaty "would do more to promote Enron's business than will almost any other regulatory initiative outside of restructuring the energy and natural-gas industries in Europe and the United States"*<sup>22</sup>;
- to promote greenhouse gas legislation, Enron made financial contributions to environmental groups, such as the National Resources Defense Council,<sup>23</sup> supporters of policies like the “Negawatt Revolution” in California, and who ran

<sup>20</sup> Kazman, Sam: “Re: Proposed Endangerment and Cause or Contribute Findings for Greenhouse Gases under Section 202(a) of the Clean Air Act, Docket ID No. EPA-HQ-OAR-2009-0171”; Competitive Enterprise Institute: pp. 2-3, 23.06.2009. [http://cei.org/cei\\_files/fm/active/0/Endangerment%20Comments%206-23-09.pdf](http://cei.org/cei_files/fm/active/0/Endangerment%20Comments%206-23-09.pdf)

<sup>21</sup> Ferguson, Niall: *The Ascent of Money*; Allen Lane/Penguin; London: pp. 168-174, 2008. ISBN: 978-1-846-14106-5.

<sup>22</sup> Beder, Sharon: “How Environmentalists Sold Out to Enron”; PR Watch Newsletter: Vol. 10, No. 3, Third Quarter 2003. <http://www.prwatch.org/prwissues/2003Q3/enviros.html>

<sup>23</sup> Heartfield, James: “Manufactured scarcity”; Eurozine: 02.09.2008. <http://www.eurozine.com/articles/2008-09-02-heartfield-en.html>

television advertisements declaring, “you can trust Enron,” even as the company was being exposed as a complete fraud<sup>24</sup>;

- this approach ultimately enabled Enron to plunder both California and large swathes of the west coast by selling electricity at exorbitant prices into the manufactured scarcity and rolling black-outs Enron itself had arranged;<sup>25</sup>
- all the while, of course, Enron’s rise to prominence was based on years of ongoing fraud made possible by a host of derivatives<sup>26</sup> actively marketed to them by money center banks JPMorgan, Citibank, et al,<sup>27</sup> who in the end paid out more than \$7.6 billion in penalties and settlements without admitting any wrong-doing what-so-ever<sup>28</sup> in the Enron fraud despite “having actual knowledge of the wrongful conduct in these transactions.”<sup>29</sup>

And as mentioned previously, these banks then turned around and unleashed these instruments and behavior on the world, and today are principal supporters of the Green Agenda. In fact, populist President Obama’s largest campaign contributor was that civic-minded money center bank, Goldman Sachs.<sup>30</sup>

Perhaps this is why people increasingly sense there is something running amok with the Green Agenda. The number of Americans who believe long term planetary trends are the cause of global warming again outnumber those who blame it on human activity.<sup>31</sup> Green Fatigue<sup>32</sup> and the financial crisis are forcing a broad reassessment of priorities, and to most people global warming is about as ephemeral as it gets, especially when they are worried about their job and hanging onto their home. Yvo de Boer, executive secretary of the UN Framework Convention on Climate Change, conceded in November 2008 that Europe has already reached the conclusion that it cannot “deal with the financial crisis and reduce emissions at the same time.”<sup>33</sup> The European carbon emission trading system is increasingly being viewed as just another tax, and an

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<sup>24</sup> Ibid.

<sup>25</sup> Egan, Timothy: “Tapes Show Enron Arranged Plant Shutdown”; The New York Times: 04.02.2005. <http://www.nytimes.com/2005/02/04/national/04energy.html>

<sup>26</sup> McLean, B., Elkind, P. & Gibney, A.: *Enron: The Smartest Guys in the Room*; Magnolia Pictures: 2005.

<sup>27</sup> Thornton, Emily & France, Mike: “For Enron’s Bankers, a ‘Get out of Jail Free’ card”; BusinessWeek: 11.08.2008. [http://www.businessweek.com/magazine/content/03\\_32/b3845036.htm](http://www.businessweek.com/magazine/content/03_32/b3845036.htm)

<sup>28</sup> Creswell, Julie: “Class-action suit against Enron bankers is dismissed”; International Herald Tribune: 20.03.2007. <http://www.ihf.com/articles/2007/03/20/business/enron.php>

<sup>29</sup> Thornton, Emily & France, Mike: “For Enron’s Bankers, a ‘Get out of Jail Free’ card”; BusinessWeek: 11.08.2008. [http://www.businessweek.com/magazine/content/03\\_32/b3845036.htm](http://www.businessweek.com/magazine/content/03_32/b3845036.htm)

<sup>30</sup> Taibbi, Matt: “The Great American Bubble Machine”; Rolling Stone: pp. 100, July 9-23, 2009. <http://www.scribd.com/doc/16763183/TaibbiGoldmanSachs>

<sup>31</sup> Rasmussen, Scott: “44% Say Global Warming Due To Planetary Trends, Not People”; Rasmussen Reports: 19.01.2009. [http://www.rasmussenreports.com/public\\_content/politics/issues2/articles/44\\_say\\_global\\_warming\\_due\\_to\\_planetary\\_trends\\_not\\_people](http://www.rasmussenreports.com/public_content/politics/issues2/articles/44_say_global_warming_due_to_planetary_trends_not_people)

<sup>32</sup> Rapaille, G. Clotaire: “The Green Noise, The Lost Naivete”; Archetype Discoveries Worldwide: pp. 1, August/September 2008. (subscription required) <http://www.archetypediscoveriesworldwide.com/>

<sup>33</sup> Rosenthal, Elisabeth: “Economic slump may limit moves on clean energy”; International Herald Tribune: 25.11.2008. <http://www.ihf.com/articles/2008/11/25/news/25climate.php>

expensive one at that—and companies that were issued carbon permits free of charge are now actively selling them to raise cash.<sup>34</sup> *Whereas the US has experienced 76 coal-fired electrical generation projects being canceled over the last two years due to environmental opposition,*<sup>35</sup> *the EU has announced plans to build 50 coal fired plants over the next four years.*<sup>36</sup> In Germany, which has accounted for 75% of the EU's cumulative CO<sub>2</sub> reduction,<sup>37</sup> the cost of carbon to industry has been so horrendous, in some cases amounting to 50% of annual revenues, that CO<sub>2</sub>-producing businesses are threatening to relocate to non-participating mostly eastern European countries to escape paying the tax—or lowering emissions.<sup>38</sup> The Sierra Club is now calling for a total ban on US coal exports,<sup>39</sup> which seems strikingly reminiscent of EU president Vaclav Klaus' accusation that the environmental movement has become an authoritarian agenda determined to collectivize the world by exploiting AGW fears to reshape the economic social order.<sup>40</sup> In the event, 36 of the 38 signatories of the Kyoto Protocol are churning out more CO<sub>2</sub> despite pledges to curtail emissions,<sup>41</sup> and what reductions have been seen recently are being attributed to the economic slowdown rather than CO<sub>2</sub> policy.<sup>42</sup>

In this regard the general lack of credit availability, which is slowing all manner of project development, including green projects,<sup>43</sup> may prove to be a blessing in disguise. *Momentous decisions, such as those under discussion regarding the future of American energy and climate policy, must not be made rashly under crisis conditions because not only will these policy decisions take years if not decades to implement but also once legislation is put in place the likelihood of changing course is dramatically reduced—hence the administration and Green Agenda's rush to get some kind of carbon policy legislated while the American public still trusts the new administration.*

Considering the enormity of the changes being proposed based on this one idea, the controversy surrounding the quality and bias of the IPCC reports certainly warrants re-evaluation and confirmation by a truly independent panel. *There is little debate that America's energy policy is in need of change, but rather than rushing headlong into*

<sup>34</sup> Mortished, Carl: "As coal comes back into fashion, how serious are we about carbon reduction?" The Times: 10.12.2008. <http://business.timesonline.co.uk/tol/business/columnists/article5315057.ece>

<sup>35</sup> Brown, Matthew: "Credit Crisis dims the lights for power industry"; Associated Press: 16.11.2008. <http://www.sfgate.com/cgi-bin/article.cgi?f=/n/a/2008/11/16/financial/f210040S37.DTL>

<sup>36</sup> Rosenthal, Elisabeth: "Europe Turns Back to Coal, Rising Climate Fears"; New York Times: 23.04.2008. <http://www.nytimes.com/2008/04/23/world/europe/23coal.html?ex=1366603200&en=15af3636d14a17db&ei=5124&partner=permalink&expprod=permalink>

<sup>37</sup> Hawranek, Dietmar & Schwagerl, Christian: "They Shouldn't Act As if their Primary Concern Were Climate Protection"; Der Spiegel: 01.10.2008. <http://www.spiegel.de/international/europe/0,1518,581753,00.html>

<sup>38</sup> Stumm, Karsten: "Killing Jobs to Save the Climate"; Der Spiegel: 17.07.2008. <http://www.spiegel.de/international/business/0,1518,566441,00.html>

<sup>39</sup> Gardner, Timothy: "U.S. coal exports seen as target in climate fix"; Reuters: 06.10.2008. <http://www.reuters.com/article/GlobalEnvironment08/idUSTRE49576D20081006>

<sup>40</sup> Investor's Business Daily (not attributed): "Criminalizing Carbon"; Investor's Business Daily: 01.12.2008. <http://www.ibdeditorials.com/IBDArticles.aspx?id=313027955809656>

<sup>41</sup> Biello, David: "From Bad to Worse: Latest Figures on Global Greenhouse Gas Emissions"; Scientific American: 17.11.2008. <http://www.sciam.com/article.cfm?id=from-bad-to-worse-with-greenhouse-gas-emissions>

<sup>42</sup> Doyle, Alistair: "Rich-poor rift adds hurdles to climate deal"; Reuters/Scientific American: 14.12.2008. <http://www.sciam.com/article.cfm?id=rich-poor-rift-adds-hurdle>

<sup>43</sup> Ball, Jeffrey: "Alternative Energy's Fortunes Shift With the Winds"; The Wall Street Journal: 01.05.2009. <http://online.wsj.com/article/SB124113394573975093.html>

*so-called ‘green’ alternative energy sources of dubious economic viability, the US should be using the time being afforded us by the financial crisis first and foremost to resolve the scientific debate regarding anthropogenic global warming, the fulcrum upon which all other issues are leveraged, while simultaneously mandating improvements in energy efficiency and waste reduction—by all accounts the most immediate, cost effective responses available.* Decades of neglect have left us with a tremendous amount of infrastructure work to do. These projects must be prioritized by proven contribution to the economy, not pie-in-the-sky projections based on more computer models. We can no longer afford to misallocate resources, such as over-emphasizing a reliance on unproven expensive green technologies still under development: those technologies’ time will undoubtedly come, but right now we must go with what works in order to get the economy functioning properly again—we simply have to enhance our competitiveness internationally.

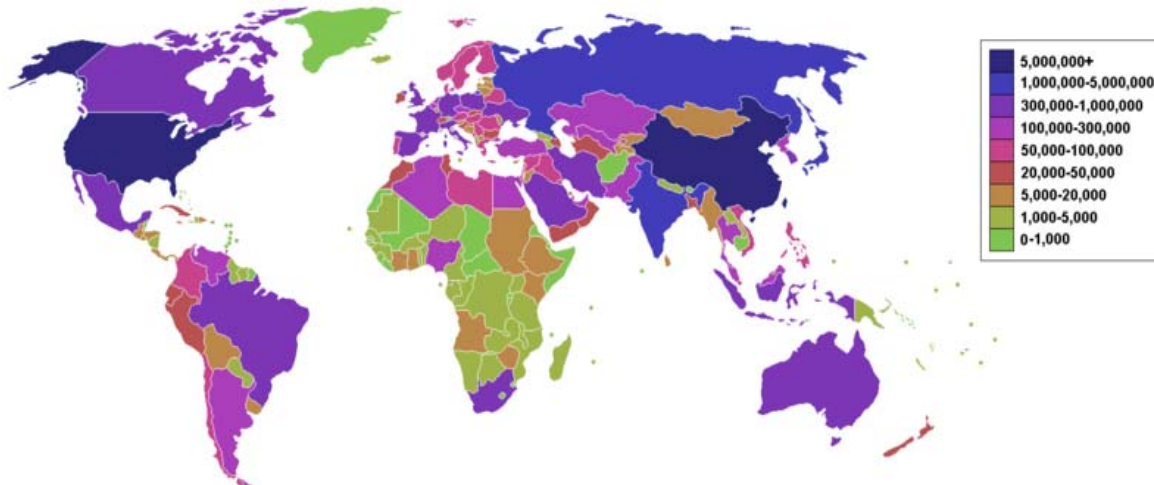
Upgrading the electric grid must be a priority because it is the economic heart and circulatory system of our economy, and we will rely on it more than ever in the years ahead. Before attempting to replace our primary sources of energy by forcing intermittent alternative energy sources into base load generation roles they may not be capable of playing, which in any case will be flatly impossible without the addition of either tremendously expensive transmission capacity and wasteful spinning reserve or both, there are critically important jobs that can be done and myriad steps that we can take in the interim that will buy America sufficient time to simultaneously confirm the veracity of the IPCC’s claims to the taxpaying public’s satisfaction while simultaneously taking significant steps to avert anthropogenic global warming.

As but one example, *a study released in December 2008 found that cutting smog and soot (black carbon) from coal-fired plant emissions and diesel exhaust has such an immediate, positive impact on local air quality and near-term climate change mitigation that it can buy us 20 to 30 years’ grace<sup>44</sup> both to resolve the AGW controversy and if needed to develop the best response to it.* This has profound implications globally. The quantifiable health benefits associated with reducing these particular pollutants are well-documented, and the results of these reductions would be seen immediately, which would go a long way in garnering global support. As the chart below suggests, assuming for a moment that AGW is in fact real, just getting developed countries to curb emissions would not be sufficient to arrest the problem:

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<sup>44</sup> Fischer, Douglas: “Cleaning the Air Helps Cool the Planet”; Scientific American: 15.12.2008. <http://www.sciam.com/article.cfm?id=cleaning-the-air-helps-cool-planet>

**Map 1: 2007 Carbon Dioxide Emissions (in -000s of metric tones)**



Source: CDIAC<sup>45</sup>

China has surpassed the US as the world's top CO<sub>2</sub> emitter<sup>46</sup> but is exempt from carbon emission reductions as are all emerging market economies. With Germany and others threatening to merely relocate their high-emission industries to exempt countries, *nothing can be accomplished unless all of the world's economies are acting unanimously.*

Mandating reduced carbon emissions will likely reduce OECD fossil fuel consumption, lowering the price of fossil fuels for emerging economies. Cheap energy is as much or more of a draw than cheap labor,<sup>47</sup> so an argument can be made that carbon legislation in developed countries would affect the transfer of carbon emissions, industry and jobs to countries not similarly burdened; should high-emission industries in developed countries that are currently the cleanest, most efficient of their kind in the world be driven elsewhere by the high cost of carbon emissions, there would be little incentive to transfer the technology and high pollution standards too: *without emission constraints, such industries may well stand to increase profits by being less efficient and polluting more.* The last thing the US or the world needs is another ethanol program writ large. The ethanol mandate was arguably the defining energy policy response of Bush administration, and attempts are underway to use this ill-conceived but lucrative progeny of the marriage between "Baptists" and Bootleggers"<sup>48</sup> lobbies (environmentalists and agribusiness) as a template for the green build-out. But consider the 'success' of the ethanol model. Mandating ethanol use in government vehicles actually increased

<sup>45</sup> Carbon Dioxide Information Analysis Center/UN: 2007.

[http://en.wikipedia.org/wiki/File:Countries\\_by\\_carbon\\_dioxide\\_emissions\\_world\\_map\\_deobfuscated.png#file](http://en.wikipedia.org/wiki/File:Countries_by_carbon_dioxide_emissions_world_map_deobfuscated.png#file)

<sup>46</sup> Inman, Mason: "China CO<sub>2</sub> Emissions Growing Faster Than Anticipated"; National Geographic: 18.03.2008. <http://news.nationalgeographic.com/news/2008/03/080318-china-warming.html>

<sup>47</sup> Huber, Peter W.: "Bound to Burn"; City Journal: Spring 2009.

[http://www.city-journal.org/2009/19\\_2\\_carbon.html](http://www.city-journal.org/2009/19_2_carbon.html)

<sup>48</sup> Bailey, Ronald: "Are You Carbon Beta Rated?"; Chief Executive: July/August 2008.

<http://www.chiefexecutive.net/ME2/dirmod.asp?sid=&nm=&type=Publishing&mod=Publications%3A%3AArticle&mid=8F3A7027421841978F18BE895F87F791&tier=4&id=5FFBFA4C2E754E3D9C0E6F5214CF6573>

gasoline consumption,<sup>49</sup> and global food prices inarguably rose—a modest 3% according to the Bush administration but as much as 75% according to the World Bank.<sup>50</sup> The ethanol industry has been such an unmitigated disaster that Goldman Sacks stopped covering its publically traded companies, and a large swathe of the ‘industry’ has been seeking bankruptcy protection despite receiving more than \$20 billion of subsidies and being protected by import tariffs.<sup>51</sup> In 2007, when Congress mandated the production of 36 billion gallons of ethanol annually by 2022, it was also stipulated that ethanol’s emissions must be 20% lower than gasoline’s, which by even the environmental movement’s reckoning it is nowhere near to reaching. *Unhappy with the results produced by the “best science available” to confirm this requirement, the Environmental Protection Agency (EPA) now proposes to mix and match a variety of computer models and satellite data to be reviewed by a “special peer review” board to resolve the issue.*<sup>52</sup> The Environmental Working Group and five other environmental organizations released a statement in December concluding that subsidies “for corn-based ethanol have produced unintended, yet potentially catastrophic, environmental consequences, with little or no return to taxpayers in energy security (or) protection from global warming.”<sup>53</sup> ***Critically, and reflective of the all too common behavioral response to policy failure, the solution offered by the EPA and political front-men for the ethanol lobby has been to propose mandating increased ethanol use by raising the concentration of ethanol that must be blended with gasoline<sup>54</sup> despite the higher blend potentially doing harm to internal combustion engines.***<sup>55</sup> In other words, confronted with both an economic and environmental failure, those responsible are not proposing change or to re-evaluate their approach, methods or science, but in fact to corrupt it further and to mandate more of the same, only harder.

***The only way to avoid this kind of behavior is to not allow it to get started in the first place.*** Everyone is quick to buy the latest argument, “Gee, what if they’re right, and we didn’t act?” To which we answer: despite Green Agenda claims to the contrary, climate change occurs on an epochal not human time scale. Imagine the position the US would find itself in should we embark on the implementation of all of these grandiose and frighteningly expensive alternative energy plans that will affect every single aspect of

<sup>49</sup> United Press International (not attributed) “U.S. buying more gas for flex-fuel fleet”; United Press International: 23.11.2008. <http://www.energycentral.com/centers/news/daily/article.cfm?aid=11528216>

<sup>50</sup> Der Spiegel (not attributed): “Biofuels May Be Even Worse than First Thought”; Der Spiegel: 04.07.2008. <http://www.spiegel.de/international/world/0,1518,563927,00.html>

<sup>51</sup> Carrol, Joe & Parker, Mario: “VeraSun Doomed; Goldman Stops Ethanol Coverage”; Bloomberg: 03.11.2008. <http://www.bloomberg.com/apps/news?pid=20601207&sid=aSiD2NN4Vz7s&refer=energy>

<sup>52</sup> Garber, Kent: “Ethanol Ruling a Test for Obama Administration”; U.S. News & World Report: 14.05.2009.

[http://news.yahoo.com/s/usnews/20090514/ts\\_usnews/ethanolrulingatestforobamaadministration;\\_ylt=AiVWxFZiuwQ1pgePGXjr\\_GiS.aF4;\\_ylu=X3oDMTE2ZTgyODVpBHBvcwMyBHNIYwN5b19mZWF0dXJlZARzbGsDdG91Z2hsb3ZlZm9y](http://news.yahoo.com/s/usnews/20090514/ts_usnews/ethanolrulingatestforobamaadministration;_ylt=AiVWxFZiuwQ1pgePGXjr_GiS.aF4;_ylu=X3oDMTE2ZTgyODVpBHBvcwMyBHNIYwN5b19mZWF0dXJlZARzbGsDdG91Z2hsb3ZlZm9y)

<sup>53</sup> Investor’s Business Daily (not attributed): “Ethanol Bailout? Time To Shuck Corn”; Investor’s Business Daily: 26.12.2008. <http://www.ibdeditorials.com/IBDArticles.aspx?id=315188051785999#>

<sup>54</sup> Krauss, Clifford: “Ethanol, Just Recently a Savior, Is Struggling”; The New York Times: 11.02.2009. <http://www.nytimes.com/2009/02/12/business/12ethanol.html?hp>

<sup>55</sup> Clanton, Brett: “Ethanol bankruptcy filing a blow to biofuels industry”; Houston Chronicle: 12.05.2009. <http://www.chron.com/disp/story.mpl/business/energy/6419497.html>

our lives only to discover that anthropogenic global warming is neither the threat portrayed by its proponents and the media nor caused by CO<sub>2</sub>.

If the Green Agenda were right about the threat posed by Anthropogenic Global Warming, they would first and foremost be organizing a global scientific effort to arrive at a consensus regarding the validity of their claims in order to unite the scientific community behind an effort to produce a solution, not divide the scientific community by basing wholesale socio-economic changes on the findings of one panel with an obvious bias whose credibility has been widely discredited. Even a decade is but the wink of an eye on the timelines under discussion. Discussed throughout this report as they apply to our nine themes are a wide variety of responses available to help us clean up the atmosphere while we await the results of such an investigation, including the aforementioned removal of black carbon from coal plant and diesel exhaust as well as expanding co-generation, increasing energy efficiency standards and promoting energy conservation. That the Green Agenda is not striving for consensus and cooperation but is instead declaring that they have satisfied themselves that they are justified in speaking for humanity in this regard based on one suspect report has disturbing implications.

In the face of growing opposition, President Obama deftly steered carbon policy to the bureaucrats he appointed to run the EPA. The EPA, which turns out to have suppressed information critical both to its endangerment finding as well as the debate in Congress, duly announced that it found greenhouse gases, including carbon dioxide and methane, to be a dangerous pollutants, paving the way for the EPA to use the 1990 Clean Air Act to regulate emissions from power plants and manufacturing,<sup>56</sup> thereby conveniently removing the matter from public debate entirely. Congress responded with the American Clean Energy and Security Act (H.R. 2454), a 942-page bill largely drafted by professional environmentalists that mandates an 83% reduction in carbon dioxide emissions by 2050—"a level last seen in 1908."<sup>57</sup> But even supporters of carbon legislation have been given cause for concern, not least because in its present form the bill will offer a tremendous financial windfall in that the energy costs of production of *everything will be passed on to the consumers* "impact(-ing) your way of life because there is an energy component in everything, not just your electric bill."<sup>58</sup> There are also very real and reasonable concerns about the rush to mandate a technological response to carbon emissions from coal-fired plants before there is a proven solution in place, such as carbon capture and sequestration, the cost and practicality of which, though developing (see below), have yet to be quantified are not entirely understood .

The bill also proposes a 'Cap and Trade' program, which President Obama supports, rather than a flat tax to reduce emissions. According to Michigan Democrat Bart Stupak, the rushed legislation proposed by the Obama administration does not contain "language that would really regulate" carbon markets; Stupak, in comparing carbon permits to oil prices, submitted it would be easier for speculators to manipulate

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<sup>56</sup> Efstathiou, Jim, Jr.: "Obama to Declare Carbon Dioxide Dangerous Pollutant"; Bloomberg: 16.10.2008. [http://www.bloomberg.com/apps/news?pid=20601087&sid=a2RHij\\_6hvV0&refer=home](http://www.bloomberg.com/apps/news?pid=20601087&sid=a2RHij_6hvV0&refer=home)

<sup>57</sup> Driessen, Paul: "The Immorality of Waxman-Markey: Intense Pain, No Environmental Gain"; Investor's Business Daily: 16.06.2009. <http://www.ibdeditorials.com/IBDArticles.aspx?id=330043500143549#>

<sup>58</sup> Columbus Telegram (not attributed): "Uncertainty of Clean Energy Bill Concerns NPPD Board"; The Columbus Telegram: 15.06.2009. [http://www.energycentral.com/functional/news/news\\_detail.cfm?did=12810112](http://www.energycentral.com/functional/news/news_detail.cfm?did=12810112)

carbon-permit prices than oil prices because there was no physical commodity underlying it.<sup>59</sup>

The European version of Cap and Trade, known as the Emissions Trading Scheme (ETS), which is often held up as an ideal by the Green Agenda has been so wildly inefficient that at one point the price of carbon permits collapsed because EU member governments issued more permits than there were actual emissions.<sup>60</sup> Further, the ETS may well result in as much as \$100 billion in windfall profit for European energy companies over the next three years,<sup>61</sup> and is fraught with opportunities for fraudulent behavior.<sup>62</sup>

We believe the headlong rush into regulating carbon is premature. In all of the commotion, we are overlooking the fact that CO<sub>2</sub> is vital to sustaining life on earth. According to the IPCC data in the table below, humanity’s contribution to atmospheric concentrations of CO<sub>2</sub> is less than 3% of total annual emissions, more than half of which is re-absorbed by nature each year. Until such time that CO<sub>2</sub>’s role is proven conclusively, and there is a tremendous amount of research underway to verify exactly that, the rush to embrace such radical actions may only serve to further harm our ailing economy, not save it.

**Table 1: Global and Anthropogenic Sources and Absorption of CO<sub>2</sub>**

<i>Carbon Dioxide</i>	<i>From Natural Sources</i>	<i>From Human Sources</i>	<i>Total</i>	<i>Amount Absorbed by Nature</i>
<i>Millions of Metric Tonnes Emitted Annually</i>	<b>770,000</b>	<b>23,100</b>	<b>793,100</b>	<b>781,400</b>
<i>Percent of Total</i>	<b>97.1%</b>	<b>2.9%</b>	<b>100%</b>	<b>98.5%</b>

Source: IPCC<sup>63</sup>

Table reproduced by FRPitt/ETR

***The American people do not fully grasp the extent to which the EPA classifying Greenhouse Gases as pollutants opens the door to limitless taxation and invites further bureaucratic intrusion into our lives.*** In Germany, farm animals, and particularly cows, are being targeted as ‘climate bombs’ by environmental groups—even if raised organically. Belching and farting, as ruminants are wont to do, emits methane, which is promoted as a greenhouse gas more than twenty times more dangerous than CO<sub>2</sub>; consequently, we should all cut back on our consumption of red meat and dairy products.

<sup>59</sup> Whitten, Daniel & Woellert, Lorraine: “Renewable Energy Penalites to Be Cut by Waxman, Lawmaker Says”; Bloomberg: 14.05.2009.

[http://www.bloomberg.com/apps/news?pid=20601207&sid=aM\\_y8zqk2eo4&refer=energy](http://www.bloomberg.com/apps/news?pid=20601207&sid=aM_y8zqk2eo4&refer=energy)

<sup>60</sup> Bailey, Ronald: “Are You Carbon Beta Rated?”; Chief Executive: July/August 2008.

<http://www.chiefexecutive.net/ME2/dirmod.asp?sid=&nm=&type=Publishing&mod=Publications%3A%3AAArticle&mid=8F3A7027421841978F18BE895F87F791&tier=4&id=5FFBFA4C2E754E3D9C0E6F5214CF6573>

<sup>61</sup> Macalister, Terry: “Carbon trading may be the new sub-prime, says energy boss”; The Guardian: 30.01.2009. <http://www.guardian.co.uk/environment/2009/jan/30/eu-carbon-trading-scheme>

<sup>62</sup> Bergen, Anthony & Allen, Ross: “Greenhouse cops needed on planetary beat”; The Australian: 18.08.2008. <http://www.theaustralian.news.com.au/story/0,25197,24187426-11949,00.html>

<sup>63</sup> Intergovernmental Panel on Climate Change: *Climate Change 2001: The Scientific Basis*; Cambridge University Press: Figure 3.1, pp.188, 2001. <http://www.ipcc.ch/ipccreports/tar/wg1/index.htm>

Vegans, on the other hand, “eat in a decidedly climate-friendly way.”<sup>64</sup> As ludicrous as that sounds, it is no laughing matter: *taxing bovine flatulence has been a significant sticking point in the US climate bill.*

Today it’s farm animals, tomorrow it’s you. Following the train of thought that life-giving CO<sub>2</sub> is a dangerous pollutant that needs regulation and taxation to its logical conclusion, humans exhale about 1 kilogram, or 2.2 pounds, of CO<sub>2</sub> each day<sup>65</sup> which would therefore also be subject to taxation. Seriously, to the Green Agenda, 305 million belching and farting Americans represents a lot of CO<sub>2</sub> tonnage; at the proposed \$28 per ton initial rate, more than \$1.5 billion in potential tax revenue each year—and it would be uncharacteristic for politicians to pass up such an opportunity. It would follow then that excessive producers of CO<sub>2</sub>, such as athletes or singers, or perhaps rambunctious children, would also be subject to larger tax burdens—though of course politicians would exempt themselves.

All cynicism aside, other than computer projections and hype, too little thought has been given to the economic consequences of replacing our existing cheap but ‘dirty’ and ‘dangerous’ sources of electricity with the proposed green alternatives. Incidentally, in the event of widespread adoption of ‘green’ plug-in electric vehicles and hybrid plug-in electric vehicles, US CO<sub>2</sub> emissions would likely fall even if ‘dirty’ coal-fired plants produced the electricity “because (coal-fired plants) burn coal more efficiently than automobiles burn gasoline.”<sup>66</sup> Similarly, the ‘dangerous’ US nuclear industry has not suffered a single fatality since 1964<sup>67</sup> while the photovoltaic industry is estimated to experience between 100-150 deaths per year in the US alone.<sup>68</sup> And curiously, for many people the definition of green energy is a source that serves to reduce greenhouse gases; by that definition, when the need for spinning reserve (back-up power) to backstop its intermittent nature is factored in, it is arguable that wind is not green.<sup>69</sup>

In any case, the Green Agenda regularly sidesteps the economic consequences of the widespread deployment of alternative energies by focusing discussion on its fantastic promise instead. For example, Brian Hardwick, of the Alliance for Climate Protection, recently announced in NewsWeek their plan to “Repower America,” which amounted to producing “100 percent of our electricity from clean, renewable, noncarbon emitting sources within 10 years.”<sup>70</sup> Although sounding wonderful as green hype is wont to do, this overlooks a number of insurmountable obstacles, not least being the intrinsic shortcoming of all intermittent sources: *variability threatens reliability*. Currently, the

<sup>64</sup> Schiessl, Michaela & Schwagerl, Christian: “‘The cow is a climate bomb’”; Der Spiegel: 27.08.2008. <http://www.spiegel.de/international/germany/0,1518,574754,00.html>

<sup>65</sup> Carbon Dioxide Information Analysis Center: “Frequently Asked Global Change Questions”; Oak Ridge National Laboratories: undated. <http://cdiac.ornl.gov/pns/faq.html>

<sup>66</sup> Smith, Rebecca: “Utilities, Plug-In Cars: Near Collision?”; The Wall Street Journal: 02.05.2008. [http://online.wsj.com/public/article/SB120969297862161675-nLn4YoPruBbuw7MmgVgXSr3KgE\\_20080601.html?mod=tff\\_main\\_tff\\_top](http://online.wsj.com/public/article/SB120969297862161675-nLn4YoPruBbuw7MmgVgXSr3KgE_20080601.html?mod=tff_main_tff_top)

<sup>67</sup> Wikipedia: “List of civilian nuclear accidents”; Wikipedia: undated. [http://en.wikipedia.org/wiki/List\\_of\\_civilian\\_nuclear\\_accidents](http://en.wikipedia.org/wiki/List_of_civilian_nuclear_accidents)

<sup>68</sup> Wang, Brian: “Deaths per TWh for all energy sources: Rooftop solar power is actually more dangerous than Chernobyl”; Next Big Future: 14.03.2008. <http://nextbigfuture.com/2008/03/deaths-per-twh-for-all-energy-sources.html>

<sup>69</sup> Spradlin, Kevin: “Spiggle: Wind energy ‘doesn’t reduce greenhouse gases’”; Cumberland Times: 29.03.2009. [http://www.energycentral.com/functional/news/news\\_detail.cfm?did=12303699](http://www.energycentral.com/functional/news/news_detail.cfm?did=12303699)

<sup>70</sup> Stone, Daniel: “Blowing Smoke”; Newsweek: 09.12.2008. <http://www.newsweek.com/id/173086>

US electrical grid is incapable of handling more than roughly 20% of its electricity being generated from intermittent sources, and “it is well beyond the state of the art to handle 50% or more in one area.”<sup>71</sup> The more the electric grid relies on generation from remote intermittent sources being transmitted over long distances to population centers, the more vulnerable it becomes to supply interruptions and blackouts.<sup>72</sup> For example, of the 82 load incidents experienced in 2007 in wind-generation powerhouse Texas, 27, or roughly one-third, were correlated with wind intermittency.<sup>73</sup>

As can be seen on the following table, solar, wind and geothermal electricity may be coming down in price to the point many proponents claim they are competitive with established sources, but they still have a fair ways to go or consumers are facing rate increases beyond the cost of a postage stamp:

**Table 2: Electricity Costs per kilowatt hour (kWh)**

Electrical Generation Source	Range of estimates in cents per kilo watt hour (kWh)
Wind	5-20 w/transmission
Photovoltaic (PV)	10-61 w/o transmission
Solar Thermal	12-17 w/o transmission
Geothermal	5-10 w/o transmission
Coal	2-4 w/transmission
Nuclear	3-5 w/transmission
Natural gas	3-12 w/transmission

Source: Apt<sup>74</sup>, Sever<sup>75</sup>, WNA<sup>76</sup>

Table by FRPitt/ETR

This is because all four alternative energies are sited according to the location of their energy source. Were the costs of transmission included, only wind energy would be even vaguely competitive. Green Agenda estimates rarely incorporate the costs of either the high voltage transmission lines, which in the case of wind can double the cost of delivered power,<sup>77</sup> or the cost of the spinning reserve, or back-up power, that both solar and wind require due to their intermittent nature. *There is also a tendency to exaggerate how much electricity an intermittent source will actually deliver by making much of how many homes it could power operating at its nameplate capacity without making mention of the fact that its intermittent nature means it is only possible to operate at a fraction of*

<sup>71</sup> Apt, Jay, Lave, Lester B., & Pattanariyankool, S.: “A National Renewable Portfolio Standard? Not Practical”; Issues in Science and Technology: No. 24, pp 2, Fall 2008. <http://www.issues.org/25.1/apt.html>

<sup>72</sup> Wald, Matthew L.: “Report Calls for Overhaul of Power Grid to Handle Sun and Wind Power”; The New York Times: 09.11.2008.

[http://www.nytimes.com/2008/11/10/business/10grid.html?\\_r=1&ref=business&oref=slogin](http://www.nytimes.com/2008/11/10/business/10grid.html?_r=1&ref=business&oref=slogin)

<sup>73</sup> Apt, Jay, Lave, Lester B., & Pattanariyankool, S.: “A National Renewable Portfolio Standard? Not Practical”; Issues in Science and Technology: No. 24, pp 4, Fall 2008. <http://www.issues.org/25.1/apt.html>

<sup>74</sup> Apt, Jay, Lave, Lester B., & Pattanariyankool, S.: “A National Renewable Portfolio Standard? Not Practical”; Issues in Science and Technology: No. 24, pp2, Fall 2008. <http://www.issues.org/25.1/apt.html>

<sup>75</sup> Sever, Megan: “Changing the World One Kilowatt at a Time”; Geotimes/Earth: April 2008.

[http://www.geotimes.org/apr08/article.html?id=feature\\_kilowatt.html](http://www.geotimes.org/apr08/article.html?id=feature_kilowatt.html)

<sup>76</sup> World Nuclear Association (WNA): “The Economics of Nuclear Power”; WNA: January 2009.

<http://www.world-nuclear.org/info/inf02.html>

<sup>77</sup> Apt, Jay, Lave, Lester B., & Pattanariyankool, S.: “A National Renewable Portfolio Standard? Not Practical”; Issues in Science and Technology: No. 24, pp2, Fall 2008. <http://www.issues.org/25.1/apt.html>

it. Because of this, until there is a breakthrough in electrical storage, geothermal is the only base load-capable alternate energy source. Wind proponents are fond of holding up Denmark as a country that gets more than 20% of its electricity from wind without need of electrical storage, but what they fail to point out is that they are connected to a huge battery called Germany.<sup>78</sup>

Some environmentalists and NIMBY groups are opposed to building any new transmission capacity whatsoever<sup>79</sup> while others are opposed to 'green' electricity sharing transmission lines with 'dirty' generators,<sup>80</sup> which presumably means in the electric grid at some point. Increasingly, even the Green Agenda is tripping over its own tactics as studies that stand to impact the expansion of green technologies have found that:

- Onshore wind power endangers bats<sup>81</sup> and birds,<sup>82</sup> poses a risk to salmon,<sup>83</sup> is a threat to prairie chicken habitats,<sup>84</sup> and dries the top soil around wind farm sites.<sup>85</sup>
- Offshore wind power endangers loon populations<sup>86</sup> and sea life.<sup>87</sup>
- The Bureau of Land Management has placed a 2-year moratorium on new solar plants across the American southwest until it studies their impact on desert tortoise and ground squirrel populations.<sup>88</sup>
- Wave energy buoys alter the food chain and disrupt migratory patterns.<sup>89</sup>

<sup>78</sup> Murray, Charles J.: "Engineers Search for Electrical Storage Solutions"; Design News: 24.10.2008. [http://www.designnews.com/article/48883-Engineers\\_Search\\_for\\_Electrical\\_Storage\\_Solution.php](http://www.designnews.com/article/48883-Engineers_Search_for_Electrical_Storage_Solution.php)

<sup>79</sup> Talley, Ian: "Political Momentum Grows for a US National Transmission Grid"; Dow Jones: 14.10.2008. [http://news.morningstar.com/newsnet/ViewNews.aspx?article=/DJ/200810141851DOWJONESDJONLINE000682\\_univ.xml](http://news.morningstar.com/newsnet/ViewNews.aspx?article=/DJ/200810141851DOWJONESDJONLINE000682_univ.xml)

<sup>80</sup> Seeley, Tina: "National U.S. Power-Grid Upgrade Would Cut Oil Use"; Bloomberg: 14.10.2008. <http://www.bloomberg.com/apps/news?pid=20601130&sid=abwzvUE0fQfE&refer=environment>

<sup>81</sup> Stouffer, Rick: "Research team probes wind turbines effect on bat population"; Energy Central/Pittsburgh Tribune-Review: 17.10.2008. [http://www.pittsburghlive.com/x/pittsburghtrib/business/s\\_593702.html](http://www.pittsburghlive.com/x/pittsburghtrib/business/s_593702.html)

<sup>82</sup> Burress, Charles: "The Deadly Toll of Wind Power"; The San Francisco Chronicle/ SFGate" 02.01.2008. <http://www.sfgate.com/cgi-bin/article.cgi?file=/c/a/2008/01/02/MNITTM9FA.DTL>

<sup>83</sup> Hill, Gail Kinsey: "Wind surge poses a risk to salmon and reveals flaws in BPA's power-regulating system"; *The Oregonian* : 05.07.2008 <http://www.oregonlive.com/news/oregonian/index.ssf?/base/news/1215226547277170.xml&coll=7>

<sup>84</sup> Hinton, Mick: "Balance of Wind and Wildlife is Advocated"; Tulsa World: 05.12.2008. (subscription required) <http://www.energycentral.com/centers/news/daily/article.cfm?aid=11602892>

<sup>85</sup> Apt, Jay, Lave, Lester B., & Pattanariyankool, S.: "A National Renewable Portfolio Standard? Not Practical"; *Issues in Science and Technology*: No. 24, Fall 2008. <http://www.issues.org/25.1/apt.html>

<sup>86</sup> Der Spiegel (not attributed): "Seabird Endangers Emissions Reduction Target"; Der Spiegel: 18.08.2008. <http://www.spiegel.de/international/germany/0,1518,572744,00.html>

<sup>87</sup> Sunday Sun (not attributed): "Wind Farms May Hurt Sea Life, Say Scientists"; Sunday Sun/Newcastle-upon-Tyne: 16.11.2008. <http://www.energycentral.com/centers/news/daily/article.cfm?aid=11481331>

<sup>88</sup> Frosch, Dan: "Citing Need for Assessments, U.S. Freezes Solar Energy Projects"; The New York Times: 27.06.2008. <http://www.nytimes.com/2008/06/27/us/27solar.html?em&ex=1214798400&en=>

<sup>89</sup> Ma, Michelle: "Concerns emerge about environmental effects of wave energy"; Seattle Times: 17.11.2008. <http://www.energycentral.com/centers/news/daily/article.cfm?aid=11485136>

- The production of cellulosic biofuels endangers old growth forests in the American south.<sup>90</sup>

After decades of using the same tactics and playing the ‘environmental card’ to stop anything being built anywhere, the Green Agenda is now unhappy to find itself subject of the same treatment. So they want the Federal government to change rules to get their green energy projects built over the objections of their ‘green’ brethren’s opposition.<sup>91</sup> Ill-conceived green legislation has long contradicted existing legislation and defied common sense. For example, in California a homeowner can be fined \$1000 a day for refusing to cut down his trees if they block his neighbor’s solar panels—even though doing so would make him subject to fines for violating fire prevention laws.<sup>92</sup> The US is so handcuffed by litigation that increasingly nothing can be built, mined or manufactured anywhere except in countries that are not subject to emission protocols—**and who are profiting accordingly.**

Economies run on electricity. Developed economies run on a lot of electricity, which admittedly in the US could be used far more efficiently. Combined, nuclear and coal-fired power plants generated roughly 70% of our nation’s electricity in 2008<sup>93</sup> precisely because they represent our two cheapest options, **and cheap electricity helps US manufacturing remain competitive in a world where our labor is not.** In this regard, and as the European Trading Scheme has consistently demonstrated, a tax on carbon ultimately amounts to a tax on the US economy, rendering it less competitive due to the higher electricity prices certain to result. Consequently, replacing these cheap sources of electricity with arguably the most expensive would likely result in a commensurate lowering of Americans’ wages and standard of living<sup>94</sup>; otherwise, our products will not be able to compete on global markets. **Anyone who contends America can remain competitive today with expensive electricity and expensive labor is either delusional or furthering a specious agenda at America’s expense.**

Too many aspects of a wholesale switch to alternative energy sources seem to have received more than its share of hype but less than its share of forethought. For example, each one-gigawatt (GW) nuclear power station requires approximately 1000 acres to house its entire operation, including cooling ponds. By way of comparison, to produce an equivalent amount of electricity from solar panels would require

<sup>90</sup> Hance, Jeremy: “An interview with Scot Quandra of the Dogwood Alliance: Cellulosic biofuels endanger old-growth forests in the southern U.S.”; Mongabay.com: 16.10.2008.

[http://news.mongabay.com/2008/1016-hance\\_quaranda\\_interview.html](http://news.mongabay.com/2008/1016-hance_quaranda_interview.html)

<sup>91</sup> Talley, Ian: “‘Green’ Push Faces Resistance From Locals”; The Wall Street Journal: 20.03.2009.

<http://online.wsj.com/article/SB123757810072598461.html>

<sup>92</sup> Sheppard, Marc: “The Clear and Cohesive Message of the International Conference on Climate Change”; American Thinker: 15.03.2009.

[http://www.americanthinker.com/2009/03/the\\_clear\\_and\\_cohesive\\_message\\_1.html](http://www.americanthinker.com/2009/03/the_clear_and_cohesive_message_1.html)

<sup>93</sup> Energy Information Administration (EIA): “Net Generation by Energy Source: Electric Utilities”; EIA/Table 1.2: 13.02.2009. [http://www.eia.doe.gov/cneaf/electricity/epm/table1\\_2.html](http://www.eia.doe.gov/cneaf/electricity/epm/table1_2.html)

<sup>94</sup> Stuntz, Linda (chair): “Keeping the Lights On in a New World”; Energy Advisory Committee/Department of Energy: pp. 3, December 2008.

[http://www.oe.energy.gov/DocumentsandMedia/adequacy\\_report\\_01-09-09.pdf](http://www.oe.energy.gov/DocumentsandMedia/adequacy_report_01-09-09.pdf)

approximately 80 square miles of area (51,200 acres), and from wind it would require 230 square miles (147,200 acres).<sup>95</sup>

The US has 103 nuclear power plants and more than 600 coal-fired plants producing roughly 70% of our total 4156 GW<sup>96</sup> electrical output. Using wind as an example because it appears to be the closest to large scale commercial viability, in order to generate 13% of America's electricity by 2020 as has been proposed, it would require a cumulative acreage roughly equivalent to state of Ohio.<sup>97</sup> *For just 13% of our needs.* President Obama apparently didn't realize that the wind aspect of his alternate energy program would produce 3-4 jobs manufacturing components *abroad* for every 1.5 jobs created in the US installing them because we do not manufacture many of the systems ourselves,<sup>98</sup> but then the administration has been backpedalling on their "5 million new jobs, just in new energy" claims since virtually the moment the words were uttered.<sup>99</sup> And perhaps our populist president was unaware that nationwide residential electricity rates increased more than 29% between 2000 and 2007,<sup>100</sup> which hits our low and fixed income citizens hardest. Despite the Obama administration's promise that it will not hurt at all, a cap-and-trade scheme would be a regressive tax whose burden would be borne disproportionately by low-income households because Big Business has already announced that it will pass the costs of the proposed build-out of expensive green energy sources and their attendant transmission capacity on to consumers: *such costs always find their way to consumers.* This can be seen in Germany where *the price of carbon permits has driven up the marginal cost of energy generation from a coal-fired plant by the entire price of the carbon permit,* and the cost of a modern natural gas-fired plant by one-third of the price of the carbon permit; this amounted to more than \$14 billion dollars of electrical generation costs that utility RWE alone incurred in 2007 and of course passed on in the form of higher electricity rates.<sup>101</sup>

As mentioned earlier in this chapter, in the last two years environmental and bureaucratic opposition has killed 76 coal-fired power plant projects in the US, which would have produced enough electricity for 31 million homes. In 2007 alone that amounted to more than \$45 billion not being spent on new electrical generation<sup>102</sup>—*or the jobs building them.* In a pyrrhic victory favoring a black and white polemic over legitimate progress on the issue, environmental groups and bureaucrats teamed up to shut down projects such as FutureGen, which would in fact have helped their cause by

<sup>95</sup> Francis-Smith, Janice: "Environmentalists Express Concern Over Wind Farms' Impact"; Journal Record/Energy Central: 04.12.2008. (subscription required)

<http://www.energycentral.com/centers/news/daily/article.cfm?aid=11600650>

<sup>96</sup> Energy Information Administration (EIA): "Summary Statistics for the United States"; EIA: 21.01.2009. <http://www.eia.doe.gov/cneaf/electricity/epa/epates.html>

<sup>97</sup> Apt, Jay, Lave, Lester B., & Pattanariyankool, S.: "A National Renewable Portfolio Standard? Not Practical"; Issues in Science and Technology: No. 24, pp2, Fall 2008. <http://www.issues.org/25.1/apt.html>

<sup>98</sup> Smith, Rebecca: "Tax Break Would Foster Renewable-Energy Jobs"; The Wall Street Journal: 31.01.2009. <http://online.wsj.com/article/SB123336787734035669.html>

<sup>99</sup> Silverstein, Ken: "Advancing the Grid"; Energy Central: 25.02.2009. [http://www.energycentral.com/utility/newsletters/sample\\_ebi.htm](http://www.energycentral.com/utility/newsletters/sample_ebi.htm)

<sup>100</sup> Energy Information Administration (EIA): "Summary Statistics for the United States"; EIA: 21.01.2009. <http://www.eia.doe.gov/cneaf/electricity/epa/epates.html>

<sup>101</sup> Stumm, Karsten: "Killing Jobs to Save the Climate"; Der Spiegel: 17.07.2008. <http://www.spiegel.de/international/business/0,1518,566441,00.html>

<sup>102</sup> Brown, Matthew: "Credit Crisis dims the lights for power industry"; Associated Press: 16.11.2008. <http://www.sfgate.com/cgi-bin/article.cgi?f=/n/a/2008/11/16/financial/f210040S37.DTL>

furthering research leading to reduced CO<sub>2</sub> emissions as well as CO<sub>2</sub> capture and sequestration and removing particulate matter from coal-fired plant emissions. With Chinese soot raining on cities like Los Angeles, San Francisco and Seattle,<sup>103</sup> it was a matter of some conjecture exactly who these environmental groups and bureaucrats envision developing the technology to clean up coal. Certainly it will not be the countries producing the soot: *China, which has been busy producing more pollution than any country on the planet despite having an economy roughly half that of the US even in terms of purchasing power parity,*<sup>104</sup> *found the time not only to dictate that OECD countries should make CO<sub>2</sub> reductions amounting to 40% below 1990 levels by 2020, but also that OECD countries should give ½ to 1% of their “annual economic worth” to developing nations to help them cope with global warming as well as to curtail green house gas emissions themselves—without committing to undertaking any such actions themselves.*<sup>105</sup> Fortunately, FutureGen is now back on the drawing boards, having lost only a few years’ time to the Green Agenda’s on again off again opposition as these same groups have realized the impossibility of furthering their agenda without cheap coal-fired generation for the foreseeable future.

Somehow lost in the dueling television commercials about carbon capture and sequestration, the American media completely overlooked the permitting of a new state-of-the-art coal-to-natural-gas facility in Kentucky that is anticipated to produce less than 5% of the CO<sub>2</sub> of a traditional coal-fired plant,<sup>106</sup> which certainly compares favorably with a standard natural gas-fired plant. They also seemed to miss the announcement of a technique pioneered in Wisconsin that will be put into operation in West Virginia this fall using chilled ammonia to capture 88% of the CO<sub>2</sub> produced by a coal-fired plant and sequestering it 8300 feet underground.<sup>107</sup>

Unfortunately, all manner of power plants, even acceptably ‘near-green-for-a-fossil-fuel’ natural gas projects, have been being canceled or delayed until energy and carbon policy are established by the Obama administration.<sup>108</sup> The utility sector has been unprepared to respond to the steady increase in demand in such an uncertain regulatory environment; instead, utilities are relying on dwindling amounts of excess capacity to see them through, further decreasing the electric grid’s overall margin for error and rendering it more vulnerable to load shedding events, otherwise known as blackouts. In the place of new generation, so-called Demand Side Management (DSM), *curtailed output at*

<sup>103</sup> Bradsher, Keith & Barboza, David: “Pollution From Chinese Coal Casts a Global Shadow”; The New York Times: 11.06.2006. <http://www.nytimes.com/2006/06/11/business/worldbusiness/11chinacoal.html>

<sup>104</sup> Central Intelligence Agency (CIA): **World Fact Book 2008**: “GDP (purchasing power parity)”; CIA: updated 29.05.2009. <https://www.cia.gov/library/publications/the-world-factbook/fields/2001.html?countryName=World&countryCode=XX&regionCode=oc&#XX>

<sup>105</sup> Buckley, Chris: “China tells rich nations to cut emissions by 40%”; Reuters: 21.05.2009. [http://thestar.com.my/news/story.asp?file=/2009/5/21/worldupdates/2009-05-21T113953Z\\_01\\_NOOTR\\_RTRMDNC\\_0\\_-397757-3&sec=Worldupdates](http://thestar.com.my/news/story.asp?file=/2009/5/21/worldupdates/2009-05-21T113953Z_01_NOOTR_RTRMDNC_0_-397757-3&sec=Worldupdates)

<sup>106</sup> Kosich, Dorothy: “Kentucky coal gasification project may power U.S. clean coal market opportunity”; Mineweb: 22.12.2008.

<http://www.mineweb.com/mineweb/view/mineweb/en/page38?oid=75624&sn=Detail>

<sup>107</sup> Biello, David: “Carbon capture success in Wisconsin”; Scientific American: 20.05.2009. <http://www.scientificamerican.com/blog/60-second-science/post.cfm?id=carbon-capture-success-in-wisconsin-2009-05-20>

<sup>108</sup> Sweet, Phoebe: “Second thought on coal plants are contagious, it seems”; Las Vegas Sun: 11.02.2009. <http://www.lasvegassun.com/news/2009/feb/11/second-thoughts-coal-plants-are-contagious-it-seem/>

*increased prices*, is being used with states' approval to reduce electrical consumption. This puts the nation firmly on the path California went down with such a pleasant outcome. Purposefully reducing generation capacity in California under Amory Lovins' Negawatt Revolution rendered it vulnerable to the manufactured scarcity that eventually drove Pacific Gas and Electric (PG&E) into the spot electricity markets to supplement its diminished margin capacity, where in 2000-1 it was subject to the tender ministrations of Enron, bankrupting PG&E and nearly the state too.<sup>109</sup>

Today, according to the Milken Institute's Business Cost Index, California, with its long and storied history as a leading indicator for the rest of the country, has managed to price doing business in the golden state right out of the market, having overall business costs 23% higher than the rest of the country<sup>110</sup>—*and that is before the latest iteration of its climate change agenda is implemented*. California's involvement in the Western Climate Alliance that mandates a 15% reduction in greenhouse gas emissions by 2020 will only serve to deindustrialize the state further by hiking its already uncompetitive electricity rates. Reviews of California's sweeping climate law, even by the Pew Center on Global Climate Change which supports carbon emission reductions, Harvard, and the University of California Los Angeles, claim the plan is "systematically biased" in ways that "lead to potentially severe underestimates of costs" or as unrealistically portraying the law as "a riskless free lunch."<sup>111</sup> This should be of concern as the nation wanders down a strikingly similar path.

That politicians, especially those in the Obama administration, are not interested in discussing the legitimacy of the Green Agenda any longer should raise a very loud red flag with Americans who were promised transparency and a new way but are getting literally unprecedented obfuscation and runaway spending. That the Obama administration opposes public debate but condones Green Agenda tactics such as likening climate skeptics to "Holocaust Deniers," advocating that broadcast meteorologists be stripped of their scientific certification for voicing skepticism regarding Anthropogenic Global Warming, or proposing a Nuremberg-style tribunal to prosecute climate skeptics for crimes against humanity<sup>112</sup> is simply morally and ethically reprehensible.

Even Bill Clinton has become a shill for the Green Agenda. In a speech at the end of April of this year to the Institute of Scrap Recycling Industries annual convention in Las Vegas the ex-president of the United States claimed that what was good for the planet was good for scrap dealers' pocketbooks. ***"99 percent of scientists working on this say the globe is warming at an unsustainable rate" and that the scrap industry should "want this to be true, because it will create an almost maniacal desire to recycle and to reduce waste."***<sup>113</sup> Quite the sales spiel: if the exaggerated, discredited science approach doesn't work, invoke the profit motive.

<sup>109</sup> Heartfield, James: "Manufactured scarcity"; Eurozine: 02.09.2008.

<http://www.eurozine.com/articles/2008-09-02-heartfield-en.html>

<sup>110</sup> Investor's Business Daily (not attributed): "Fool's Golden State"; Investor's Business Daily: 19.02.2009. <http://www.ibdeditorials.com/IBDArticles.aspx?id=319938451301950#>

<sup>111</sup> Barringer, Felicity: "Economic Crisis Complicates California's Goals on Climate"; The New York Times: 24.02.2009. <http://www.nytimes.com/2009/02/25/science/earth/25carbon.html>

<sup>112</sup> Morano, Marc: "Nuremberg-Style Trials Proposed For Global Warming Skeptics"; US Senate Committee on Environment & Public Works: 11.1.0.2006.

<http://epw.senate.gov/fact.cfm?party=rep&id=264568>

<sup>113</sup> Foster, Kevin: "Scrap is key to economic regeneration: Bill Clinton"; American Metal Market: 01.05.2009. (subscription required) [http://amm.com/2009-05-01\\_17-10-14.html](http://amm.com/2009-05-01_17-10-14.html)

For more than a decade two administrations have used an endless parade of crises, some real, some imagined, some diversionary, to run amok. Americans who are not skeptical today likely find themselves impoverished, bereft of civil liberties, and wondering how they landed in their current situation. The answer is their blind faith in elected officials has been sorely misplaced, and this administration is no different than its predecessors: more polished, more eloquent, but ultimately just more of the same, only harder.

A carbon tax, regardless of nomenclature and contrary to Green Agenda claims to the contrary, cannot help but drive up consumer prices, not just for electricity but for everything because any item that is grown, manufactured, packaged or transported has an energy component that will see an increase in price—and it will certainly amount to more than the price of a postage stamp a day. That is just the lie being told to sell the bill: as with ethanol and countless other examples, once passed, the real cost will start to come out, and it will not be pleasant.

Americans persist in accepting computer projections regarding Anthropogenic Global Warming as if it were reality,<sup>114</sup> seemingly unable to come to grips with the simple truth that computer models will produce what ever figures their programmers tell them to produce. Green Agenda projections for everything from the damage CO<sub>2</sub> will inflict on the environment to the revenue that will be generated from carbon trading to the number of new jobs that will be created by these policies are all based on computer models. Now the revised CBO estimates of the costs of the administration's proposed energy policy employ such narrow parameters in their computer models that it projects it will cost American households less than the cost of a postage stamp per day; *if we were to apply the same methodology to our golf game, we would make Tiger Woods look like a hack.*

This reflects the over-riding trend in American politics made evident recently by, but certainly not confined to, ethanol policy. ***Proponents of an agenda will say or do absolutely anything to get a law put into place simply because once passed it is virtually impossible to get it repealed;*** and after the fact, said proponents are even better positioned to make the changes ostensibly to 'fine tune' the program but which actually amount to providing themselves with increased access to the public's money.

And that leads us back to the very heart and soul of the Green Agenda—the imposition of some form of tax on carbon emissions. As discussed in the previous chapter, the US has little choice but to try to manufacture, cultivate and innovate our way out of the current economic dilemma. We most certainly will not be able to 'spend our way to prosperity' as espoused by the previous administration, nor will we have access to sufficient credit facilities to return to assuming \$6 of debt in order to produce \$1 of GDP growth as this administration seems determined to revive.

The most pressing issue in America today is not bailing out the very banking system that visited this economic devastation upon us, for other banks could and would have stepped up to take their place—that's how capitalism works. Nor is the most pressing issue in America today the establishment of universal healthcare, though the notion is certainly laudable. ***The single most pressing issue in America today is***

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<sup>114</sup> Singer, S. Fred (editor): "Nature, Not Human Activity, Rules the Climate"; The Heritage Foundation: pp 13, February 2008. [http://www.heartland.org/custom/semod\\_policybot/pdf/22835.pdf](http://www.heartland.org/custom/semod_policybot/pdf/22835.pdf)

*assuring the continued operation of the very sectors of the US economy upon whose resiliency everything else is predicated—and the US economy itself is utterly reliant on cheap electricity.* Clean is nice, but cheap is vital. This makes energy policy and pending decisions regarding carbon every American's business and the single most important issue the US has faced since the end of the Cold War, if not longer, for the consequences of the decisions made in this regard will be far-reaching.

Certainly, large portions of the Green Agenda are worthy of implementation and are long overdue. The need for co-generation and improved energy efficiency, better recycling, and waste reduction are self-evident and should be embraced by all Americans if only for the money saved during these tough economic times by being smarter about the way we live and work. Climate by definition changes: the causes, extent, and responsibility for those changes is what is in question. The carbon trading market is a very clever political construct that strives to obscure the fact that it is just another tax being levied on *everything* American business and American citizens use by tying it inextricably with the dire consequences that would result should we not wholeheartedly embrace the lifestyle changes attendant to the anthropogenic global warming manifesto: like something out of Orwell if not Kafka, Anthropogenic Global Warming adherents stand the scientific method on its head by putting skeptics in the position of having to prove something is not happening in order to justify not responding to it while the Green Agenda goes about implementing their collectivist designs anyway.

Fear mongering has developed into a remarkably successful tactic this decade that has enabled the powers that be not only to get what they want but to usurp American civil liberties in the process. Republicans had their War on Terror and now the Democrats have their Climate Change Crusade: the common denominator is the belligerent refusal to allow public debate regarding the issue at hand or to wait for confirmation of their 'the-end-is-nigh' pronouncements, the former regarding weapons of mass destruction in Iraq, the latter scientific consensus regarding anthropogenic drivers of global warming.

If the motivation behind penalizing carbon production were truly to save the environment from the ravages of global warming, there is questionable reasoning as well as a mixed message behind the idea of making it first into an artificial commodity no one particularly wants and then into a trading vehicle. At least if it were a flat tax, as opposed to a Cap and Trade scheme, it would provide for a more transparent, less corruptible system that could be more easily incorporated into business planning and decisions. A variable price subject to market forces, including speculative excess as well as outright manipulation, would only make the adjustment by business that more difficult and expensive.

But if you listen carefully, you can almost hear those behind the Green Agenda grunting as they jostle at the public trough. *Carbon credits or permits or whatever euphemism you wish to use amount to a new class of fiat asset in that it is intrinsically worthless and faith-based but can be traded, taxed and profited from by anyone who gets with the program, for everyone in line will pass on the increased costs associated with the carbon tax in one form or another, each taking a cut, down the line until it reaches the taxpayer, who, being last in line, has no one to pass the costs onto—except his children.* Radical environmentalists will get to exact retribution for industrialization and capitalism; the government will get to increase revenues any time it likes and make further inroads in exerting bureaucratic control over taxpayers' lives; and corporations will get a new way to 'game' the system, obviously viewing Carbon Credits as the ethical

equivalent of securitized Papal Indulgences<sup>115</sup> and the mere opportunity cost of doing business.

At the end of the day, it is wise to remember that it is called *global* warming for a reason. Anything less than total worldwide compliance will result in nothing more than a reshuffling of the economic deck as predominantly developed countries voluntarily wreck their economies by shipping their manufacturing and heavy industry and jobs to countries that are not participating in the Climate Change Crusade—dare we call them AGW opportunists?

Assuming the US chooses to indulge in this madness, which politicians are promoting as ‘leading by example,’ not only is it likely to severely curtail economic activity but also it raises the question, why would any emerging market economy in their right mind choose to follow? Carbon legislation will cripple their competition’s economies while installing developing economies in a position of power they have neither earned nor deserve.

And should these emerging economies choose not to follow our ‘example,’ how would we force compliance? Economic sanctions really don’t work when the targets are the very countries you are borrowing from to finance your beleaguered lifestyle.

What are we going to do then?

Nuke ‘em?

Now there’s an environmental response for you.

\* \* \* \* \*

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- the extent to which emerging markets *can* decouple from ‘consumer’ economies, and the role of China as the litmus test for both the regional and the emerging market thesis;
- our contention that the world has had its fill of ‘financial innovation,’ and the only way the US economy can recover will be through its traditional strengths in agriculture, manufacturing, invention, and hard work; and,

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<sup>115</sup> We would like to claim this clever analogy but came across it first in a Bob Hoye piece. Institutional Advisors (subscription required) <http://www.institutionaladvisors.com>

- our assessment of the issues attendant to the anthropogenic global warming debate and pending legislation.

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