

## The Week That Was 2010-07-17 (July 17, 2010) Brought to you by SEPP (www.SEPP.org)

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### Quote of the Week

“Trust has been damaged [by Climategate]. People now find it conceivable that scientists cheat and manipulate, and understand that scientists need societal supervision as any other societal institution.” -- Hans von Storch, The Guardian, 5 July 2010 [H/t Benny Peiser]

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Fred Singer is extending a personal invitation to attend his lecture next Thursday July 22, 2010 at 4 PM at Rockefeller University, 1230 York Avenue, New York, NY 10065. The title of the lecture is *Climate Change Reconsidered*. **If you plan to attend, please RSVP to him at [singer@sepp.org](mailto:singer@sepp.org) ; so he can give the guard at the gate your name** and provide you with details as the exact location as well as a summary of the lecture.

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### Number of the Week: 400

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### THIS WEEK:

*By Ken Haapala, Executive Vice President, Science and Environmental Policy Project (SEPP)*

On Friday morning, the most intense earthquake ever measured near the city hit the Washington, DC area. It measured 3.6, the prior record was 2.6 in 1990 and records start in 1974, before the late 20<sup>th</sup> Century global warming. Some may consider this unprecedented earthquake a result of global warming. Others may consider it a result of an article in *Newsweek Magazine* that suggests the major product of Big Green and its politicians, fear of global warming, no longer sells. As with all projections based on truncated data, omens are subject to interpretation. (See referenced Newsweek article below.)

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Although the Kerry-Lieberman American Power Act (APA) appears dead, Senator Reid announced he will introduce, yet, another version of cap-and-tax this month by any other name. But both the Congressional Budget Office (CBO) and EPA have produced studies showing that cap-and-tax will be economically harmful. The CBO report is a solid, prudent review of three studies: Resources for the Future, Brookings Institution, and CRA International. All report that significant declines in total employment will result from APA. Strangely, Brookings makes the unrealistic assumption that all nations, including China, India, and Brazil, will adopt carbon dioxide control measures even if the US does not.

In spite of its harmful consequences, with the worst year-long unemployment rate since 1982, cap-and-tax continues to reappear. To understand why, it is useful to further examine APA to grasp the financial incentives involved. Most macroeconomic studies (economy-wide) do not examine the incidence of the tax (who actually pays the tax) and, correspondingly, the incidence of the subsidy (who reaps the benefits). A study by Chamberlain Economics does.

<http://chamberlaineconomics.com/publications/>

APA establishes allowances for carbon dioxide emissions which decline every year. Part is sold at auction to establish a controlled range of prices and part is distributed free to favored industries that can be sold or traded, ideally within the controlled range of prices. Using the mean of estimated prices in APA, Chamberlain Economics estimates the value of the of the part distributed free during the 2013 to 2034 life of the program as \$2.1 Trillion – about the amount

of total Federal revenues in 2009. The largest beneficiary is the electricity industry to the tune of \$870 Billion.

Politicians claim the value of the free allowances to the electricity industry will then flow to the consumers of electricity. Chamberlain uses established microeconomic theory backed by empirical studies to show that much of the value will flow to the shareholders of the companies that are generally in the highest income group. Thus, the entire scheme results in a massive transfer of wealth from the lower and middle income groups to the wealthy. No wonder Duke Energy declared cap-and-trade will give share holders a \$1,000,000,000 (Billion Dollar) profit.

Very interestingly, the Carbon Capture and Storage (CCS) industry, basically non-existent with an unproven technology, receives \$246 Billion in free allowances – twice the 2009 budget for California. Given the sheer volume of carbon dioxide involved, it is highly unlikely that CCS will ever become viable. [As a side note, Lord Oxburgh, the chairman of the third “independent” British commission investigating Climategate, is also honorary president of the British Carbon Capture and Storage Association. (<http://tiny.cc/mpitm>)]

Using EPA numbers and established models from government agencies such as the U.S. Bureau of Economic Statistics, Chamberlain estimates the cap-and-trade decline in employment would be 716,000 by 2020 and 5.1 million by 2050. The estimated decline in wages would be \$32 Billion by 2020 and \$236 Billion by 2050.

Unlike far too many studies of this type, the authors recognize that these estimates have great uncertainty and can only be considered as orders-of -magnitude approximations rather than precise estimates.

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BP has successfully placed a cap on the gushing oil well, stopping the flow of oil and natural gas into the Gulf of Mexico. The drilling of relief wells to permanently seal the damaged well is proceeding. That is the good news from the Gulf. The disturbing news is the actions of the Federal Government. Various sources report that, due to the heat, the work rules for Gulf clean up are 20 minutes of work followed by a 40 minute break. If correct, this would outrage veterans of Iraq or Vietnam for the lack of a sense of urgency to accomplish the mission.

In spite of being twice thwarted by the courts, the Interior Department has announced yet another moratorium on drilling wells in waters deeper than 500 feet below sea level and reports indicate it is not issuing permits for shallower wells. These actions have economic consequences for the region and the nation. Already two shallow water drilling rigs have left and two deep water drilling rigs are leaving: one for Egypt and the other for the Republic of the Congo. It is sad to think that the owners of the rigs believe that the government of the Republic of Congo is less inclined to interfere with obligations of contract than the government of the United States.

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The Number of the Week is 400: The number of wild Canada geese rounded up from Prospect Park in Brooklyn and killed by the Agriculture Department on one day. (See 400 Park Geese Die, below). On day 86 of the BP oil spill, the US Fish and Wildlife reports the total number of birds collected dead with visible oil for the entire period is 746 (8.7 per day) and sea turtles total 14. (Visible oil does not mean cause.) <http://www.fws.gov/home/dhoilspill/>

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Book Of The Week: Over the past two weeks TWTW carried a brief review of Roy Spencer's *The Great Global Warming Blunder*. Spencer uses a simple computer model and nine years of data from the new CERES satellite instruments to separate the signal showing a feedback (result) caused by warming from a signal showing that a forcing (cause of warming) such as a reduction in cloud cover from natural sources. The IPCC considers clouds are a constant and the disappearance of clouds is a result (feedback) of warming, not a cause of warming. Spencer disagrees and estimates that a 1% change in cloud cover, from natural causes, would explain at least 75% of the observed warming since 1900. He suggests the natural cause for changes in cloud cover is changes in the Pacific Decadal Oscillation.

*The Chilling Stars, A New Theory of Climate Change* by Henrik Svensmark and Nigel Calder offers a different hypothesis for changing cloudiness: the interplay of cosmic rays and solar forces, particularly solar wind and magnetism. (Icon Books, Cambridge, UK, 2007, 230 pages plus 6 pages of notes and scientific references). The book explains in layman's language the complex relationships that may lead to formation of low lying clouds which cause cooling; and, correspondingly, the lack of which may cause warming.

Over 50 years ago, scientists (including Fred Singer) established that the changing solar wind and magnetism affects the quantity of high energy cosmic rays entering into the earth's atmosphere. When the sun is active, the solar wind is stronger and fewer high energy cosmic rays enter the earth's atmosphere. By 1996, Svensmark and Eigil Friis-Christensen hypothesized that high energy cosmic rays hitting atoms in the upper atmosphere produce ions which act as catalysts in the formation of low level clouds. Their work was rejected by journals until Friis-Christensen announced it at conference in Birmingham England which was picked up by Britain's Royal Society. This resulted in a journal publication that was promptly ignored or criticized except in Demark, the home of Svensmark and Friis-Christensen.

In 2005, a Danish team conducted an experiment, called SKY, in the basement of the Danish National Space Center. The experiment supported the hypothesis that high energy ions emitted by cosmic ray collisions may act as catalysts in the formation of clouds.

The nuclear collisions of high energy cosmic rays in the upper atmosphere also create carbon 14. Caves in Oman and elsewhere show a stunning correlation between carbon 14 and temperature as measured by an isotope of oxygen, indicating a causal relationship.

This book lucidly describes the difficulty scientists who explore possible natural causes of climate change experience in obtaining funding in a world which gives billions to those claiming carbon dioxide causes global warming.

Starting in late 2009, CERN, the European Organization for Nuclear Research, is conducting experiments testing the hypothesis (CLOUD experiment). Svensmark mentioned to SEPP that he expects papers on results coming out late this year. We look forward to them.

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SEPP has joined the Competitive Enterprise Institute and Freedomworks in filing a petition in the U.S. Court of Appeals for the Washington DC Circuit requesting review of the EPA ruling increasing mileage standards for automobiles. This petition is to complete the February petition to review the EPA finding that carbon dioxide emissions endanger public health and welfare.

Automobile emissions were cited by the Supreme Court as causing sea level rise. Of course, not mentioned was that sea levels have been rising for 18,000 years over which period they have risen some 400 feet. It would be amusing to have the court demand that EPA separate amount of sea level rise due to automobile emissions from the natural rise.

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**ARTICLES:** [For the numbered articles below please see the attached pdf.]

**1. Killing the green wave: Most people understand what an independent public inquiry is**

By Lorrie Goldstein, QMI Agency, Toronto Sun, July 14, 2010 [H/t Cooler Heads]  
[http://www.torontosun.com/comment/columnists/lorrie\\_goldstein/2010/07/13/14700811.html](http://www.torontosun.com/comment/columnists/lorrie_goldstein/2010/07/13/14700811.html)

**2. The Climategate Whitewash Continues**

Global warming alarmists claim vindication after last year's data manipulation scandal. Don't believe the 'independent' reviews.  
By Patrick Michaels, WSJ, July 12, 2010  
[http://online.wsj.com/article/SB10001424052748704075604575356611173414140.html?mod=WSJ\\_Opinion\\_LEADTop](http://online.wsj.com/article/SB10001424052748704075604575356611173414140.html?mod=WSJ_Opinion_LEADTop)

**3. Drilling ban is Louisiana's third calamity**

Examiner Editorial, July 14, 2010  
[http://www.washingtonexaminer.com/opinion/Drilling-ban-is-Louisiana\\_s-third-calamity-1000158-98363629.html](http://www.washingtonexaminer.com/opinion/Drilling-ban-is-Louisiana_s-third-calamity-1000158-98363629.html)

**4. Environmentalists lose battle for public mind**

By Paul Chesser, Washington Times, July 14, 2010  
<http://www.washingtontimes.com/news/2010/jul/14/environmentalists-lose-battle-for-public-mind/>

**5. Gulf Oil Spill 'Crisis' May Revive Growth-Killing Cap-And-Trade Bill**

By Arthur Laffer, Wayne Winegarden and Colin Hanna, IBD, July 16, 2010  
<http://www.investors.com/NewsAndAnalysis/Article/540628/201007161823/Gulf-Oil-Spill-Crisis-May-Revive-Growth-Killing-Cap-And-Trade-Bill.aspx>

**6. Idled Gulf Rigs Head For Africa**

IBD Editorials, July 13, 2010  
<http://www.investors.com/NewsAndAnalysis/Article/540265/201007131904/Idled-Gulf-Rigs-Head-For-Africa.aspx>

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**NEWS YOU CAN USE:**

*ClimateGate*

**Climategate and the Big Green Lie**

By Clive Crook, The Atlantic, July 14, 2010  
<http://www.theatlantic.com/politics/archive/2010/07/climategate-and-the-big-green-lie/59709>  
[SEPP Comment: From one who is concerned about the risk of human caused warming.]

**Don't forget Climategate just yet**

By Lorne Gunter, National Post, July 15, 2010 [H/t ICECAP]  
<http://www.nationalpost.com/m/blog.html?b=fullcomment.nationalpost.com/2010/07/15/lorne-gunter-dont-forget-climategate-just-yet&amp;s=Opinion>

## ***Challenging the Orthodoxy***

### **Global Warming Theory: False in Parts, False in Totality**

By Tim Ball, Canada Free Press, July 15, 2010 [H/t ICECAP]

<http://canadafreepress.com/index.php/article/25387>

[SEPP Comment: Great uncertainties in wind speed and direction are components not adequately considered by the IPCC. Quote from the article: "As Jean-Francois Revel said: 'How is it possible for a theory, which is false in its component parts, to be true as a whole?'" ]

### **Periodic climate cooling enhanced natural disasters and wars in China during AD 10-1900**

By Zhibin Shang, et al. Proceedings of the Royal Society, July 13, 2010

<http://rspb.royalsocietypublishing.org/content/early/2010/07/13/rspb.2010.0890.short?rss=1>

[SEPP Comment: HH Lamb noted that warm periods were generally beneficial to mankind and cold periods were harmful.]

### **The Big Green Lie Exposed**

By Walter Russell Mead, The American Interest, July 12, 2010

[http://blogs.the-american-interest.com/wrm/2010/07/12/the-big-green-lie-exposed/?utm\\_source=emailalerts&utm\\_medium=email&utm\\_campaign=Environment](http://blogs.the-american-interest.com/wrm/2010/07/12/the-big-green-lie-exposed/?utm_source=emailalerts&utm_medium=email&utm_campaign=Environment)

### **Destroying Biodiversity**

By Paul Driessen, Townhall, July 12, 2010 [H/t Francois Guillaumat]

[http://townhall.com/columnists/PaulDriessen/2010/07/12/destroying\\_biodiversity/page/full](http://townhall.com/columnists/PaulDriessen/2010/07/12/destroying_biodiversity/page/full)

## ***Defending the Orthodoxy***

### **A Green Retreat: Why the environment is no longer a surefire political winner**

By Stefan Theil, Newsweek.com, July 12, 2010 [H/t Joe Bast]

<http://www.newsweek.com/2010/07/12/a-green-retreat.html>

### **Climate Panel Struggles With Media Plan**

By Andrew Revkin, NYT, July 13, 2010

<http://dotearth.blogs.nytimes.com/2010/07/10/climate-panel-struggles-with-media-plan/?emc=eta1>

[SEPP Comment: IPCC "transparency" requires all media communications go through headquarters.]

### **Climate wars**

Does a warming world really mean that more conflict is inevitable?

The Economist, July 8, 2010

[http://www.economist.com/node/16539538?story\\_id=16539538](http://www.economist.com/node/16539538?story_id=16539538)

[SEPP Comment: Not according to Chinese researchers- see "Periodic cooling..." above

### **Prince Charles attacks climate change 'sceptics'**

London Evening Standard, July 15, 2010

<http://www.thisislondon.co.uk/standard/article-23856296-prince-charles-attacks-climate-change-sceptics.do>

## ***Heat Wave***

### **Riding the Heat Waves**

By Richard Keen and Joe D'Aleo, SPPI, July 13, 2010

[http://scienceandpublicpolicy.org/images/stories/papers/originals/riding\\_the\\_heat\\_waves.pdf](http://scienceandpublicpolicy.org/images/stories/papers/originals/riding_the_heat_waves.pdf)

*[SEPP Comment: Nothing unusual about the July 2010 heat wave.]*

### **CO2 Optical Illusion**

By Steve Goddard, Watts Up With That, July 16, 2010

<http://wattsupwiththat.com/2010/07/16/co2-optical-illusion/#more-22055>

*[SEPP Comment: Even using its own images, NASA's global heat wave was not global –larger area of regional cooling than warming.]*

### **The Global Warming Guessing Game**

IBD Editorials, July 16, 2010

<http://www.investors.com/NewsAndAnalysis/Article/540724/201007161906/The-Global-Warming-Guessing-Game.aspx>

### **Cap and Tax**

Cap and Ban

By Conn Carroll, Heritage Morning Bell, July 14, 2010

[http://blog.heritage.org/2010/07/14/morning-bell-cap-and-ban/print/?utm\\_source=Newsletter&utm\\_medium=Email&utm\\_campaign=Morning%2BBell](http://blog.heritage.org/2010/07/14/morning-bell-cap-and-ban/print/?utm_source=Newsletter&utm_medium=Email&utm_campaign=Morning%2BBell)

### **“[Cap-and-trade] is not in my vocabulary” – Reid**

By Marlo Lewis, Open Market, July 13, 2010

<http://www.openmarket.org/2010/07/13/cap-and-trade-is-not-in-my-vocabulary-reid/>

### **Dems revive global warming legislation**

By Susan Ferrechio, Washington Examiner, July 14, 2010

<http://www.washingtonexaminer.com/politics/Dems-revive-global-warming-legislation-1000181-98370159.html>

### **BP Spill and Aftermath**

#### **Top Engineers to Investigate Cause of Oil Spill**

By Lauren Schenkman, Science Insider, July 13, 2010 [H/t Toshio Fujita]

<http://news.sciencemag.org/scienceinsider/2010/07/top-engineers-to-investigate.html>

*[SEPP Comment: Unlike the presidential oil spill commission which includes top environmentalists, this one has top engineers.]*

#### **Animal Autopsies in Gulf Yield a Mystery**

By Shaila Dewan, NYT, July 14, 2010

[http://www.nytimes.com/2010/07/15/science/earth/15necropsy.html?\\_r=1&th&emc=th](http://www.nytimes.com/2010/07/15/science/earth/15necropsy.html?_r=1&th&emc=th)

*[SEPP Comment: With armies of people looking for dead animals is it a surprise they are finding more?]*

#### **Scientists say Gulf spill altering food web**

By Matthew Brown and Ramit Plushnick-Masti, Washington Times, July 14, 2010

<http://www.washingtontimes.com/news/2010/jul/14/scientists-say-gulf-spill-altering-food-web/>

*[SEPP Comment: The issue is not that it will be temporarily altered, but for how long will it be significantly altered.]*

#### **BP: Relief wells may end leak within month**

Washington Times, July 11, 2010

<http://www.washingtontimes.com/news/2010/jul/11/bp-relief-wells-may-end-leak-within-month/>

## **New Ban Hits Oil Drillers**

By Siobhan Hughes and Stephen Power, WSJ, July 12, 2010

[http://online.wsj.com/article/SB10001424052748704288204575362862315524690.html?mod=ITP\\_pageone\\_0](http://online.wsj.com/article/SB10001424052748704288204575362862315524690.html?mod=ITP_pageone_0)

## **Fouling BP Spill Just to Exploit Another Crisis**

By Paul Driessen, IBD, July 14, 2010

<http://www.investors.com/NewsAndAnalysis/Article/540365/201007141837/Fouling-Up-Spill-Just-To-Exploit-Another-Crisis-.aspx>

## **Oil companies reeling from drilling moratorium uncertainty,**

By Germain Moyon, APF, July 10, 2010 [H/t Toshio Fujita]

[http://www.google.com/hostednews/afp/article/ALeqM5hKPSczbK-GytOePyd8\\_TJ9nfhetw](http://www.google.com/hostednews/afp/article/ALeqM5hKPSczbK-GytOePyd8_TJ9nfhetw)

## ***Energy Issues***

### **B&W and Bechtel Form Small Modular Reactor Nuclear Plant Alliance**

Power News, July 14, 2010 [H/t Toshio Fujita]

<http://www.powermag.com/POWERnews/2853.html>

*[SEPP Comment: Given the current anti-nuclear political climate in the US, the most likely customers will be overseas.]*

### **Report: China to Build 10 AP1000 Reactors**

Power News, July 14, 2010 [H/t Toshio Fujita]

[http://www.powermag.com/POWERnews/Report-China-to-Build-10-AP1000-Reactors\\_2858.html](http://www.powermag.com/POWERnews/Report-China-to-Build-10-AP1000-Reactors_2858.html)

*[SEPP Comment: As Washington continues to place obstacles on US nuclear development, China is building 23 new reactors. The AP1000 reactors discussed in this article are third generation reactors by Westinghouse]*

### **Dear Virginia: Beware of a Windpower Racket in Your State**

By Glenn Schleede, Master Resource, July 14, 2010

<http://www.masterresource.org/2010/07/dear-virginia-windpower/#more-11038>

## ***EPA On the March***

### **Bedbugs and Global Warming**

Daily Bayonet, July 13, 2010 [H/t Francois Guillaumat]

<http://dailybayonet.com/?p=4684>

*[SEPP Comment: Another misunderstood correlation.]*

### **Project's Fate May Predict the Future of Mining**

By Erik Eckholm, NYT, July 14, 2010

<http://www.nytimes.com/2010/07/15/us/15mining.html?th&emc=th>

*[SEPP Comment: Most large scale mining is ugly, and mountain removal mining is highly visible, but that does not give EPA the authority to invent science in order to implement policy.]*

## ***Review of Articles by NIPCC***

### **Thirty Years of Antarctic Snow and Ice Melt**

Tedesco and Monaghan, Climate and melting variability in Antarctica, *EOS*, 91:1-2, Reviewed July 16, 2010

<http://www.nipccreport.org/articles/2010/jul/16jul2010a7.html>

[SEPP Comment: No Trend]

### **Tropical Forests and Earth’s Changing Atmosphere**

Lewis, et al. Changing ecology of tropical forests: Evidence and drivers. *Annual Review of Ecology, Evolution and Systematics* 40:529-549, Reviewed July 16, 2010

<http://www.nipccreport.org/articles/2010/jul/16jul2010a5.html>

[SEPP Comment: Carbon dioxide enhancement is a boon, not a curse, to tropical forests. So much for IPCC’s Amazongate.]

### **The Real Ocean Acidification Story**

Hendriks, et al. Vulnerability of marine biodiversity to ocean acidification: A meta-analysis, *Estuarine, Coastal and Shelf Science* 86:157-164, Reviewed July 16, 2010

["biological processes can provide homeostasis against changes in pH in bulk waters of the range predicted during the 21st century."]

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### **BELOW THE BOTTOM LINE:**

#### **400 Park Geese Die, for Human Fliers’ Sake**

By Isolde Raftery, NYT, July 12, 2010

<http://www.nytimes.com/2010/07/13/nyregion/13geese.html?th&emc=th>

#### **British Gas boss announces brilliant new scheme to make Britain even more expensive and ugly.**

By James Delingpole, Telegraph, UK, July 12, 2010 [H/t Francois Guillaumat]

<http://blogs.telegraph.co.uk/news/jamesdelingpole/100047075/british-gas-boss-announces-brilliant-new-scheme-to-make-britain-even-more-expensive-and-uglier/>

[SEPP Comment: Cover all the grand old buildings with solar panels.]

#### **Culling farting feral animals could curb carbon, Pew says**

AAP, News, AU, July 14, 2010 [H/t Best of the Web]

<http://www.news.com.au/weird-true-freaky/culling-farting-feral-animals-could-curb-carbon-pew-says/story-e6frflri-1225891569720>

[SEPP Comment: No Comment!]

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### **ARTICLES**

#### **1. Killing the green wave: Most people understand what an independent public inquiry is**

By Lorrie Goldstein, QMI Agency, Toronto Sun, July 14, 2010 [H/t Cooler Heads]

[http://www.torontosun.com/comment/columnists/lorrie\\_goldstein/2010/07/13/14700811.html](http://www.torontosun.com/comment/columnists/lorrie_goldstein/2010/07/13/14700811.html)

Most people understand what an independent public inquiry is.

Except climate scientists and politicians.

In a public inquiry, a third party with no interest in the outcome — typically a judge — is appointed by government with a mandate to investigate an issue of public concern.

The inquiry has its own legal counsel, investigators and budget.

It has the power to compel witnesses to testify publicly, to cross-examine them, to demand documents and call in outside experts.

By that standard, the three official “inquiries” into “Climategate” — the last of which recently “exonerated” scientists at the Climatic Research Unit (CRU) of the University of East Anglia (UEA) — again were farces.

Two were cases of the UEA appointing sympathetic academics to investigate itself.

The third was a one-day hearing before a British parliamentary committee in a country that has been at the forefront of global warming hysteria.

Climategate involved the unsanctioned release of thousands of e-mails and documents by leading climate scientists.

The most infamous came from former CRU director Phil Jones about using a “trick” to “hide the decline” in temperatures, plus discussing with colleagues ways to hide data from freedom of information requests under U.K. law.

The latest “inquiry” found what the two previous ones did — the science of climate change is sound (surprise!), but researchers were unprofessionally secretive.

While warmists declared “victory” with each predictable report, and are still fighting skeptics over the credibility of various claims in the 2007 report of the UN’s Intergovernmental Panel on Climate Change, which basically described global warming as an existential threat, much of the public has stopped listening.

International polls show concern over climate change dropping — even in countries such as Germany, which has heavily invested in renewable energy — and most significantly in the U.S., the world’s No. 2 greenhouse gas emitter.

With China, the world’s largest emitter, refusing to accept hard emission targets, global negotiations to draft a successor agreement to the (widely ignored) Kyoto accord, which expires in 2012, are stalled.

There’ll be another attempt in Cancun this November after talks all but fell apart in Copenhagen last December, but the effort is losing steam.

One reason is the realization global, centrally-imposed diktats to cut emissions over mandated time frames — mindful of the former Soviet Union’s absurd five-year plans for the production of tin — don’t work.

Another is politicians now have to move from promising to lower emissions, which is easy, to lowering them, which, as the public is discovering, is ruinously expensive, doesn’t work and will lead to power shortages.

Optimists might say, as Newsweek did Monday in an essay, “A Green Retreat: Why the environment is no longer a surefire political winner,” that climate change is finally being put into perspective as one of many challenges we face, not necessarily the most significant.

Unfortunately, the global political fight never has been about the environment, but about expanding government power domestically and creating, internationally, a socialist, money-sucking scheme to transfer wealth from the first world to the third. That effort is proceeding.

It's how Stephen Harper accurately described Kyoto, before he became prime minister and stopped talking about the issue honestly.

As for the opposition parties, they're so uninformed about the devastating economic consequences of what they're advocating, it's just scary.

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## **2. The Climategate Whitewash Continues**

Global warming alarmists claim vindication after last year's data manipulation scandal. Don't believe the 'independent' reviews.

By Patrick Michaels, WSJ, July 12, 2010

[http://online.wsj.com/article/SB10001424052748704075604575356611173414140.html?mod=WSJ\\_Opinion\\_LEADTop](http://online.wsj.com/article/SB10001424052748704075604575356611173414140.html?mod=WSJ_Opinion_LEADTop)

Last November there was a world-wide outcry when a trove of emails were released suggesting some of the world's leading climate scientists engaged in professional misconduct, data manipulation and jiggering of both the scientific literature and climatic data to paint what scientist Keith Briffa called "a nice, tidy story" of climate history. The scandal became known as Climategate.

Now a supposedly independent review of the evidence says, in effect, "nothing to see here." Last week "The Independent Climate Change E-mails Review," commissioned and paid for by the University of East Anglia, exonerated the University of East Anglia. The review committee was chaired by Sir Muir Russell, former vice chancellor at the University of Glasgow.

Mr. Russell took pains to present his committee, which consisted of four other academics, as independent. He told the Times of London that "Given the nature of the allegations it is right that someone who has no links to either the university or the climate science community looks at the evidence and makes recommendations based on what they find."

No links? One of the panel's four members, Prof. Geoffrey Boulton, was on the faculty of East Anglia's School of Environmental Sciences for 18 years. At the beginning of his tenure, the Climatic Research Unit (CRU)—the source of the Climategate emails—was established in Mr. Boulton's school at East Anglia. Last December, Mr. Boulton signed a petition declaring that the scientists who established the global climate records at East Anglia "adhere to the highest levels of professional integrity."

This purportedly independent review comes on the heels of two others—one by the University of East Anglia itself and the other by Penn State University, both completed in the spring, concerning its own employee, Prof. Michael Mann. Mr. Mann was one of the Climategate principals who proposed a plan, which was clearly laid out in emails whose veracity Mr. Mann has not challenged, to destroy a scientific journal that dared to publish three papers with which he and his East Anglia friends disagreed. These two reviews also saw no evil. For example, Penn State "determined that Dr. Michael E. Mann did not engage in, nor did he participate in, directly or indirectly, any actions that seriously deviated from accepted practices within the academic community."

Readers of both earlier reports need to know that both institutions receive tens of millions in federal global warming research funding (which can be confirmed by perusing the grant histories of Messrs. Jones or Mann, compiled from public sources, that are available online at [freerepublic.com](http://freerepublic.com)). Any admission of substantial scientific misbehavior would likely result in a significant loss of funding.

It's impossible to find anything wrong if you really aren't looking. In a famous email of May 29, 2008, Phil Jones, director of East Anglia's CRU, wrote to Mr. Mann, under the subject line "IPCC & FOI," "Can you delete any emails you may have had with Keith [Briffa] re AR4 [the Intergovernmental Panel on

Climate Change (IPCC) report]? Keith will do likewise . . . can you also email Gene [Wahl, an employee of the U.S. Department of Commerce] to do the same . . . We will be getting Caspar [Amman, of the U.S. National Center for Atmospheric Research] to do likewise."

Mr. Jones emailed later that he had "deleted loads of emails" so that anyone who might bring a Freedom of Information Act request would get very little. According to New Scientist writer Fred Pearce, "Russell and his team never asked Jones or his colleagues whether they had actually done this."

The Russell report states that "On the allegation of withholding temperature data, we find that the CRU was not in a position to withhold access to such data." Really? Here's what CRU director Jones wrote to Australian scientist Warrick Hughes in February 2005: "We have 25 years or so invested in the work. Why should I make the data available to you, when your aim is to try and find something wrong with it[?]"

Then there's the problem of interference with peer review in the scientific literature. Here too Mr. Russell could find no wrong: "On the allegations that there was subversion of the peer review or editorial process, we find no evidence to substantiate this."

Really? Mr. Mann claims that temperatures roughly 800 years ago, in what has been referred to as the Medieval Warm Period, were not as warm as those measured recently. This is important because if modern temperatures are not unusual, it casts doubt on the fear that global warming is a serious threat. In 2003, Willie Soon of the Smithsonian Institution and Sallie Baliunas of Harvard published a paper in the journal *Climate Research* that took exception to Mr. Mann's work, work which also was at variance with a large number of independent studies of paleoclimate. So it would seem the Soon-Baliunas paper was just part of the normal to-and-fro of science.

But Mr. Jones wrote Mr. Mann on March 11, 2003, that "I'll be emailing the journal to tell them I'm having nothing more to do with it until they rid themselves of this troublesome editor," Chris de Freitas of the University of Auckland. Mr. Mann responded to Mr. Jones on the same day: "I think we should stop considering 'Climate Research' as a legitimate peer-reviewed journal. Perhaps we should encourage our colleagues . . . to no longer submit to, or cite papers in, this journal. We would also need to consider what we tell or request our more reasonable colleagues who currently sit on the editorial board."

Mr. Mann ultimately wrote to Mr. Jones on July 11, 2003, that "I think the community should . . . terminate its involvement with this journal at all levels . . . and leave it to wither away into oblivion and disrepute."

*Climate Research* and several other journals have stopped accepting anything that substantially challenges the received wisdom on global warming perpetuated by the CRU. I have had four perfectly good manuscripts rejected out of hand since the CRU shenanigans, and I'm hardly the only one. Roy Spencer of the University of Alabama, Huntsville, has noted that it's becoming nearly impossible to publish anything on global warming that's nonalarmist in peer-reviewed journals.

Of course, Mr. Russell didn't look to see if the ugly pressure tactics discussed in the Climategate emails had any consequences. That's because they only interviewed CRU people, not the people whom they had trashed.

*Mr. Michaels, a professor of environmental sciences at the University of Virginia from 1980-2007, is now a senior fellow at the Cato Institute.*

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### **3. Drilling ban is Louisiana's third calamity**

Examiner Editorial, July 14, 2010

<http://www.washingtonexaminer.com/opinion/Drilling-ban-is-Louisiana-s-third-calamity-1000158-98363629.html>

It will be years before Louisiana totes up all of the terrible effects of Hurricane Katrina and the Deepwater Horizon oil spill. But the damage Louisianans suffer if a federal court approves President Obama's six-month offshore drilling moratorium could well be much worse. Sen. Mary Landrieu, D-La., estimates that as many as 38,000 jobs will be lost in the first four months alone, with more than 12,000 of those disappearing in just two parishes, Lafayette and St. Martin.

Other estimates of jobs that will become casualties of the Obama moratorium are even higher. The National Ocean Industries Association estimates that "for each platform idled by the work stoppage, up to 1,400 jobs are at risk, and lost wages could reach \$10 million per month per platform and up to \$330 million per month for all 33 platforms." Thus a six-month ban on drilling would mean nearly \$2 billion in lost wages and nearly 50,000 lost jobs.

The economic havoc would not be limited to lost jobs and wages in the oil industry, though. As Raymond James & Associates explains, the devastation in Louisiana and elsewhere along the U.S. Gulf Coast would be comparable to that seen in Michigan when the Big Three hit hard times: "Just as the demise of auto plants and steel mills in the Upper Midwest devastated entire towns, an extended drilling ban could eventually have a similar effect in the Gulf coast."

Obama administration officials talk about the moratorium as extending only six months, but the reality is that recovery from its doleful effects will take years. Most immediately, the companies that own the floating deep-water drilling rigs that will be idled won't have to keep them idle for long because there's a big demand for rigs in Brazil, Indonesia and the Middle East. Since it costs half a million dollars a day to operate a rig, their services are typically provided under long-term agreements, so it would be years before Gulf operations could resume at anywhere near the pre-ban pace. One such rig was leased to Egypt last week, according to the Wall Street Journal.

Perhaps worst of all, however, is the blow the Obama ban would inflict on efforts to reduce the U.S. dependence on foreign oil. As James notes, "in addition to job losses and GDP reduction, the deepwater moratorium will -- by definition -- reduce domestic oil production and therefore make the country more dependent upon imported oil." With more foreign oil coming here, odds are more oil spills will occur in U.S. waters because tankers have a far worse environmental safety record than do the drilling rigs, according to the International Association of Drilling Contractors.

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#### **4. Environmentalists lose battle for public mind**

By Paul Chesser, Washington Times, July 14, 2010

<http://www.washingtontimes.com/news/2010/jul/14/environmentalists-lose-battle-for-public-mind/>

The BP rig explosion has caused the greatest oil mess in [U.S.](#) history, and eco-activists are puzzled as to why they can't exploit it to advance initiatives such as climate-change legislation. "It's hard to imagine a more useful disaster," wrote two [Washington Post](#) environmentalist reporters, noting a squandered opportunity.

Could it be because we've heard similar alarms before? We were told in past decades about the pulled pin on the overpopulation grenade, an impending ice age and a nuclear-caused scorched earth. Photos of starvation and Hollywood "Day After" productions accompanied the ominous predictions.

More recently, we've been lectured about so-called hazards such as fossil-fuel-caused global warming, mountaintop coal mining and hydraulic fracturing to reach natural-gas deposits. Smokestacks and drills

interchanged with unaltered woods and wildlife conveyed approaching doom, thanks to human corruption of the planet.

But now the Homo sapiens are tired of the blame, not to mention the photoshopped images that falsified many of the accusations. [Coca Cola's](#) polar bears seemed more real.

The Post reported that while the BP leak concerns everyone, public reaction reflects a desire to address our oil-exploration problems so we can continue to access and use fossil fuel resources, as opposed to the environmentalists' "end it all" plan.

"People's outrage is focused on BP," said [Yale University](#) public-opinion researcher [Anthony Leiserowitz](#). The spill "hasn't been automatically connected to some sense that there's something more fundamental wrong with our relationship with the natural world."

Missing those signals, environmental extremists want to use the disaster as an excuse (once again) to modify human behavior via forced curbs on greenhouse gases.

Their approach was to corrupt science with the climate-change cause. Degreed leftists like the [Union of Concerned Scientists](#) have pushed the global-warming agenda for years, and not just in objective disguises like the [National Academy of Sciences](#). One of their top alarmists, Stephen Schneider of Stanford University, is author of the November release "Science as a Contact Sport." The researchers at the University of East Anglia in England and Penn State University's Michael Mann took this principle to heart when they conspired to exclude the works of skeptical climate scientists from research journals. And Lawrence Livermore National Laboratory's Benjamin D. Santer was famously revealed in the Climategate e-mails to want to "beat the crap out of" skeptical climatologist Patrick J. Michaels, formerly of the University of Virginia.

Not quite Mel Gibson, but the revelation of this secretly menacing attitude wasn't the beginning of the climate activists' woes anyway. The global-warming movement had lost standing (according to several polls, including quarterly ones from Rasmussen Reports, as well as Gallup) before the Climategate scandal broke in November. Now their credibility is at an all-time low, as illustrated by their current failed messaging.

The environmentalists' public displays have become hackneyed and clichéd. A Hands Across the Sand demonstration against offshore oil drilling, co-sponsored by nearly all the recognizable groups (including Greenpeace, Sierra Club and Audubon, plus MoveOn.org and others) drew scant media attention and participation only from the activists' marginal ranks.

If the environoiacs want to capture the minds and the energy of average Americans, blaming them for their "addiction to oil" is the wrong way to go about it. Whoever came up with the public relations idea to equate our everyday low-cost, lifesaving energy use to back-alley junkie dependencies needs to go back to marketing school.

Put all the ingredients together - the Climategate deception, fraudulent scare tactics, guilt trips and stupid messaging - and the recipe flops. Americans have figured out they don't like the taste, and they don't believe the environmentalists when they say it's good for their health.

*Paul Chesser is a special correspondent for the Heartland Institute.*

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## **5. Gulf Oil Spill 'Crisis' May Revive Growth-Killing Cap-And-Trade Bill**

By Arthur Laffer, Wayne Winegarden and Colin Hanna, IBD, July 16, 2010

<http://www.investors.com/NewsAndAnalysis/Article/540628/201007161823/Gulf-Oil-Spill-Crisis-May-Revive-Growth-Killing-Cap-And-Trade-Bill.aspx>

As White House Chief of Staff Rahm Emanuel expressed in the midst of the financial crisis, this administration follows the rule "Never allow a crisis to go to waste." And following President Obama's Oval Office address, it is apparent that many in Washington are doing their best not to let the oil spill crisis in the Gulf "go to waste."

Prior to the Gulf disaster, the American Power Act (the Senate version of cap-and-trade) seemed all but dead. This is as it should be. But with the Senate back from the July 4 recess, either the American Power Act will be explicitly taken up or another clean energy bill will be proffered to which the key provisions of the American Power Act will be attached.

The problem is that there is no real link between cap-and-trade regulations and the crisis in the Gulf. As President Obama himself admitted in a speech at Andrews Air Force Base in March of this year:

"The bottom line is this: Given our energy needs, in order to sustain economic growth, produce jobs, and keep our businesses competitive, *we're going to need to harness traditional sources of fuel even as we ramp up production of new sources of renewable, homegrown energy* (emphasis added)."

Therefore, even if cap-and-trade legislation were passed, we will still need to drill for oil and natural gas. Furthermore, cap-and-trade regulations do not fix the problems that led to the Gulf crisis in the first place, so we will still need to fix these problems.

All that would change if cap-and-trade legislation were passed is that President Obama and Congress would have chosen the worst possible time to impose job-killing legislation on the economy.

The U.S. economy has been growing thus far in 2010, but not at the robust pace one would expect at this phase of an economic recovery, and the joblessness rate remains unacceptably high.

Additionally, the looming tax boundary and other policy mistakes the administration has already made have set the economy up for a major economic downturn in 2011. Piling cap-and-trade regulations on top of all of this will only make a terrible economic situation even worse.

There have been many economic studies that have assessed the economic damage created by cap-and-trade regulations, including an analysis performed by two of the authors. Depending on how the regulations are implemented, most studies find cap-and-trade regulations will cause a significant reduction in our rate of economic growth.

Relying on the results from a 2007 Energy Information Administration (EIA) study, the present value in the reduction in our economic growth from implementing cap-and-trade regulations would be between -1.6% and -3.2% depending upon how the bill is implemented.

The adverse economic impacts will not be felt equally across industries. Some industries — such as manufacturing, farming and transportation — will suffer more than others. The economic harm created by cap-and-trade regulations will be felt across the country, however, and will be manifested in many different ways.

First, the wealth of individuals across the country will fall. The value of the stock market closely tracks changes in the economy. Therefore cap-and-trade regulations will have a significant and negative impact on the stock market. Reductions in economic growth of the magnitudes estimated by the EIA imply that growth in the S&P 500 will be -3.1% to -6.1% less than otherwise.

For perspective, based on the current values of the S&P 500, 3.1% to 6.1% represents between \$340 billion and \$670 billion in market wealth, or between \$1,100 and \$2,200 in lost wealth per person in the U.S. as a result of cap-and-trade regulations.

State pension funds will suffer too. States currently do not have enough assets to meet their current pension obligations, health obligations and other retirement obligations. Consequently, state funds will be significantly strained in the coming years. Current estimates place this deficit at around \$1 trillion — though it is likely even higher.

By reducing the financial wealth of the nation, cap-and-trade regulations will only make the unfunded state liabilities worse, not better. Based on data from a 2010 Wilshire report on the condition of state pension funds, we estimate that these investments would be worth \$17.1 billion to \$34.1 billion less if the American Power Act were implemented than otherwise.

As a result, the funding level of the pension, health and other state obligations will fall from their current 79.0% to between 77.4% and 78.2%. That gap will need to be closed sooner or later by raising taxes or reducing pension benefits. Either solution will be wrenching to many Americans.

Energy taxes, such as gasoline taxes, are generally viewed to be regressive because the dollar value of the tax imposes a larger proportionate burden on poorer individuals than on wealthier individuals.

The same holds true for cap-and-trade regulations. When energy prices increase, the increases will impose a higher "tax" on lower income people. As a consequence, it is likely that the costs of the cap-and-trade regulations will be felt most acutely by those least able to afford these costs.

The costs of reducing carbon emissions are not trivial. If implemented, cap-and-trade regulations would add significant costs to production and have a devastatingly negative impact on the long-term growth of many segments of the U.S. economy.

The negative impacts would be felt across the country and impact people through higher costs, reduced job prospects, lower incomes, lower wealth and a reduced standard of living. Linking cap-and-trade regulations to the current environmental crisis in the Gulf does not change this fundamental reality.

• *Laffer is the chairman and Winegarden a senior vice president with Laffer Associates. Hanna is president of Let Freedom Ring.*

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## **6. Idled Gulf Rigs Head For Africa**

IBD Editorials, July 13, 2010

<http://www.investors.com/NewsAndAnalysis/Article/540265/201007131904/Idled-Gulf-Rigs-Head-For-Africa.aspx>

**Commerce:** What does it say about America's investment climate when the Republic of Congo now attract oil rigs that once drilled the Gulf of Mexico? That's the effect of the Obama administration's nonstop bid to halt production here.

As millions were enjoying the World Cup last weekend, powerful engines began churning the waters of the Gulf of Mexico as Diamond Offshore Drilling began pulling its huge floating rig on a 60-day trip to the Republic of Congo.

Congo is hardly the place that springs to mind for the quality of its investment environment. But because of the Obama administration's nonstop efforts to halt offshore drilling through one executive order after another, that is now the reality.

On May 27, in the wake of the BP oil spill that began three weeks earlier, the Department of the Interior issued a blanket ban on all drilling deeper than 500 feet. When a federal judge threw that out as unjustified, the administration came right back with a new diktat that amounts to the exact same ban.

For rig companies, such pigheadedness gave the game away: The Obama administration is determined to halt offshore drilling by any means necessary. And for energy companies, the only rational response is to pull out.

"As the uncertainty about continued deep-water drilling in the (Gulf of Mexico) persists, we must consider alternatives that allow our deep-water assets to remain employed," Diamond Offshore's CEO, Larry Dickerson, explained in a press release.

Diamond Offshore had already moved one of its big floating rigs to the Nile River delta of Egypt a few days earlier, and now another is heading to the Congo. These facilities rent for \$510,000 a day — a lot of money to lose as rigs await the Obama administration's "six-month pause" to run its course.

Industry analysts estimate that another five of the 33 rigs that have been directly idled will be leaving the Gulf for places with better business climates.

Amazingly, one of these places is the Republic of Congo, a country in the middle of a war with Ugandan rebels and busy dealing with 200,000 refugees. The country ranks 169th out of 179 in the Heritage Foundation/Wall Street Journal's 2010 Index of Economic Freedom. That's low even by African standards, with major deficits in property rights, freedom from corruption and even investment freedom.

Still, it outranks the U.S., where there is no drilling at all. So, in two months' time, Diamond's Ocean Confidence rig, moving across the turbulent Atlantic, will arrive there for high-tech offshore work as far as 35,000 feet below sea level.

Fact is, it's still a better investment climate than the Gulf of Mexico. Measured in lost profits, the Obama administration's six-month moratorium effectively amounts to a six-month expropriation. Meanwhile, the Republic of Congo, which relies on oil earnings for 65% of its GDP, will gladly enable Diamond Offshore to earn \$234 million on three projects if all goes well.

One glance at the offshore rig data above show that this move is part of a bad picture. [Available on the web site.]

According to RigLogix, the U.S. offshore rig fleet of 93 rigs of different types is only being used to 38% of capacity. In the Alaskan offshore, none of the four rigs is under use. In the remaining parts of the U.S. offshore, only two of the 28 rigs are in use, a grand total of 7%.

By contrast, 148 of the North Sea's 159 rigs are under contract, for a 93% utilization rate. Off the coast of Brazil, 68 of the 79 rigs are in use, for an 86.1% utilization rate. West Africa, which includes Republic of Congo, has 67% of its 76 rigs in use. Even Mexico, much maligned for not investing and squandering opportunities, utilizes 52% of its 62 rigs.

Just as the U.S. is falling behind in exports, amounting to only 17% of GDP as the rest of the world sails by with higher numbers, the 34% rig utilization shows how badly we're falling behind offshore.

The United States should be the global leader on both fronts. Instead, an arbitrary offshore drilling moratorium pushes the country further back in the pack. This is hurting the Gulf of Mexico's economy even more than the BP spill, and now it's giving Congo a competitive edge over us. All in all, a sorry state of affairs that the U.S. and its president need to correct quickly. It makes no sense to sit and watch as our offshore energy production is offshored.

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