

Part One

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Real World

“For the first time in the history of the world, every human being is now subjected to contact with dangerous chemicals, from the moment of conception until death.

Rachel Carson, *Silent Spring*, 1962

“As the saying goes, the Stone Age did not end because we ran out of stones; we transitioned to better solutions. The same opportunity lies before us with energy efficiency and clean energy.”

Steven Chu

“Thank God men cannot fly, and lay waste the sky as well as the earth.”

Henry David Thoreau

“The human race will be the cancer of the planet.”

Julian Huxley, attributed

“The risks of transporting deadly nuclear waste, the environmental justice impacts and the long-term health effects of both these projects are untenable...We cannot afford to be silent on these important issues.”

James Cromwell

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Energy and Ideology

Without modern energy Western civilization would grind to a halt, literally. Private cars would be obsolete. You would have to read by candlelight. Your home would have *to be heated by burning wood* or, if you had a local source of hydrocarbon fuels – what we call *primary burning oil, gas or coal*. In short, you would be subject to the technology of the mid-nineteenth century. An extreme idealist may naively insist that life was better *in former generations* than today. A less extreme idealist may claim that we could switch, with *the right social and political will*, to alternative energy sources. The argument runs that, if only we could divest¹ ourselves of our “addiction” to oil, gas, and coal (“fossil” fuels) we could at a stroke, clean up our environment by making a wholehearted commitment to renewable, clean and “free” energy, wind, wave, hydro, solar, and geothermal power to solve our future energy needs.²

However, there are other societies today which are desperate to industrialize, as the West has. The reality of doing what today’s anti-hydrocarbon ecowarriors demand in their relentless war on carbon is that the developed nations would simply find themselves among the ranks of those nations whose low energy consumption meant that they never came out of the “dark ages”. While some environmental activists may perceive the “old ways” as simple, they conveniently forget *the high infant mortality rates*, sickness, pollution, and *shortness of life* that went with that “quaint” lifestyle.

Some science researchers and as large part of the mass media, for

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1. To rid oneself of an idea or feeling, to take away power, authority, rights.
 2. Peter C. Glover, Michael J. Economides, *Energy and Climate Wars*. How naïve politicians, green ideologues, and media elites are undermining the truth about energy and climate. The Continuum International Publishing Group, 2010.

varying ideological and personally enriching reasons, are today in the business of speculative, prophetic, end-is-nigh doom-ism; a business that preys on irrational public fears of their own creation.

The Energy Consumption – Wealth Creation Link

In the modern world there is a direct correlation between the level of energy consumption and national wealth creation. Indeed the relative wealth and poverty of nations is entirely definable by its per capita energy consumption³. It is equally axiomatic that demand for energy is connected to

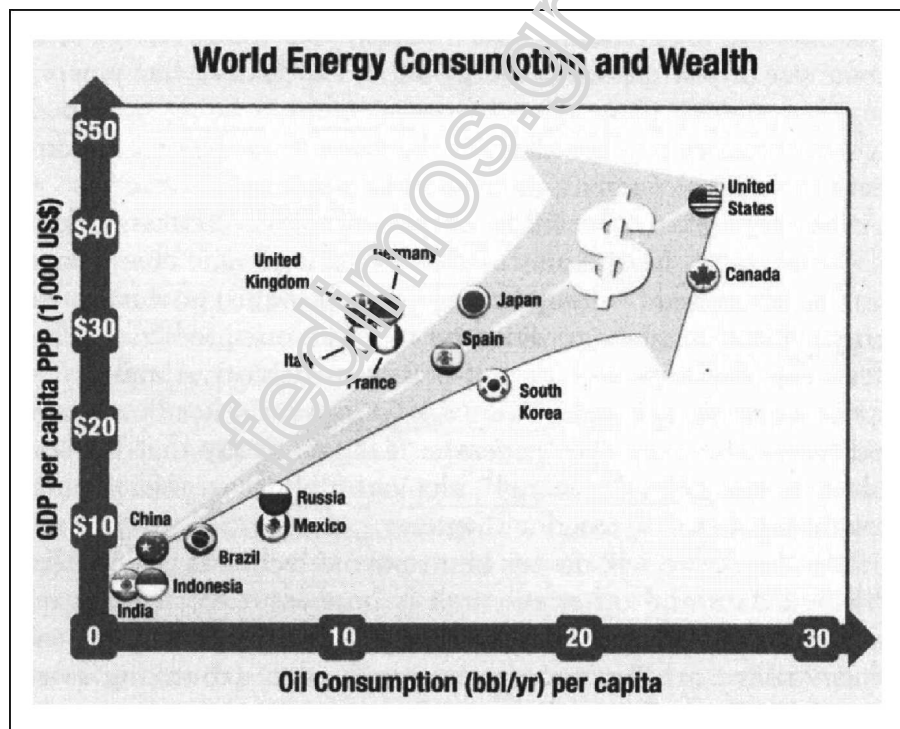


Figure 1: Source: *Energy Tribune*

3. M. J. Economides and R. Oligney, *The Color of Oil*. The History, the Money and the Politics of the World's Biggest Business, Round Oak Publishing, 2000, p. 10.

wealth; the corollary (πρόρισμα, συνέπεια) is also true: **use of energy promotes and generates wealth**. Thus the perennial vilification of the US as the world's largest consumer of energy –25 percent of global use– is wholly misguided, in that it is largely based on the fallacy that US energy demand is only the result of its wealth. Rather, energy demand is the cause of US wealth, as it is elsewhere.

We live in an oil-driven world-literally in the case of transport. Oil and gas (oil around 38 percent, gas around 23 percent – though the gas share is increasing annually) still account for around 60 percent of the world's energy needs. Add in coal, another 24 percent, and the hydrocarbon energy mix comprises almost 90 percent. Practically all of the rest comes from nuclear and hydroelectric power. And yet massive public subsidies are poured into expensive, highly uneconomic, alternative energy projects and developments, especially wind power. Renewable energy today remains a insignificant factor in the world's energy mix. What many fail to grasp is that the market share for hydrocarbons far from diminishing, is set to increase further over the next century with alternative or renewable energies retaining a fairly tiny market share, whatever the political rhetoric. By the year 2030, while the world energy demand will increase by 50 percent over the pre-2008 crisis levels according to all estimates from ExxonMobil to Petrobras to the International Energy Agency (IEA) and many others, the contribution from fossil fuels to the world economy will continue to retain the same market share.

Government or centralizing intervention in the market (note the aftermath of the Russian and Chinese socialist revolutions) has often been disastrous in terms of poverty eradication and wealth creation. Alternative energies

- continue to be highly expensive,
- offer poor investment – to energy returns and
- are thus *only* sustainable through government intervention and enormous taxpayer subsidy – a burden no economy could sustain for long.

Oil and Western Prosperity

It is easy to see why: energy is power, and in more ways than one.

Peter C. Glover, Michael J. Economides

Most rich countries are poor in oil, and many poor ones are rich in oil and other *primary energy resources*. In the 1960s and 1970s, National Oil Corporations (NOCs) were at the vanguard of the Third World's post-colonial emancipation. It was the Arab oil embargo of 1973 that first utilized oil as a weapon to further national political aims. The embargo ushered in an era of serious conflict and the establishment of the Organization of Petroleum Exporting Countries (OPEC) as a hugely powerful cartel. Caracas, Jakarta, Lagos, and assorted **Arab sheikdoms** were flush with money—often grossly mismanaged. The US President, Ronald Reagan, in an attempt to bring the oil-export dependent Soviet Union to its knees, convinced Saudi Arabia to flood the market with oil. Oil prices collapsed and the effects of the “crisis” in almost all oil-producing countries have lasted to this day. The situation certainly brought down the Soviet Union. Many NOCs opened up to the multinationals again in “joint ventures”, alliances, and outright concessions. By 2000, the inexorable physics of increasing demand, coupled with a practical lack of exploration and development, resulted in the evaporation of excess production capacity. Populist leaders emerged as energy militants, regaining control of their most valuable asset: Hugo Chavez in Venezuela, Vladimir Putin in Russia, and Evo Morales in Bolivia. Production is bound to decline, and infrastructure and skills will go by the wayside. Any reduction in oil prices will again bring an unavoidable crash. Thus, we see how oil and gas-rich nations can easily remain economic basket cases while a highly dependent energy importing Europe and America, and Western civilization in general, especially in the last century, has been able to develop economic prosperity and thrive. It is easy to see why: **energy is power**, and in more ways than one.⁴

4. Peter C. Glover, Michael J. Economides, *Energy and Climate Wars*. How naïve politicians, green ideologues, and media elites are undermining the truth about energy and climate. The Continuum International Publishing Group, 2010, p. 8.

Energy as a Tool of Social Engineering

It is no coincidence that it is the socialist not the capitalist free marketer, the left not the right that has adopted **the scaremongering mantras of peak oil and global warm-mongers**. Not only to affect global and national energy policies, but in a bid to dictate to us all through increasingly centralized Big Government (the key element enabling socialism and its parent collectivist system, communism) *how* we are to live our lives.

Europe and America: The Great Ideological Divide

The European Union was a French-inspired project at *forging established nation states with distinct cultures into a federation with a common identity and voice, under a new super-government*. But there was a clear secondary focus: *to rival America's superpower status in the world*.

The US is certainly one of the cleanest, more environmentally responsible nations in the world, but there is virtually no commercially viable energy project of which the green movement would approve. As the science writer and novelist Michael Crichton famously put it: “*One of the most powerful religions in the Western world is environmentalism. Environmentalism seems to be the religion of choice for urban atheists*”.⁵ Not surprisingly, Glover and Economides argue, many of the movement's leaders come from the upper middle class elites, including Hollywood stars and wives of celebrities, people that have little or nothing in common with the man in the street, yet in whose name they presume to fight.

Global warming alarmism handed the environmental movement and socialist ideologues, often the same individuals, an unprecedented opportunity, one that demanded a new and unquestioning “consensus” of belief and committed political action.

The UN and EU leaders worked hand in hand on the Kyoto project.

5. Michael Crichton, speech “*Environmentalism as Religion*”, Commonwealth Club, San Francisco, CA, September 14, 2003, cited in Peter C. Glover, Michael J. Economides, *Energy and Climate Wars*. How naïve politicians, green ideologues, and media elites are undermining the truth about energy and climate. The Continuum International Publishing Group, 2010, p. 11, 26.

And it was the EU, by setting highly ambitious targets of 20 percent cuts in carbon emissions by 2020 from 1992 levels, that subsequently proclaimed they held a “world lead” in fighting global warming. In 1997, with Bill Clinton still in office, the US Senate voted unanimously to reject the Kyoto Treaty. Combining the “end is nigh” message of climate fear with the “oil is about to run out” message of early peak oil theorists has given the enviro-leftist agenda a second line of attack on America and its energy expertise. Nobody is against research into new energy technologies, or demurs from the small-scale, purely supportive value of renewable energy sources. The problem is not the pin-prick, ad hoc uses to which they may be put, but the harnessing of larger projects on a commercially viable basis. On an industrial scale, they amount to nothing more than incredibly un-economic business propositions that require the constant lifeline of government intervention and tax subsidy. The **stark reality** is that current technology offers no realistic hope of seeing the current generation of alternative energy sources replacing hydrocarbons for decades to come, if ever.

Surprisingly the US, not Europe, has achieved greater results in lowering carbon emissions, and its private industry is making serious in-roads into energy alternatives that actually work.

A decade on from Kyoto the science “consensus” is in tatters, with thousands of climate scientists signing up to various non-alarmist declarations and thousands more questioning the UN Intergovernmental Panel on Climate Change (IPCC) climate alarmist position. But political and media elites still remain in denial. A warning from science writer Crichton resonates, “There is no such thing as science consensus. The greatest scientists in the world are great precisely because they broke the consensus”.⁶

The EU’s own member states, European industry and a *highly corrupt carbon trading scheme* have all combined to render Europe’s climate targets unachievable and the Kyoto and Copenhagen accords worthless. President Obama may yet fulfill European hopes by enrolling the US in the same *pointless war on carbon and climate change* through his cap and trade policy. More generally, if the Obama administration practices the “consensus” political style he has promised (and the evidence over a year in is that he has not), he should know first of all that it was Euro-style consensus politics that gave the world the wholly unachievable goals of the Kyoto Treaty. To adopt the consensus politics of trans-nationalism will change America

6. Michael Crichton, speech “*Aliens Cause Global Warming*”, California Institute of Technology, Pasadena, CA, January, 2003.

in ways that many Americans did not foresee when they voted for Obama-style “change”.

European Socialism vs. American Capitalism

At time of writing all the economic signs are that the various financial stimuli packages (the socialist answer) have not, and are not, delivering the promised results.

Ideology vs. Competitiveness

The essence of the EU’s “unbundling” campaign for industry is the enforced political break-up of often successful national global business conglomerates in the name of greater competition, a policy at odds with the spirit of deregulated American capitalism.⁷ Enforced unbundling, by definition, remains a hand-tool of centralist control. And in an increasingly global economy, one that can easily pressure successful national industries to relocate beyond home soil, or face takeover from foreign-owned conglomerates domestically under no “unbundling” threat. Chief among the EU’s targets have been some of Europe and the world’s leading, and to date, most successful energy companies, including **oil giants** BP, Royal Dutch Shell, Total, and Eni.⁸ Together with Europe’s equally successful power companies, many have felt the hot breath of EU centralist pressure to divest themselves of major parts of their businesses.

Other European heavy industry too has been targeted by the **Eurocracy**, especially high energy users. Protectionism – should unbundling occur – has, once again, reared its ugly head. Protectionism to prevent foreign takeovers of Europe’s major industries, along with public subsidy and other publicly funded “perks”, have been mooted to persuade heavy industry to stay put.

7. And, perversely, Russian and Chinese socialism too, both of which hold their enormous national energy companies in the highest esteem.

8. “EU to Propose Energy Overhaul”, *Wall Street Journal*, September 17, 2007.

EU Social Hypocrisy

The chief culprit in producing carbon emissions is the burning of fossil fuel; more specifically, coal. King Coal, however, is currently making a revolutionary comeback⁹ with a whole new generation of coal-fired, carbon emitting power plants being built across Europe¹⁰ – and *with* the EU's blessing¹¹. The EU will tell us that it will insist on carbon capture or sequestration facilities (adding a billion dollars of extra cost for which yet more public funding may be made available) being a precondition for the building of such plants.¹² However, the reality is that carbon sequestration, the storing of CO₂ below ground, is a far more difficult and extraordinarily more expensive, and probably dangerous, process than politicians understand.

As if this energy, climate policy “contradiction” is not enough, Peter C. Glover, Michael J. Economides argue in 2008, to fuel the industrial plants, the EU agreed its biggest coal importing deal in a decade¹³ – with the US, for its high-grade coal. The same coal President Obama does not want Americans using for any new coal-fired plants in America; plants he has threatened to bankrupt.¹⁴

European Union regulators formally proposed stripping the US of their control of the Internet.¹⁵ The EU demanded what all socialists want, “intergovernmental control”. Though the EU may have a Parliament, *the EU is not a democratic institution*. Just a handful of EU officials give the EU Commissioners their power.

9. “The Return of King Coal”, *Investor's Chronicle*, August 28, 2008.

10. “Europe Turns Back to Coal, Raising Climate Fears”, *The New York Times*, April 23, 2008.

11. “Coal Subsidies Maintained Until 2010”, *Euractiv*, June 29, 2007.

12. “EU Spending Spree Brings Carbon Capture Back to Reality”, *The Guardian*, January 29, 2009.

13. “Europe To Import Us Coal”, *Energy Tribune*, January 7, 2008.

14. Peter C. Glover, Michael J. Economides, *Energy and Climate Wars*. How naïve politicians, green ideologues, and media elites are undermining the truth about energy and climate. The Continuum International Publishing Group, 2010, p. 18.

15. “EU and US Clash Over Control of Net”, *International Herald Tribune*, September 30, 2005.

Why Europe's Renewables Road-Show is Rolling Stateside

Completed in 2005 and dominating every vista for a hundred miles, the 280 foot mega turbine at Green Park was designed to power up to 500 local businesses and 1000 homes. And so it does. But not by wind power *alone* you understand. The wind only turns the blades for up to 40 percent of the time. For the other 60 percent they have to be powered by electricity – to prevent them rusting and seizing up. During bouts of severe cold, Britain's turbines have been reported as operating at a mere 5 percent of capacity. The simple fact is that periods of severe cold often coincide with a lack of wind. So at the very time that most power is required, wind turbines consistently prove themselves to be at their least reliable.

Shell and BP have opted out of the UK renewables market altogether, citing it commercially unviable. Spanish utility company Iberdrola, the big investor in Spain's wind farms and owner of Scottish Power, has slashed its renewables spending by 40 percent. The future of INPower's massive Gwint Y Mor wind farm off the Welsh coast is in doubt. But the biggest blow to the green energy flagship wind industry came when the world's second largest oil company, Royal Shell, pulled out of the London Array, the world's largest offshore wind farm project, in late 2008.

While Shell vehemently denies it is giving up on green energy –maintaining it will concentrate on biofuel initiatives– both it and other European Big Oil companies are letting it be known they are “returning to their roots” and concentrating on primary energy initiatives. Big Oil does not consider renewable energy to be a mainstream industry.¹⁶ Even ideological-driven European leaders must demand a better return from an industry still commercially unproven. EU strategy has been to throw money into an “unfocused” green energy pot that requires diverse energy protagonists to scrap for every penny.

The European renewables players are currently staking out their US ground. **Spain's Iberdrola, the world leader in renewable power**, is already the second biggest player in US wind generation. Portugal's EDP Renovaveis, already the third largest company in US wind, is set to invest 5 billion USD in the US holdings. Spain's Gamesa is the third largest, behind General Electric, in turbine manufacture. Denmark's Vestas, the world's largest turbine manufacturer, is becoming a growing force in the US – having

16. “Oil Companies Loathe to Follow Obama's Green Lead”, *New York Times*, April 7, 2009.

closed a key UK turbine manufacture plant in the UK due to a lack of orders brought on by public opposition and planning obstacles. Enel Green Power, a subsidiary of the Italian utility, Enel, is set to invest at least 1.5 billion USD up to 2013. BP says it remains committed to 8 billion USD of spending on alternative energy over 10 years including, as a spokesman recently confirmed, its intention to press ahead with 450 megawatts of wind production capacity in the US. The extent of Shell's US wind and renewables capacity is still to unfold. But, as Francesco Starace, president of Enel Green Power told *Business Week*, "The stimulus package is a big incentive to invest".¹⁷

American renewables industry will be operating at a severe advantage. European companies are often subsidiaries of much bigger parent companies and as such have greater financial clout, not to mention expertise, than their smaller, inexperienced, US counterparts. That competitive edge is likely to ensure that much of *Obama's taxpayer energy stimulus package* will flow directly from the US taxpayer to European companies.

Obama's Energy Radicalism

On 17 April 2009, the Environmental Protection Agency (EPA) declared finally what many had hoped and others dreaded; that there is "overwhelming and compelling evidence" that "**greenhouse gases in the atmosphere endanger the public health of current and future generations**".¹⁸ In spite of a growing chorus of skeptical scientists on the causes of global climate change and even more objections on alarmist presumed catastrophes from climate change such as rising sea levels, more wildfires, more hurricanes and degraded air quality.

Nancy Pelosi on NBC's Meet the Press said "I believe in natural gas as a clean, cheap alternative to fossil fuels",¹⁹ But Peter C. Glover and Michael J. Economides argue that biofuels, as practiced thus far, give a negative energy balance; that is, they require more energy to produce than their

17. "European Green Energy Chases U.S. Stimulus Cash", *Bloomberg Business Week*, April 22, 2009.

18. "Flying Pigs and Other Media Myths", Michael J. Economides, *Oil Online*, June 30, 2009.

19. Nancy Pelosi speaking on NBC TV's "Meet the Press", Sunday April 19, 2009.

consumption provides.²⁰ Moreover, energy conservation and efficiency in one sector has led to increase in total energy demand, finding new uses for energy such as the Internet and next-day package delivery.

There is some merit to another suggestion by Steven Chu about electrical cars, but he destroys the notion when he writes “generating that electricity from clean, renewable sources like solar and wind power”.

Not to be outdone in slogan-style exaggeration, Secretary of the Interior Ken Salazar, on 6 April 2009, in Atlantic City to discuss America’s offshore energy resources, in what the *Wall Street Journal* characterized, “raised eyebrows when he said offshore wind farms could replace 3,000 coal-fired plants”.²¹ The US currently has only 600. Why is it that potential changes, which would take many decades to accomplish, are presented as imminent solutions?

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20. Peter C. Glover, Michael J. Economides, *Energy and Climate Wars*. How naïve politicians, green ideologues, and media elites are undermining the truth about energy and climate. The Continuum International Publishing Group, 2010, p. 24.

21. “Breezy Talk: Interior Secretary Ken Salazar’s Offshore Wind Dreams”, *Wall Street Journal Blogs*, April 7, 2009.

“I know that nuclear is better than fossil fuels when it comes to carbon dioxide, but nuclear energy is by no means clean. We don’t know what to do with the waste we already have and it seems like a bad idea to me to make more when we have so many cleaner options such as wind and solar.”

Sheryl Crow

“The use of plant oil as fuel may seem insignificant today. But such products can in time become just as important as kerosene and these coal-tar-products of today.”

Rudolf Diesel, inventor of the diesel engine, which originally ran on peanut oil.

“Racial injustice, war, urban blight, and environmental rape have a common denominator in our exploitative economic system.”

Channing E. Phillips, speech, Washington, D.C., 22 April 1970

“Our modern industrial economy takes a mountain covered with trees, lakes, running streams and transforms it into a mountain of junk, garbage, slime pits, and debris.”

Edward Abbey

*“With laissez-faire and price atomic,
Ecology’s Uneconomic,
But with another kind of logic
Economy’s Unecologic.”*

Kenneth E. Boulding, in Frank F. Darling and John P. Milton, eds.,
Future Environments of North America, 1966