

An Open Letter to Premier Anna Bligh and All Elected Members in Queensland.

*From Viv Forbes, Chairman of the Carbon Sense Coalition.
9 October 2008*

Dear Premier and Members,

The Carbon Sense Coalition was formed in Queensland by Australians, including many Queenslanders who have been closely involved, some at senior levels, in the backbone industries and public service activities of the Sunshine State. Some still are. Some have been participants, commentators and observers of the Queensland political scene for longer than most members of the current parliament.

They are all motivated by concern at the biggest politically generated threat to every Queensland industry, to the outlook for jobs for our kids, to the cost of living, and to the continued flow of revenue to the State. That threat is an Emissions Trading System, its carbon taxes and all the asset destruction that will flow from it.

Since the days of Jeremiah and Malthus, every generation produces its Prophet of Doom, who tries to scare the population with “end of the world” stories. Many of us remember the Ice Age scares of the 1970’s (promoted by some of the same people now pedalling “Global Warming”), the Population Bomb stories, the “starvation by the end of this decade” stories, the looming Y2K disaster and the Club of Rome resource exhaustion myths. But nothing has captured the public imagination or excited the media, the power hungry and the rent seekers like “Global warming”.

Those who are currently demonising carbon dioxide are aiming to tax greenhouse gas emitters out of existence, presumably to return us to the world of noble savage. (The main greenhouse gases are the valuable and harmless atmospheric gases and plant foods of water vapour and carbon dioxide.)

Queensland is more dependent on carbon based fuels than perhaps any other state or country in the world. We are one of the most decentralised places in the world, with our people highly dependent upon transport. And we live in a lonely corner of the globe, far removed from our trade partners and our Allies. We survive solely on trade. Not one plane, ship, train, truck or car will move without the power supplied by coal, oil or gas. If we tax them, it will not reduce carbon emissions. These machines will still be used – it will just increase our costs and deliver tax revenue to Canberra. If international carbon credits are in play, then our money will simply move offshore into the pockets of the new carbon mafia.

Look at our backbone industries – coal and other mining, minerals processing, beef dairy and sheep farming, tourism, pig and chicken raising, grain and cane production, transport, power generation, cement manufacture, and the world steel and power generation industries – every one will be hit by carbon taxes. New investment in these industries will go into suspended animation waiting for people in Canberra to decide how to interpret the 1,000 pages of “carbon commandments” produced by an academic economist who has never produced one piece of food, one spark of electricity or one tonne of fuel.

Don't fantasise that there are any feasible alternatives to carbon fuels in the nuclear free Australia. Britain now faces inevitable blackouts because of the years they spent on nonsense like wind farms which will not produce the reliable and continuous industrial power demanded by modern cities and economies. They are suddenly opening coal mines, and planning coal and nuclear power stations which, on current trends, will not be ready in time.

We are wasting huge sums of money extracted from taxpayers and shareholders on silly proposals like carbon geo-sequestration. Every tonne of coal burnt will produce between two and three tonnes of harmless carbon dioxide. Can you imagine the logistics and costs of catching, compressing, piping and pumping underground even a small percent of our total tonnage CO₂ emissions? Or the capital (and new technology) required to replace every diesel train, truck, dozer, shovel, tractor, generator and pump with an electric model? Will Qantas fly to Longreach on solar power? And where do we get the vast quantities of new green electricity without the nuclear option? The whole thing is a frightening example of massive public hysteria and plain deception. What looks feasible to an Environmental Professor at Griffith University seldom looks so good when some calculating engineer starts looking at tonnes, logistics, costs, reliability and return on capital.

There is nothing wrong if people choose alternative fuels without tax coercion or subsidies. Man has used wood for cooking and warmth, wind for pumping water and grinding wheat, bullocks for ploughing, horses for transport and whale oil and bees wax for lamps since biblical days. But these green sources will not provide the massive volumes of those services needed today for the billions of people now on earth. Someone will miss out, and they will not accept politically contrived destitution peacefully.

Naturally in any massive social or economic reorganisation, there will be massive beneficiaries – it will be a huge transfer of wealth, with big winners, big losers, and lots taking a cut in the middle.

Despite the inconvenient fact that gas too is a carbon-based fuel, gas producers are going to be massive beneficiaries of this scam and will undoubtedly support it. Not only are electricity producers going to be pushed towards using gas for base load power (an enormous waste of gas better used for more valuable applications such as petrochemicals, bar-b-ques or motor vehicles) but every time we are so foolish as to build a wind or solar plant, it will need to be shadowed by a conventional power plant ready to swing in immediately the wind drops or the sun goes down. Most power companies will choose gas for this application, because, unlike coal or nuclear, gas can be fired up quickly. So expect booming gas prices, and massive complaints from those forced to keep using gas for taxis and hot water.

And if we continue the foolish and inhuman policy of mandating ethanol in petrol, grain prices will soar and grain farmers will become true believers. But every consumer of beef, lamb, eggs, bread, butter, cornflakes, milk and bacon will curse the fools who think burning food in cars is a good idea. And if you think there is plenty of grain in the world, consider this: Iran recently bought one million tonnes of wheat from their arch enemy, USA. Soon the only countries exporting food grain in the world will be the USA and Australia.

Naturally the banks and option trading companies see great vistas of profit opening in front of them as carbon trading gets going. Imagine the correction when this house of cards comes down – it will be worse than the sub-prime crisis, because it is literally based on nothing but hot air – there will be no titles to over-leveraged bricks and mortar for the government to buy up in the carbon big bail out. (Some of the hot air has already escaped when Lehman Brothers closed its carbon emissions trading desk on 16 September 2008.)

But the jobs in “research”, accounting, auditing, and legal activity setting up and regulating this house of cards will beckon all our bright minds. But not one of them will be producing one useful product to house, feed or clothe one Queensland family and not one product that could be sold overseas in a free market at a profit.

Governments will initially benefit greatly from the tax revenue, from the patronage that redistributing those funds will bring, and from the power to interfere in every business in the land. Many producers will decide (some have already decided) that it is just all too hard. Our farmland and mineral deposits will lie idle and unproductive underneath the relentless march of Penny Wong’s carbon forests.

And of course those who produce wind turbines, solar panels and nuclear power are fervent believers. Some foolish farmers think they can use soil carbon and carbon forests to be big winners – they probably also believe in Santa Claus.

If there were some real benefits from all this huge disruption and cost, maybe we could accept it.

Undoubtedly any moves to curb pollution are desirable, and we do not oppose them. Modern power plants, smelters and factories already include effective pollution control anyway.

And maximisation of the efficiency of energy usage is a sensible goal, but every consumer is already doing that under the spur of booming prices for petrol and diesel. As gas and electricity prices also soar, every mind will focus on how to use less of them. Soon we will be calculating how to economise on food.

But this whole argument is not about pollution or conservation of resources. Carbon dioxide is not a pollutant and we are not short of carbon-based fuels. The whole scare campaign rests on one flimsy theoretical proposition which claims, in summary:

“Man’s emissions of greenhouse gases (carbon dioxide mainly) are causing dangerous warming of the atmosphere and this will soon threaten life on earth.”

As a corollary to this proposition we have the imperative:

“Unless mankind takes immediate steps to reduce greenhouse gas emissions it will propel global warming to a tipping points and we will all fry.”

Neither of these statements is true, and there are many well qualified scientists all over the world who will strongly dispute it (see references below to just a few).

Nor is carbon dioxide an air pollutant. In fact, it is the essential link in the cycle of life and all life on earth depends on there being plenty of CO₂ in the atmosphere.

The whole global warming scare depends solely on forecasts produced by several large computerised General Circulation Models, which do not agree with one another, and which have never successfully forecast world temperature beyond a few days.

These models are very similar to the General Economic Models which cannot forecast future prices, because of the complexity of human behaviour. The atmosphere, with its complex interaction of solar cycles, cosmic rays, clouds, winds, evaporation, convection, radiation and volcanic activity is similarly beyond all current computers, especially those being built by people with pre-conceived assumptions on the main drivers.

It is on such shaky foundations that a professor of economics from the Hanrahan School can forecast the end of the Great Barrier Reef. He should read a little history. Past climate cycles can be studied and projected with far more surety than computer models. Corals have survived through great climate changes and many rises and falls of sea levels, the most recent being a rise of about 130 m.

The Great Barrier Reef will survive carbon emissions far longer than many of the tourist airlines will survive carbon taxes.

There is also no chance that the rest of the world will cut carbon emissions sufficiently for it to be noticed in the atmosphere. Australia and New Zealand, alone in the South Pacific, will sacrifice their industries and their prosperity for no effect whatsoever on climate.

India and China have no intention whatsoever of curbing their emissions until their emissions per person are equal to ours. They are quite happy to see us transfer our industries and our carbon credit money to them until that mythical time arrives. And the foolish professor seems to give some support to this "beggar the west" idea.

In basket-case Britain, the hint of blackouts, and Gordon Brown's mention of carbon ration cards has fuelled a fierce electoral backlash. With green taxes now estimated at 45 million pounds annually and rising, the electorate is no longer green.

Poland and Eastern Europe are in open revolt against EU carbon taxes, and German industries are unhappy. Only France, with no coal mines and smug behind its wall of 58 nuclear power stations, still supports a system it hopes will cripple the economies of the coal rich Anglo-Americans. (Guess who will be building Britain's new nuclear power stations –the State owned French utility EDF.)

The Russians cannot believe their luck. Even though their scientists reject the global warming theory, and their President does not fear a bit of warming for Siberia, they have still gained mightily from the global warming scam. Their booming gas sales to Europe have delivered them unbelievable wealth and political power. Every new wind farm and solar array built in Europe will add to that power. In addition, Europe has paid Russia billions of Euros in semi-fraudulent carbon credit scams. (Russia has been paid carbon credits for bankrupt factories closed after the collapse of the Soviet Union.)

There have been no rash promises from booming South American countries such as Brazil, and no support from the Middle East money pots. Even Canada is starting to fear global cooling more than global warming. And the most watched candidate among the US Presidential teams, (Sarah from Alaska) has declared herself in favour of offshore drilling and is clearly sceptical of the man-made global warming theory.

The prosperity of any country depends on this formula:

Man's Material Welfare = Natural Resources + Human Energy multiplied by Tools.

Queensland has two great natural resources on which we all depend.

Firstly a large land mass with much fertile soil and productive grassland, surrounded by productive seas. This makes us one of the world's great producers of food, fibres, timber and seafoods. But there is a definite limit to arable land. Every acre devoted to carbon credit trees or ethanol crops is an acre denied to food production.

Secondly, Queensland has an abundance of mineral resources and the home grown skills and experience at extracting it. We are thus the prime exporter of many mineral products.

The extraction of all of these resources depends totally on carbon energy, which we are proposing to tax and maybe eliminate. And too much of our mineral resources is sterilised in government no-go zone and no-drill areas, or tied up in Green Tape.

Queensland also has more tools per head of population than almost any other country in the world. This includes our road, train, and air transport fleets and its infrastructure; and all the mining and farming machinery on our highly mechanised mines and farms; and our world class smelters and refineries; and the power stations that run most of this inventory. All of these tools are designed to run chiefly on carbon-based fuel. All of these tools were purchased by the savings of investors. Savings are always consumed by taxes. Where are the savings to come from to convert all of these machines to some as yet unknown power source, as well as pay carbon taxes?

No one can predict the future, not the weather, not the temperature and not the prices on Wall Street. (Al Gore and his colleagues in Lehman Bros claimed they could predict future climate many decades ahead, but failed to see their own bankruptcy, six months ahead!) But there are some pretty worrying signs:

Firstly, analysis of past weather cycles (which has better predictive value than Global Circulation Models) suggests that the next big move in earth's temperature is likely to be down. Despite the media rhetoric about global warming, for the last decade the earth has been cooling. Further cooling would have a dramatic effect on already scarce food supplies. It is not a time to be burning food as car fuel, covering food production land with non-producing carbon forests, or talking rot about replacing our vast herds of cattle and sheep with kangaroos.

Secondly, the massive financial shocks already delivered to the world economy have yet to work through the system. It is not a time to be forcing stressed businesses to waste sparse capital on energy playthings like windmills and solar panels. By all means allow people to invest in whatever energy system they favour, but to tax the real economy to force feed energy sources already proven to be excessively costly and unreliable, is foolish in the extreme.

Even Professor Garnaut shows some enlightenment:

"The environmental and economic costs of triggering a contraction in emissions-intensive, trade-exposed industries (EITEs) due to the failure of Australia's competitors to impose a carbon price, balanced with the need to share the burden of a carbon price at home equitably, was a great dilemma. It has the capacity to destabilise public support and pervert individual domestic [emissions trading] schemes to the point of non-viability".

And the Germans opt out:

"A German government decision to back an almost total exemption for industry from new rules that would force companies to pay for the carbon dioxide they emit threatens to undermine a key tenet of European Union climate policy."

http://www.ft.com/cms/s/0/4e47f656-88ba-11dd-a179-0000779fd18c.html?nclink_check=1

CONCLUSIONS

1. There is no consensus on the science of global warming, and no evidence beyond computer models that carbon dioxide is causing or will cause dangerous climate changes. Climate is always changing, and there is no evidence that man has or can affect world climate trends. Therefore there is no basis to embark on a massive dislocation of Queensland's backbone industries. There are zero proven benefits.
2. But there is no doubt about the costs. The main costs will be hidden – all the time spent and people employed to set up a massive legalistic carbon surveillance, recording, accounting, auditing, and dispute resolution system. Some people see these as green “jobs”. They are as useful to society in general as a make-work scheme which entails digging holes and filling them in again. Real resources are consumed, nothing is returned, we are all poorer.
3. Then there will be the hidden costs of indecision and delay. No investor will subscribe money to build new power stations, refineries, cement factories, or coke works, or feedlots, for example, with this menacing and uncertain tax threat looming.
4. Then there is the unknown cost of the tax itself. Are we imposing a tax that aims to cut emissions by 5%, or 10%, or 20%, or 50%, or 100% and by when? And who will get a free ride, who will get subsidies and where will all the tax revenue go? Again the uncertainty tells everyone, consumers or investors, to tighten their belts, spend very little and see what happens next.
5. Even if Australia cut all carbon emissions tomorrow, the effect on world climate would be so small that it could not be measured.
6. Finally, in a world of uncertainty, one thing is certain and can be predicted. A system of carbon taxes and emissions trading will hurt the Queensland economy, reduce the unsubsidised tax base, and increase the costs of living for every Queenslanders.

“Many of the richest deposits of various mineral substances are located in areas whose inhabitants are too ignorant, too inert, or too dull to take advantage of the riches nature bestowed upon them.

“If the governments of these countries prevent aliens from exploiting these deposits, or of their conduct of public affairs is so arbitrary that no foreign investments are safe, serious harm is inflicted upon all those peoples whose material well being could be improved by a more adequate utilisation of the deposits concerned.

“It does not matter whether the policies of these governments are the outcome of a general cultural backwardness or of the adoption of the now fashionable ideas of interventionism and economic nationalism {or environmentalism}. The result is the same in both cases.”

Ludwig von Mises “Human Action” 1949, Third Edition 1966, (pp. 686/87).

RECOMMENDATIONS TO PREMIER BLIGH and OUR ELECTED REPRESENTATIVES

You must stand up for Queensland interests. If other states and the Commonwealth are too silly to see through the implications of their foolish proposals, it is up to us, with the most to lose, to call "HALT".

Queensland should propose that:

- All moves to institute an Emissions Trading System be abandoned.
- As a basic "due diligence" a totally independent royal commission be set up to hear the scientific evidence for the effect of man's emissions of carbon dioxide on global warming.

Yours sincerely

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Disclosure of Interest:

This submission was prepared by members of the Carbon Sense Coalition, and collated by Viv Forbes. Its members include scientists, engineers, public officials, media people, farmers, employees, mothers and fathers from all states of Australia and overseas. Some have been (or still are) employed in our great carbon dependent industries - coal, cattle, sheep, transport, oil, gas, tourism, forestry, fishing, power generation, refining, cement manufacture etc. They have investments in these great industries and hope their children will find jobs there. They are also consumers who use cement, steel, electricity, diesel, petrol, trains and airlines all of which will be hit by carbon taxes. They eat carbon based foods, pay fuel taxes and use government services funded by taxes on the carbon industries. Like the great majority of Australians, they have a big vested interest in the outcome of this historic debate.

And, unfortunately, we have received no financial support from the big coal companies or the coal power generators.

For those with an interest in following up on the science, economics or politics of global warming we can recommend a number of sites. Many of these sites or reports were produced by concerned Australians:

Prof Larry Gould of Hartford:

[http://uhaweb.hartford.edu/LGOULD/NES%20APS%20Spring%202008%20Newsletter On%20AGWA%20Claims.doc](http://uhaweb.hartford.edu/LGOULD/NES%20APS%20Spring%202008%20Newsletter%20AGWA%20Claims.doc)

Lord Monckton exposes the fallibility of the debate:

<http://uhaweb.hartford.edu/LGOULD/Monckton%20ABSTRACT.pdf>

A layman climate sceptic's guide:

<http://www.climate-skeptic.com/2007/09/table-of-contents.html>

View Prof Bob Carter at:

<http://www.youtube.com/bushvision>

Listen to 2GB Radio broadcast with Dr David Evans:

http://www.2gb.com/index2.php?option=com_newsmanager&task=view&id=1748

Dr Tim Ball was on the IPCC Committee. He has written a series of articles:

<http://canadafreepress.com/index.php/article/1272>

Dr Michaels is also on the IPCC team:

http://www.cato.org/pub_display.php?pub_id=9619

Prof Fred Singer says:

<http://heartland.temp.siteexecutive.com/pdf/22835.pdf>

New York Global Warming Conference and the Manhattan Declaration.

<http://www.heartland.org/policybot/results.html?artId=22866>

There is no global warming - Petition signed by 31,000 scientists:

<http://www.petitionproject.org/>

The Carbon Sense Coalition web site:

<http://www.carbon-sense.com/>

The Climate Scam website:

<http://www.theclimatescam.com/>

The Lavoisier Group website:

<http://www.lavoisier.com.au/>

The Australian Climate Science Coalition web site:

<http://www.auscsc.org.au/>

The Science & Public Policy Institute:

<http://scienceandpublicpolicy.org/>

The International Climate Science Coalition:

<http://www.climatescienceinternational.org/>

Read what Dr Vincent Gray (NZ) has to say about the new religion:

<http://nzclimatescience.net/images/PDFs/warmingscam1505.pdf>

What? Global cooling!

<http://www.theaustralian.news.com.au/story/0,25197,23583376-7583,00.html>

How does this hoax affect power supplies in the UK?

<http://www.staff.livjm.ac.uk/spsbpeis/Howell-2008.htm>

How does this hoax affect power supplies in the USA?

<http://www.nextgenenergy.org/nextgen+blackout+study.aspx>

Are the walls of Jericho crumbling?

<http://www.planetark.com:80/dailynewsstory.cfm/newsid/50239/story.htm>

And a paper about to be published rejects the IPCC contention that most of the warming since the mid-20th Century is “very likely due to the observed increase in anthropogenic greenhouse gas concentrations.”

<http://arxiv.org/ftp/arxiv/papers/0809/0809.0581.pdf>

Finally, historian Paul Johnson in Forbes Magazine on “The Nonsense of Global Warming”:

<http://www.forbes.com/forbes/2008/1006/025.html>