

Rudd commits to destroy the nation

By Terry McCrann December 15, 2008

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THE Federal Government's just-released anti-carbon white paper is Kevin Rudd's long, make that his VERY VERY long, national suicide note.

It commits his Government to a policy to destroy the economy, albeit by slow strangulation.

But remorselessly, inevitably, nevertheless. To absolutely no purpose.

By any assessment, from the coldly rational to the Bob Brown hysterically dark green irrational, a target to reduce tree and plant food by 5 per cent is utterly pointless.

It can achieve absolutely nothing, in terms of any perceived climate outcomes, but it will hurt all Australians and damage the economy.

Of course, what Brown and associated climate hysterics are incapable of accepting is that Australia achieving a 100 per cent reduction in carbon dioxide emissions is exactly as utterly pointless.

Even if that was achieved right now, it could make not the slightest difference to our local climate, far less the global climate.

So when the Prime Minister talks about saving the Barrier Reef and Kakadu, as he did in his speech to the Press Club yesterday, he is being at best terminologically inexact.

Because to borrow from Gough Whitlam: nothing (we do) can save the Reef or Kakadu, if the US and China don't both agree to commit suicide too.

As one astute questioner put it to Rudd at the Press Club, our reduction - and by implication, the total reduction of the developed world - will be utterly swamped by China's increased emissions. Even assuming China achieved major emissions efficiency.

Yet we are going to press on with a seemingly innocuous 5 per cent reduction by 2020. But it's actually huge _ closer to 30 per cent _ when allowance is made for population growth.

Both Rudd and his climate adviser Ross Garnaut think they are playing a very clever realpolitik game.

To be credible enough to stay in the game while balancing the costs and

"benefits" of reducing emissions.

But even so, what's the point of committing to 5 per cent even if nobody else agrees to anything?

And especially the way the Government has done so, with compensation and trade-offs?

It's enough to deliver the costs, but not enough to deliver even the - entirely mythical - benefits supposedly to be gained from being a first-mover.

Because no one will be a first mover: there won't be enough pain or countervailing gain.

The only outcome will be to freeze, if you'll pardon the word, rational capital investment, especially in new rational energy.

There are three devastatingly critical consequences of building the whole edifice of the ETS Emissions Trading Scheme - even with an initial supposedly innocuous target.

The first is the edifice itself. A whole new structure of regulation and bureaucracy. And huge opportunities for main-chancers to play profitable games around the carbon permits.

Boy, could we see them already. They were falling out of the trees yesterday to welcome and comment on the scheme; salivating at the prospect of billions of dollars of economic rents to be plucked.

Just when Rudd's GFC - Global Financial Crisis - succeeded in pulling the very profitable rug out from under the vast army of financial spivs and near-spivs, he saves them with an ETS to start the music again.

Secondly, even at the low-start it triggers a massive increase in the Government's behaviour as taxer and redistributor.

In each of its first two years the Government will get around \$12 billion from issuing permits. These permits" are a tax are a tax are a tax.

The revenue they will raise will be greater than the last - and I do mean "the last" - round of tax cuts. And in succeeding years, the revenue starts to accelerate.

The Government though is not intending to keep the money. But to dole it back out to offset the impact of the increased cost of carbon emissions.

Like with petrol. We'll have to pay more to use petrol. But, in the ultimate craziness, we'll be compensated for that extra cost! How exactly does that

persuade anyone to switch to an alternative?

So on the key levels of actually changing behaviour, the scheme won't have any impact. On another it will have a deadly impact.

It will stop the building of another single coal-fired power station. Whether black or brown, the most sensible form of power generation in Australia.

While of course China will happily build many more, and take our coal to power them. Or somebody else's coal.

There will be two consequences. Less electricity and more erratic electricity as the grid tries to incorporate a dramatic expansion in useless wind power.

In short, in time, electricity rationing just like the water rationing most of our cities have been - are experiencing. And random blackouts.

It is a nonsense and confirms how theology has supplanted rational analysis even in Treasury, to claim this embarks on a replay of the tariff reductions of the 1980s.

Those were to remove artificially imposed costs on the Australia economy.

The ETS is precisely the opposite: to impose artificial costs on the Australian economy.

So if the tariff cuts delivered a more prosperous economy, the logic is undeniable.

Rudd becomes the first prime minister to specifically set out to make Australia and Australians poorer. Permanently.