Some Texts on Enviro Movements and Policy

California climate change and enviro policy (June 2007, 2 p)

Congressional bills to reduce US CO₂ emissions (May 2007, 2 p)

Polar bear politics (1 p, Jan 2007, Wall Street Journal)

UN downgrades man’s impact on climate 11, 12/2006 (Sunday Telegraph, London, 2 p)

Global warming facts (25 p, published 2002)
- And excess fears re food, climate, etc.
- Success of green agriculture revolution is here.

Climate change (3 p, US News, Apr 16, 2007)
- Early 2007: New Congress will assault White House enviro policies.

About enviro groups (by PBS TV producer) called: Eco-scam, the false prophets of ecological apocalypse (17 p)
- Can we decrease the fear that is not justified?

Trashing the economy (32 p)
- Runaway excesses.

Origins of the crash (stock bubble of 1990s) 23 p, 2004
- Story here: The Enron company went down in yr 2001

Ready to scan, July 11, 2007 (Doc RJ0420, 108 p)
Environmental policy (1)

Arnie’s uphill climb

LOS ANGELES

California’s confident approach to climate change has inspired America and the world. But things do not look so good in the state itself.

IN MOST parts of the world, climate change is a worrying subject. Not so in California. At a recent gathering of green luminaries— in a film star’s house, naturally— for that is how seriousness is often established in Los Angeles—the dominant note was self-satisfaction at what the state has already achieved. And perhaps nobody is more smug than Arnold Schwarzenegger. Unlike Al Gore, a presidential candidate turned prophet of environmental doom, California’s governor sounds cheerful when talking about climate change. As well he might: it has made his political career.

Although California has long been an environmentally-conscious state, until recently greens were concerned above all with smog and redwood trees. “Coast of Dreams”, Kevin Starr’s authoritative history of contemporary California, published in 2004, does not mention climate change. In that year, though, the newly-elected Mr Schwarzenegger made his first tentative call for western states to seek alternatives to fossil fuels. Gradually he noticed that his efforts to tackle climate change met with less resistance, and more acclaim, than just about all his other policies. These days it can seem as though he works on nothing else.

Mr Schwarzenegger’s transformation from screen warrior to eco-warrior was completed last year when he signed a bill imposing legally-enforceable limits on greenhouse-gas emissions—a first for America. The bill, which is just 13 pages long, obliges California to cut its emissions to 1990 levels by 2020. That alone is ambitious, considering that the state’s population is expected to increase by 42% in the period. But Mr Schwarzenegger has set up two other targets. He wants the state to reduce greenhouse-gas emissions to 2000 levels by 2010, and to slash them to 80% below 1990 levels by 2050.

Thanks mostly to its lack of coal and heavy industry, California is a relatively clean state. If it were a country it would be the world’s eighth-biggest economy, but only its 16th-biggest polluter. Its big problem is transport—meaning, mostly, cars and trucks, which account for more than 40% of its greenhouse-gas emissions (see chart) compared with 32% in America as a whole. The state wants to ratchet down emissions limits on new vehicles, beginning in 2009. Mr Schwarzenegger has also ordered that, by 2020, vehicle fuel must produce 10% less carbon: in the production as well as the burning, so a simple switch to corn-based ethanol is probably out.

Californians of the future will also be expected to use cleaner electricity. The state subsidises solar power, with the intention of creating a million power-generating roofs within ten years. It has, in effect, banned electricity companies from signing long-term contracts with coal-fired power stations, and plans to buy from cleaner sources. In 2002 Gray Davis, then the Democratic governor, signed a bill that committed the state to obtaining a fifth of its power from renewable sources, not including nuclear or large hydro-electric power stations, by 2017. Last year, in a typically cocky gesture, the deadline was brought forward to 2010.

Mr Schwarzenegger now jets around the United States and Canada (covering his emissions by buying offsets in a working redwood forest), commending other states on their efforts to control global warming and bashing the federal government for failing to take action. His message is perfectly pitched both to Californians’ belief that they are America’s innovators and to the western suspicion of big government. It helps enormously that he is a Republican—“a Republican going against type” as Terry Tamminen, an adviser, puts it—if he were not, it would be easy to typecast him as a lefty tree-hugger.

Thanks in part to California’s example, most of the western states have adopted climate action plans. When it comes to setting emission targets, the scene can resemble a posedown at a Mr Olympia contest. Arizona’s climate-change wonks decided to set a target of cutting the state’s emissions to 2000 levels by 2020. But Janet Napolitano, the governor, was determined not to be out-muscled by California. She has declared that Arizona will try to return to 2000 emission levels by 2012.

All of which is a welcome change from
business as usual. California has not just inspired other states; it has created a vanguard that ought to be able to prod the federal government into stronger national standards than it would otherwise consider. But California is finding it easier to export its policies than to put them into practice at home.

The state's first hurdle, which requires it to generate a fifth of its electricity from renewable sources in three years' time, now seems impossibly high. Last year it managed just 11%. Although the energy companies are eagerly signing up wind and sun farmers, there is simply not enough supply out there—at least, at the price the companies want to pay. Meanwhile, the plan to install solar roofs on houses has been stymied by the high cost of photovoltaic panels, red tape and a requirement, temporarily suspended, that customers buy additional power at rates that vary according to demand. That would have increased some households' energy bills.

**Loud words, soft actions**

Despite making some optimistic assumptions about future contracts, the public utilities commission has concluded that the state will miss its target for renewables. And the aim of cutting emissions from electricity production to 1990 levels by the end of the next decade may be just as unrealistic. Art Rosenfeld, the energy commissioner, has tried to work out how it can be done. He, too, makes heroic assumptions about improved energy efficiency, but still cannot make the sums add up.

It is a bad sign that California's electricity suppliers are struggling, because electricity is something over which the state wields considerable control. It has less power over carmakers, who are fighting to prevent California imposing emissions standards on them. If they succeed, even temporarily, California's goals will become unreachable. Thanks partly to the lack of rain and snow in California, vehicles stay on the road for a long time. It takes 16 years for half the cars made in a given year to be retired from service.

The state has even less power to slow the growth of its population, or to dictate where people live. It hopes "smart growth" policies (which encourage people to live closer together, and to take public transport) can get it a whopping 35% of the way towards its overall 2020 goal. But the news from that front is discouraging. The state is growing fastest in what Joel Kotkin and William Frey, in a report for the Brookings Institution, call the "third California"—a wide strip of dusty land sandwiched between the Pacific coast and the Sierra Nevada mountains. Between 2000 and 2005 that area gained almost 1.4m people—twice as many as southern California and more than 27 times as many as the San Francisco Bay area.

That is a huge environmental problem, for two reasons. First, it is even harder to do without a car in California's interior than in its sprawling coastal cities. Second, the

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**Environmental policy (2)**

Soot and safflower

Can Montana coal, having governor to green too?

Tom Delay, the conservative speaker in charge of the House of Representatives, wrote a letter to Montana's governor, upon learning that the state had made the decision to install safflower oil engines in the state.
Congressional Bills to Reduce the US Carbon Dioxide Emissions

Roy Jenne
May 25, 2007

The Kyoto effort to reduce carbon dioxide emissions will end in 2012. In Dec 2005 a meeting was held in Canada to plan for what would happen after 2012. The Kyoto reductions would cost a lot but would only make a 5% reduction in the amount of CO₂ at year 2100. Some groups were talking of huge reductions of CO₂ beyond 2012, even though the emissions of most European countries were already increasing, not decreasing. Canada hosted the international meeting to talk about emissions plans after 2012. This was held Dec 2005 and I have called it the first meeting to plan for Kyoto-2.

Some people said we need 30 Kyotos to accomplish the needs for Kyoto-2. I have collected some of the news stories to describe what happened at the Kyoto-2 meeting. Even though the meeting chatter seemed to be the same old fluff, it was clear that some people were starting to realize how difficult it would be to achieve any big reductions in CO₂. But now in May 2007, people in different countries and US states are making all sorts of flamboyant promises to reduce CO₂ without apparent concern about how to do it, whether it is possible, or the cost. Or whether climate is even the No. 1 priority for world problems to address. I sometimes feel that I must be in a zoo. In item C below we will describe comments by noted economist Robert Samuelson, on Feb 7, 2007.

Also in 1997, the US Senate voted 95-0 that the US should not sign Kyoto unless key developing countries also signed. Otherwise too many US factories and jobs would need to move to places where energy was cheaper. These arguments are still valid.

- But now they are ignored by US political plans.

A) Lots of bills in Congress (from *EnviroMag*, May/Jun 07, p 34, 38)

- Sanders-Boxer: CO₂ must be 80% below 1990 levels by 2050.
- Waxman (D-CA): Also 80% below 1990 levels by 2050.
- Kerry & Snowe: 65% of 2000 levels by 2050.
- Three other bills and more.
- McCain & Liebermann bill was to keep CO₂ at the same as 2000 levels by 2100.
  - New bill: Reduce CO₂ to 2004 levels by 2012.
  - CO₂ to 1990 levels by 2020.
  - And 60% below 1990 by 2050.
  - This bill also has subsidies for nuclear which enviros hate: “We completely disagree with need for nuclear,” they said in *E-Magazine*.
- California: Plans to reduce CO₂ to 80% of 1990 levels by 2050.
  - The governor signed a bill: Do 25% below 2006 levels by 2020.
- Four environmental organizations, plus corporations want a 60 to 80% reduction of CO₂ by 2050.
  - Nancy Pelosi (D-CA) wants a climate bill on the house floor by July 4, 2007 (others say this is impossible. I agree.)

B) Some other mandates about energy and CO₂ reductions in USA.

- Work toward 25% renewable energy by 2025.
  - Seventy organizations have endorsed this (*Solar Today*, May/June 2006). This is 25% of total US energy from renewables.
In 2004, Colorado said 10% of electricity from renewables by 2015. In March 2007, this was doubled to 20%.

Al Gore’s proposal (March 2007) is to freeze US CO2 emissions immediately at 2007 levels and then reduce it by 90% by 2050. (Ninety percent! A huge promise.)

C) How much reality is in this flurry of proposed US laws?
Probable not much reality. A noted economist made comments:

The Washington Post published an article by noted economist Robert Samuelson on Feb 7, 2007. He said, “You could be excused for thinking that we will soon do something serious about global warming.” He added, “Don’t be fooled. The dirty secret about global warming is this: We have no solution.”

“Considering this reality, you should treat the pious exhortations to ‘do something’ with skepticism, disbelief, or contempt. These pronouncements are (take your pick) naïve, self-interested, misinformed, stupid, or dishonest…” Please see his article.

In Europe, they had rather modest goals to reduce CO2 emissions by 2012, and have not even been able to accomplish that. Now nearly all European countries are increasing their emissions, yet they keep promising larger and larger decreases. This can not be a very sane plan when all this happens.

The UK climate plan of 2003 would not work:
The UK had a plan in 2003 to make huge 60% reductions in CO2 emissions by 2050 without even getting help from nuclear power. Big experts made the plan. By late 2005 they decided their plan would not work—they needed nuclear. Does the US planning in Congress try to learn from the UK experience? That would be too much to ask; the answer is, No.
Polar Bear Politics

Unless you've been hibernating for the winter, you have no doubt heard the many alarms about global warming. Now even the Bush Administration is getting into the act, at least judging last week's decision by Interior Secretary Dirk Kempthorne to recommend that the majestic polar bear be listed as "threatened" under the Endangered Species Act. The closer you inspect this decision, however, the more it looks like the triumph of politics over science.

"We are concerned," said Mr. Kempthorne, that "the polar bears' habitat may literally be melting" due to warmer Arctic temperatures. However, when we called Interior spokesman Hugh Vickery for some elaboration, he was a lot less categorical, even a tad defensive. The "endangered" designation is based less on the actual number of bears in Alaska than on "projections into the future," Mr. Vickery said, adding that these "projections models" are "tricky business."

Apparently so, because there are in fact more polar bears in the world now than there were 40 years ago, as the nearby chart shows. The main threat to polar bears in recent decades has been from hunting, with estimates as low as 5,000 to 10,000 bears in the 1950s and 1960s. But thanks to conservation efforts, and some cross-border cooperation among the U.S., Canada and Russia, the best estimate today is that the polar bear population is 20,000 to 25,000.

It also turns out that most of the alarm over the polar bear's future stems from a single, peer-reviewed study, which found that the bear population had declined by some 25%, or 25%, in Western Hudson Bay in the last decade. But the polar bear's range is far more extensive than Hudson Bay. A 2002 U.S. Geological Survey of wildlife in the Arctic Refuge Coastal Plain concluded that the ice bear populations "may now be near historic highs." One of the leading experts on the polar bear, Michel Taylor, the manager of wildlife resources for the Nunavut territory in Canada, has found that the Canadian polar bear population has actually increased by 25% to 15,000 from 12,000 over the past decade.

Mr. Taylor tells us that in many parts of Canada, "polar bears are very abundant and productive. In some areas, they are overly abundant. I understand that people not living in the North generally have difficulty grasping the concept of too many polar bears, but those who live there have a review before any formal listing decision is made.

Nonetheless, the bears seem to have survived despite many other severe warming and cooling periods over the last few thousands of years. Polar bears are also protected from poaching and environmental damage by the Marine Mammal Protection Act, so there is little extra advantage to the bears themselves from an "endangered" classification.

All of which suggests that the real story here is a human one, namely about the politics of global warming. Once a plant or animal is listed under the Endangered Species Act, the government must also come up with an elaborate plan to protect its habitat. If the polar bear is endangered by warmer temperatures, then the environmentalist demand will be that the government do something to address that climate change. Faster than you can say Al Gore, this would lead to lawsuits and cries in Congress demanding federal mandates to reduce greenhouse gas emissions.

Think we're exaggerating? No sooner had Mr. Kempthorne announced his study than Kassie Siegel of something called the Center for Biological Diversity told the New York Times that "even this Administration" would not be able to "write this proposal without acknowledging that the primary threat to polar bears is global warming and without acknowledging the science of global warming." Her outfit was one of those who had sued the feds in the first place over the polar bears, notwithstanding its location in the frozen tundra of Arizona. But no matter. For want of a few hundred polar bears, the entire U.S. economy could be vulnerable to judicial dictation.

With that much at stake, Mr. Kempthorne could have shown a stiffer backbone in resisting this political pressure. At the very least he now has an obligation to ensure that Interior's year-long study be based on real science and the actual polar bear population, rather than rely on computer projections. Any government decision to limit greenhouse gases deserves to be debated in the open, where the
UN downgrades man's impact on the climate
Richard Gray, Science Correspondent, Sunday Telegraph

Mankind has had less effect on global warming than previously supposed, a United Nations report on climate change will claim next year.

The UN Intergovernmental Panel on Climate Change says there can be little doubt that humans are responsible for warming the planet, but the organisation has reduced its overall estimate of this effect by 25 per cent.

In a final draft of its fourth assessment report, to be published in February, the panel reports that the level of carbon dioxide in the atmosphere has accelerated in the past five years. It also predicts that temperatures will rise by up to 4.5°C during the next 100 years, bringing more frequent heat waves and storms.

The panel, however, has lowered predictions of how much sea levels will rise in comparison with its last report in 2001.

Climate change sceptics are expected to seize on the revised figures as evidence that action to combat global warming is less urgent.

Scientists insist that the lower estimates for sea levels and the human impact on global warming are simply a refinement due to better data on how climate works rather than a reduction in the risk posed by global warming.

One leading UK climate scientist, who asked not to be named due to the sensitivity surrounding the report before it is published, said: "The bottom line is that the climate is still warming while our greenhouse gas emissions have accelerated, so we are storing up problems for ourselves in the future."

The IPCC report, seen by The Sunday Telegraph, has been handed to the Government for review before publication.

It warns that carbon dioxide emissions have risen during the past five years by three per cent, well above the 0.4 per cent a year average of the previous two decades. The authors also state that the climate is almost certain to warm by at least 1.5°C during the next 100 years.

Such a rise would be enough to take average summer temperatures in Britain to those seen during the 2003 heatwave, when August temperatures reached a record-breaking 38°C. Unseasonable warmth this year has left many Alpine resorts without snow by the time the ski season started.

Britain can expect more storms of similar ferocity to those that wreaked havoc across the country last week, even bringing a tornado to north-west London.

The IPCC has been forced to halve its predictions for sea-level rise by 2100, one of the key threats from climate change. It says improved data have reduced the upper estimate from 34 in to 17 in.

It also says that the overall human effect on global warming since the industrial revolution is less than had been thought, due to the unexpected levels of cooling caused by aerosol sprays, which reflect heat from the sun.

http://www.telegraph.co.uk/core/Content/displayPrintable.jhtml;jsessionid=KA5TMWU... 12/12/2006
Large amounts of heat have been absorbed by the oceans, masking the warming effect.

Prof Rick Battarbee, the director of the Environmental Change Research Centre at University College London, warned these masking effects had helped to delay global warming but would lead to larger changes in the future.

He said: "The oceans have been acting like giant storage heaters by trapping heat and carbon dioxide. They might be bit of a time-bomb as they have been masking the real effects of the carbon dioxide we have been releasing into the atmosphere.

"People are very worried about what will happen in 2030 to 2050, as we think that at that point the oceans will no longer be able to absorb the carbon dioxide being emitted. It will be a tipping point and that is why it is now critical to act to counter any acceleration that will occur when this happens."

The report paints a bleak picture for future generations unless greenhouse gas emissions are reduced. It predicts that the climate will warm by 0.2 C a decade for the next two decades if emissions continue at current levels.

The report states that snow cover in mountainous regions will contract and permafrost in polar regions will decline.

However, Julian Morris, executive director of the International Policy Network, urged governments to be cautious. "There needs to be better data before billions of pounds are spent on policy measures that may have little impact," he said.

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Global Warming Facts

Published 2002

(Excess Fears about food, climate, etc)

1) This book has 11 chapters and 423 pages. Please buy the book. We can only introduce it here. The sections are:
   Chapter 1. About global warming, ocean water at North Pole, drought, sea level rise, etc (by Christie)
   (By Christie: size of the pages are here)
   Chapter 2. Feeding a world of 10 billion people by Borlaug
   - Borlaug is a true hero of the Green Revolution
   - Clewes of his pages are given here

2) A note: The publishers of the book chose the title of the book. The title made it sound as if there has not been any global warming (which is false). That put authors like Christie in a bad position -- to apparently defend something that was not true!

3) However, the main thesis that there have been far too many poorly based scare stories that give the public an overload of misinformation (along with some good info) is true. The problem is that this can lead to bad national policies:
   - Too much money that is wasted, and too little progress on the actual problems that exist.

Roy Janne
July 15 - 2007
Senior Scientist - NCAR
Global Warming

How much

How serious

Excess fear about food, climate, etc.

Note: I did not like the actual book title because there has been some global warming since 1820.

News: The publishers chose the title:

Published 2002 - 423 pages

How the Environmental Movement: Uses False Science to Scare Us to Death

Note: There has been (global warming and glacier loss) since about 1820.

Some cooling 1945 - 1976

FORUM
An Imprint of Prima Publishing

- Roy Tenne
NCAR
-Apr 2007

Greenhouse gases likely contributed to part of the warming from about 1970-on.
Global Warming and Other Eco-Myths

How the Environmental Movement Uses False Science to Scare Us to Death

Published 2002 — 423 pages

FORUM
An Imprint of Prima Publishing

—Apr. 2007

Note: There has been global warming (and glacier loss) since about 1820. Some cooling 1945–1976.
—Roy Tenne
NCAR

Greenhouse gases likely contributed to part of the warming from about 1970–on.
Roy — A small response to all
the great info you’ve sent
me over the years.

What very little I’ve read in
this book seems good — hope its
accurate, and that you will
enjoy.

Soul

Ned & Jeanette Tanne

— see next page —
Some info about my brother Ned Penna (born Aug 1941)
Ned has been a science teacher in High School in Alabama for many years (chemistry and physics). I can see that his students get a very good background. (Nov 2007)
Earlier history including Vietnam

Ned graduated from High School in May 1959 and attended the State University of Washington (WSU) at Pullman in SE Washington that fall.

He graduated from college in Jan 1964 and went into the US Army in 06/1964 (He took ROTC in college). He was in basic training for 3 months and then went to flight school at Ft. Rucker, Alabama for about 11 months. He met his future wife Jeanette there. The flight school was for single wing, twin-engine aircraft. It started Oct 1964. Then he had training on the similar, newer UH-1H plane in Sep 1965. ([Plane shot down] in Dec 1965)

He was in Vietnam for a year starting Oct 1965. First he was on visual reconn, where they flew only 50 ft off the ground (they were a target). He was pilot - a 2-man plane. In Dec 1965, they were shot at a lot. There was fire. They tried to get to base, but had to stop up at only 100 ft altitude. They landed very near the warehouse. He just stuck - other person got some burns. They think recovery might take 8-9 months and send him to Japan. After 3 weeks he was OK and went back to Vietnam to fly radar mapping at 7000 feet. In a minute, a display would show if anything was moving on the ground.

CONTRIBUTORS

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Ronald Bailey is science correspondent for Reason, a national monthly magazine on politics and culture. He writes a weekly online column dealing with science and technology policy for www.reason.com. Previously, he produced several weekly national public television series including Think Tank and Technopolitics, as well as several documentaries for PBS television and ABC News. Mr. Bailey was the 1993 Warren T. Brookes Fellow in Environmental Journalism at the Competitive Enterprise Institute. He was a staff writer for Forbes magazine (1987 to 1990) covering economic, scientific, and business topics. His articles and reviews have appeared in the Wall Street Journal, the Washington Post, Commentary, the New York Times Book...
Dr. Norman E. Borlaug was awarded the Nobel Peace Prize in 1970 for launching the "Green Revolution" that dramatically raised agricultural productivity and saved millions of poor people around the world from famine. He now leads the Sasakawa–Global 2000 agriculture program, a joint venture between the Sasakawa Africa Association and The Carter Center's Global 2000 program. The Sasakawa–Global 2000 program works with more than 4,000,000 small-scale farmers in eleven sub-Saharan African countries. Now 88 years old, Dr. Borlaug was awarded his doctorate in plant pathology in 1942 by the University of Minnesota. He served at the Rockefeller Foundation as the scientist in charge of wheat improvement under the Cooperative Mexican Agricultural Program. With the establishment of the International Maize and Wheat Improvement Center (CIMMYT) in Mexico in 1964, he assumed leadership of the Wheat Program, a position he held until his official retirement in 1979. Since 1984, Dr. Borlaug has served at Texas A&M University as Distinguished Professor of International Agriculture.

Dr. John Christy received his Ph.D. in Climate Dynamics in 1987 from the University of Illinois. For the past two decades, he has investigated various aspects of the globe's climate as Professor of Atmospheric Science at the University of Alabama in Huntsville. He is also Alabama's State Climatologist and Director of the Earth System Science Center at UAH. He and Dr. Roy Spencer (also UAH) com-
bined their talents to produce a satellite-based set of global temperature products that accurately depict temperature variations since 1979, earning the NASA Medal for Exceptional Scientific Achievement and a Special Award by the American Meteorological Society. Dr. Christy served as a contributor (1992, 1996) and lead author (2001) of the United Nations' Intergovernmental Panel on Climate Change assessments. He has appeared before several congressional committees to offer testimony on climate variability and change, and has been a member of National Research Council panels dealing with climate. Prior to his scientific career, Christy taught physics and chemistry as a missionary in Kenya.

Gregory Conko is Director of Food Safety Policy with the Competitive Enterprise Institute in Washington, D.C., where he specializes in issues of food and pharmaceutical drug safety regulation, and on the general treatment of health risks in public policy. He is also the Vice President and a co-founder of the AgBioWorld Foundation, a

Stephen Moore is a senior fellow in economics at the Cato Institute. He is formerly an economic analyst with the Heritage Foundation. He has also served as senior economist at the Joint Economic Committee of the United States Congress. He is the author of three books: It's Getting Better All the Time: 100 Greatest Trends of the Last 100 Years (with Julian Simon), Still an Open Door? The Future of U.S. Immigration Policy (with Vernon Briggs), and Government: America's Number One Growth Industry. Mr. Moore has a B.A. from the University of Illinois and an M.A. in economics from George Mason University.

C. S. Prakash is a professor in Plant Molecular Genetics and Director of the Center for Plant Biotechnology Research at Tuskegee University in Alabama. He is also the President and a co-founder of the AgBioWorld Foundation, a non-profit organization that provides information to teachers, journalists, policy makers, and the general public about developments in plant science, biotechnology, and sustainable agriculture. From 1999 to 2001, Dr. Prakash served on the U.S. Department of Agriculture's Agricultural Biotechnology Advisory Committee, and he currently serves on the Advisory Committee for the Department of Biotechnology of the Government of India.
INTRODUCTION:
THE RISE AND EVENTUAL FALL OF IDEOLOGICAL ENVIRONMENTALISM

"YOU CANNOT GO to any corner of the globe and not find some degree of environmental awareness and some amount of environmental politics," declared Christopher Flavin, now head of the Worldwatch Institute, at the Earth Summit in Rio de Janeiro, 10 years ago. Flavin added that with socialism in disrepute, environmentalism is now the "most powerful political ideal today."  

The ideological environmentalism that Flavin is talking about is far different from the pragmatic everyday kind of environmentalism that most of us favor; for example, being thrifty with resources, lowering air and water pollutants, and conserving wildlife. Ideological environmentalism embodies a sweeping agenda aimed at radically transforming how we live and work.

Since the Earth Summit in Rio, political environmentalism has grown ever more powerful. Green Party representatives sit in the world's parliaments. International environmental treaties like the Kyoto Protocol (to control projected man-made global warming), and the Biotechnology Protocol (to regulate international trade in genetically enhanced crops) have been negotiated and adopted.

But there is a hidden crisis growing in the heart of ideological environmentalism. Key predictions made by environmentalist ideologues about the future state of the Earth and humanity are simply not coming true.

And this is critical because, as Robert Paehlke wrote in his book, Environmentalism and the Future of Progressive Politics, "Environmentalism..."
is the first ideology to be deeply rooted in the natural sciences. Scientific findings do not themselves lead to a particular set of political conclusions, but they are essential to this ideology in a way that they are not to any other.\[11\] Several key books

At its modern founding, ideological environmentalists made sweeping claims about the impending fate of humanity and the Earth. One of the most important canonical works of environmentalist ideology is Rachel Carson’s 1962 Silent Spring. Time called it “the cornerstone of the new environmentalism,” and former Vice President Al Gore declared, “Without this book, the environmental movement might have been long delayed or never have developed at all.” Carson predicted that modern synthetic chemicals, especially pesticides, would cause epidemics of cancer and kill off massive quantities of wildlife. Another canonical work is Stanford University biologist Paul Ehrlich’s infamous The Population Bomb. In 1968, Ehrlich confidently predicted that “[t]he battle to feed all of humanity is over. In the 1970’s the world will undergo famines—hundreds of millions of people are going to starve to death in spite of any crash programs embarked upon now.” A third canonical book, The Limits to Growth report to the Club of Rome, was published in 1972. The Limits to Growth incorporated the dogma of imminent depletion of natural resources to concerns about growing population and rising pollution. Each of these books was a bestseller.

Thirty years later, the influence of these books remains strong. “The Limits to Growth is but one in a long series of books that have disturbed industrial society,” declared Donella Meadows, a member of the original The Limits to Growth team, at the 1988 Cassandra Conference organized by Paul Ehrlich and John Holdren. Meadows went on to list “others in this tradition” including, of course, Silent Spring, by Rachel Carson; The Population Bomb, by Paul Ehrlich; Small Is Beautiful, by E. F. Schumacher; and The Global 2000 Report to the President, edited by Gerald O. Barney. Meadows stated that her fellow participants in the Cassandra Conference still “treasure and are sustained by all of them, quote from them, assign them to students. Each book in some way engenders another.”
Indeed, these books together form a canon that continues to sustain ideological environmentalism to this day. As recently as the summer of 2001, Earth First! founder and environmental activist David Foreman was defending Ehrlich’s *The Population Bomb* as being “misunderstood.” The activist group Pesticide Action Network continues to claim that synthetic chemicals are dramatically increasing cancer rates in the tradition of *Silent Spring*. And Princeton University professor Jeffrey Deffeyes declared last year in his book *Hubbert’s Peak: The Impending World Oil Shortage* that the world will face another “oil crisis” later in this decade.

Each of the original manifestos and the ones that followed were by no means dispassionate discussions of the results of scientific investigations but instead were chiefly calls to action: Ban synthetic chemicals, coercively limit births, and cut economic growth. The founders of ideological environmentalism justified these political goals by claiming that scientific findings demanded that they be adopted. So if their science is wrong, then so, too, are their policies.

Like all ideologies, political environmentalism consists of two parts: a diagnosis and a cure. The environmentalist diagnosis of the problems facing humanity is that modern societies are destroying the Earth and thus imperiling humanity. The cure they recommend is a series of sweeping policies that would radically reshape how the world works. “[W]e must make the rescue of the environment the central organizing principle for civilization,” declared Gore in his own manifesto, *Earth in the Balance.* The political message at the core of ideological environmentalism was then and is now “Do what I say or the world will come to an end.”

But the fact is that the original, enduring claims that first captured the attention of the public and policy makers have not turned out to be true.
ECO-MYTHS DEBUNKED

- No global climate disaster is looming. Humans are causing an increase in carbon dioxide and other greenhouse gases, which will likely cause a very slow rise in global temperatures with which we can easily cope.
- The types of damaging weather people worry about, including hurricanes, tornadoes, floods, and droughts, are not increasing in number or severity.
- Barring another ice age, sea level will rise naturally and slowly for centuries to come.
- There have always been changes in the background climate, such as the recent warming of the global average temperature. Since 1979, the global temperature trend is a modest +0.06°C increase per decade through March 2002. Note that this increase is only one-third the rate measured by thermometers scattered unevenly across the globe.
- Carbon dioxide (CO₂) is the lifeblood of the planet, not a pollutant.
- Model projections of climate and weather are scientifically crude at best and should not be used as pretexts for imposing a global energy policy.
- Access to affordable energy enhances human life and is especially important to improving the lives of the poorest of Earth’s inhabitants.

The most accurate characterization of the current international discussion about climate change (or global warming) appeared in the Times of London. The science of “climatology,” the Times notes, has become “calamitology.”

Readers, viewers, listeners, and Web surfers of climate change news are now relentlessly assaulted by that which alarms rather than that which educates. Three recent examples from sources no less than the New York Times, the Washington Post, and Time magazine demonstrate how politicized, misinformed, and distorted this issue has become. Beginning with the New York Times:
The North Pole is Melting... the last time scientists can be certain that the Pole was awash in water was more than 50 million years ago.²

The New York Times based its story on a report from Harvard’s James J. McCarthy, professor of oceanography and cochair of Working Group II (“Adaptation and Impacts of Climate Change”) of the United Nations (UN) Intergovernmental Panel on Climate Change (IPCC). He was a tourist on a Russian icebreaker and saw a patch of open water at the pole. Knowing little about natural variations of water and ice distributions at the pole, an alarmed McCarthy contacted the New York Times. McCarthy and the Times simply leapt to the conclusion that open water at the North Pole must be caused by human-induced climate change.

During the next eight days, numerous eyewitness accounts and photographic evidence of open water at the Pole in past years were sent to the Times. Finally relenting, the Times admitted in a story, buried deep in the paper, “Those reports [of open water] are not as surprising as suggested [earlier] in the New York Times.”³ And... sorry for the confusion.

Similarly, the Washington Post announced in July 2001 that Peruvian glaciers were rapidly retreating because of global warming. Their expert? ... Benjamin Morales, “the dean of Peru’s glaciologists.” Morales said, “The temperature was rising very slowly until 1980, and then—he swept his arm up at a steep angle.”⁴ However, had Morales looked at the climate records of surface temperature or satellite-measured air temperatures (at elevations where glaciers reside), he would have discovered that since 1979 Peru has been experiencing a cooling trend. The temperature in Peru has not swept upward since 1980, but climatology was swept out the door. Morales’s views were not constrained by real data and therefore made perfect material for a front-page story on climate change.
rance policy—"seem," "if," "might," and "could"—before launching into a brutalizing description of the latest disaster and its potential for getting worse. (Anything might happen.) Rarely are numbers, which can be assessed objectively, reported in such stories. All science, as Massachusetts Institute of Technology (MIT) professor Richard Lindzen notes, echoing Lord Kelvin, is numbers.

GLOBAL TEMPERATURES

When people mention global warming in a rudimentary scientific context, they probably have in mind a graph of the temperature of the planet rising over the past 100 years or so (Figure 1.1). In fact, the surface of the globe has never been completely monitored so that a true global average temperature could be determined. What has been done is to take whatever

![Figure 1.1 Annual Global Surface Temperature Estimate](image)


. Fact warming 1908 - 1945
- Then some cooling
This is "climatespeak" for stating that no changes in hurricanes, thunderstorms, hail, floods, tornadoes, and the like have been observed. Thus the kind of severe weather people really care about shows normal natural variability but no significant long-term trend.

We also note that disastrous weather is not increasing or decreasing and that the plant world (along with food production) is definitely enjoying rising levels of CO₂. There are two significant issues related to climate change—sea level rise and increased droughts—that are important to consider.

SEA LEVEL RISE

Sea level rise is a serious concern because many human settlements live at the margin of low coastal plains and islands so that small changes could have significant consequences. Sea level, however, should not be thought of as being constant. Science is clear that, just as with climate, there is no law that states sea level should remain stationary. During the last major ice age, 25,000 years ago, the sea level was more than 300 feet lower than today, so a considerable amount of rise has already occurred naturally. In the past 6,000 years, the sea rose about 2 inches per century, but the rate increased about 1,850 to 6 inches per century, a rate change occurring before humans could have had any influence. Sea level changes naturally.

Over the time period shown in Figure 1.1, the total rise in average sea level has been about 9 inches. Individual coastlines have wide variations in the rise (or fall) because local changes in sea level depend on many factors, including rising or subsiding coastal land. This 6-inch-per-century rate has remained steady since 1850 and has not accelerated.

Two main factors are likely causing average sea level to rise: (1) the thermal expansion of the ocean as it warms from the cold 15th to 19th centuries and (2) the melting (or nongrowth) of many glaciers.

The present rate of sea level increase noted in the IPCC 2001 as 6 ± 4 inches per century acknowledges these uncertainties. We know from relatively recent geological periods of warmth (e.g., 130,000 years ago) that sea level has been even higher than it is today. We would expect, therefore, in the absence of a return to an ice age, that there should be more sea level creep in the future even without a contribution from extra greenhouse gas warming and plan accordingly. Sea level, like climate, is always changing.
The period of coolness in the 15th to the 19th century is often called the Little Ice Age, being especially noticeable in Europe where historical documentation supports the proxy data. Thus the natural cooling of the Earth to the 19th century is a well-known feature.

In an effort to make sense of the tremendous complexity of the climate system, the UN instituted the Intergovernmental Panel on Climate Change. The IPCC reports are written by a selection of (mostly) government-nominated scientists whose backgrounds vary from the most accomplished scientists to relatively unknown bureaucrats. The latest IPCC document on the science of climate was released in August 2001 on which 122 lead authors, spread out amongst 14 chapters, worked for three years to provide an assessment of as much information as possible. Most lead authors had nothing to do with chapters other than their own. Several hundred reviewers provided comments but in no way could they be considered intimate with the final product, nor was their approval solicited. Statements by ideological environmentalists that thousands of IPCC scientists agree on anything is simply untrue and misrepresents the process. None of the 122 lead authors had the opportunity to place a stamp of approval on every statement. Simply put, most of us had nothing to do with most of the report. Though drafted by a small group of IPCC scientists, the brief account of the main points used by the media and called the Summary for Policymakers, was actually edited and approved by a political body.

**IS THE CLIMATE CHANGING?**

This is the easiest question of all to answer. The background climate of Earth has always changed and will continue to change.

The alarmist media reports described in the introduction become the source of downstream hysteria promoted by those with extreme environmental agendas. Such pronouncements by ideological environmentalists that the globe's weather is worsening are actually false. Even the IPCC states clearly that, after looking at real data (i.e., numbers):

*the intensity and frequency of tropical and extra-tropical cyclones and severe local storms show no clear trends in the last half of the 20th century.*

Page 20
In early 2002, a large section of the Larsen Ice Shelf (Larsen B) on the Antarctic Peninsula disintegrated into the adjacent Weddell Sea. The size, 1,250 square miles by 650 feet thick, made it easily visible by satellites, which quickly provided the all-important video for the evening news broadcasts. Was this evidence of the global warming catastrophe in which Antarctica melts and floods our coastal cities? The Antarctic continent, of which the peninsula is only a tiny portion, is a giant complex system of interlocking ice caps and glacial "rivers" of ice that constantly flow into the surrounding oceans. When the continent is viewed as a whole, surprising results (at least to global warming alarmists) appear: The temperature of the continent has actually declined over the past 30 years, major portions of the West Antarctic ice cap are thickening, and the extent of the sea ice around the continent has actually expanded since 1980. In fact, hundreds of thousands of penguin chicks died during the most recent Antarctic summer (2001–02) because the sea ice was too extensive for parents to reach the sea from their nesting grounds and return in time with food. 21 Yes, the local temperature of the peninsula has risen in the past 50 years, but this small area does not serve to inform us of the much bigger Antarctic picture. And the melting of Larsen B has no impact on global sea level since the ice shelf was already floating on the water.

REAL DROUGHTS

Weather instruments have covered most of the United States since the end of the 19th century. One measure of weather that is critical to our economy and thus our well-being is the occurrence of droughts and wet spells. The National Climatic Data Center keeps track of such quantities (Figure 1.4) In the past 100+ years we have had some significant droughts—everyone knows of the 1930's Dust Bowl—and major wet spells, but there is no obvious trend in either direction.

![Figure 1.4](Image)

Source: National Climatic Data Center/NESDIS/NOAA.
CHAPTER TWO

FEEDING A WORLD OF 10 BILLION PEOPLE: THE MIRACLE AHEAD

Norman E. Borlaug

Borlaug was a key person for Green Revolution

ECO-MYTHS DEBUNKED

• Contrary to the predictions of many environmentalist ideologues, world food supplies have more than tripled in the past 30 years, staying well ahead of world population growth. Global food supplies, if equitably distributed, could provide an adequate diet for 700 million more people than there are living in the world today.

• Had the global cereal yields of 1950 still prevailed in 1999, humanity would have needed nearly 1.8 billion hectares of land of the same quality—instead of the 600 million that were used—to equal the current global harvest.

• To feed the world’s growing population a better diet, it is likely that an additional 1 billion tons of grain will be needed annually by 2025. Most of this increase must be supplied from lands already in production, through yield improvements.

• Organic agriculture is incapable of feeding the world’s current population, much less providing for future population growth.

• Scientific breakthroughs, particularly in agricultural biotechnology, will likely permit another 50 percent increase in yields over the next 35 years if their development is not hindered by antiscience activism.

• While challenging, the prospects are good that the world’s farmers will be able to provide a better diet at lower prices to more people in the future.

I am now in my 58th year of continuous involvement in food production programs in developing nations. During this period, I have seen much progress in increasing the yields and production of various crops, especially the cereals, in many food-deficit countries. Clearly, the research that backstopped this progress has produced huge returns. Yet despite a more than tripling in the world food supply during the past three decades, the so-called Green Revolution in cereal production has not solved the problem of chronic undernutrition for hundreds of millions of poverty-stricken people around the world, who are unable to purchase the food they need, despite abundance in world markets, due to unemployment or underemployment. Still, the world’s food situation has improved markedly.
Predictions of global famine

Thirty years ago there were many who claimed that global famine was unavoidable. For example, in 1968 biologist Paul Ehrlich predicted in The Population Bomb, "The battle to feed all of humanity is over. In the 1970s the world will undergo famines—hundreds of millions of people are going to starve to death in spite of any crash programs embarked upon now." In 1967, Lester Brown, who later founded the environmentalist think tank the Worldwatch Institute, declared, "The trend in grain stocks indicates clearly that 1961 marked a worldwide turning point...food consumption moved ahead of food production." Brown, too, saw famine looming. But fortunately they were wrong. They merely extrapolated trends without taking into account how the hard work of farmers, combined with breakthroughs developed by researchers, would dramatically boost world food supplies.

Sometime during the 21st century, world population will reach—and hopefully stabilize at—9 to 10 billion people. This event is likely to occur sometime around 2050. To give you some idea of the population increase that the world experienced during the 20th century, when I was born in 1914, there were only about 1.6 billion mouths to feed; in 2002 we will number some 6.1 billion. While global population growth rates have slowed over the past 20 years—and are actually negative in some industrialized countries—absolute population increases are still on the order of 75 to 80 million per year.

Invention of agriculture

The invention of agriculture, some 10,000 to 12,000 years ago, heralded the dawn of civilization. It began with rainfed, hand-hoed agriculture, which evolved into an animal-powered, scratch-tooled agriculture, and finally into an irrigated agriculture along the Euphrates and Tigris Rivers, that for the first time allowed human-kind to produce food surpluses.

<table>
<thead>
<tr>
<th>Year</th>
<th>World Population</th>
</tr>
</thead>
<tbody>
<tr>
<td>1914</td>
<td>~1.6 billion people</td>
</tr>
</tbody>
</table>
GREEN REVOLUTION

The breakthrough in wheat and rice production in Asia in the mid-1960s, which came to be known as the Green Revolution, symbolized the process of using agricultural science to develop modern techniques for the Third World. It began in Mexico with the "quiet" wheat revolution in the late 1950s. During the 1960s and 1970s, India, Pakistan, and the Philippines received world attention for their agricultural progress. Since 1980 China has been the greatest success story. Home to one-fifth of the world’s people, China today is the world’s biggest food producer. With each successive year, its cereal crop yields approach that of the United States.

The adoption of modern production technology explains the tremendous increase in food production in the developing countries of Asia, stretching from Turkey in West Asia to the Pacific rim of East and Southeast Asia. Over the past 40 years, Asia’s irrigated area has more than doubled to 176 million hectares. Fertilizer consumption has increased more than 30-fold --- etc.
ECO-MYTHS DEBUNKED

- Contrary to infamous doom and gloom reports of the 1960s and 1970s, including the Club of Rome’s 1972 The Limits to Growth and the Carter Administration’s 1980 Global 2000 Report, we are not running out of energy, food, or minerals. The data clearly show that natural resource scarcity—as measured by cost or price—has been decreasing rather than increasing in the long run for all raw materials, energy, and food with only temporary exceptions from time to time. That is, resources have become more abundant, not less so.¹

  The water that we drink today is not just healthier, it is substantially healthier than it was 100 years ago, and the water is getting cleaner with every passing year. At least one of every five deaths prior to 1900 was attributable to contaminants in the drinking water. U.S. lakes and streams that were once threatened by pollution have been dramatically cleaned up over the past 30 years.²

- Air pollution levels are falling, not rising. Smog levels in major U.S. cities including Chicago, Houston, Los Angeles, Philadelphia, and Pittsburgh have declined steadily since the 1960s.³ Lead levels in the air have fallen by an astonishing 90 percent over the past three decades.⁴

- We are by no means running out of trees or forests. Over the past 50 years, American landowners and private industry have been growing more trees than they have been cutting down.⁵

There is almost certainly no other issue on which the general beliefs of most Americans and many others around the world about the state of affairs is so contrary to objective reality than in the area of the environment. Hundreds of millions of people around the world believe that, because of industrialization, population growth, and mass consumption, our air and our water are deteriorating and that our natural resources are being depleted. In a recent CNN/USA Today poll, when the American public was asked what would be some of the greatest problems that humankind will confront over the next 50 years, two of the top responses dealt with the environment. More than four of five said they feared “severe water pollution” and “severe air pollution.”
This pervasive public pessimism about the state of the planet is undoubtedly reinforced by the incessant din of propaganda issued by activist organizations devoted to ideological environmentalism. Those claims are picked up by the media, which then bombards us with tales of impending shortages of electricity, oil, clean drinking water, farmland, forests, and food. Millions of people have been influenced by famous doomsday reports issued in the 1960s and 1970s, such as *The Limits to Growth* and *The Global 2000 Report to the President: Entering the 21st Century*, both of which predicted impending resource shortages, imminent global famines, and worsening environmental degradation due to increased population, consumption, and economic growth.

However, the basic trends of environmental conditions and natural resource availability over the past 100 years or so tell a very different story. Focusing on the United States as the most advanced modern economy, the trend data presented on the pages that follow deal with four areas of environmental concern: (1) air quality, (2) water quality, (3) energy, and (4) availability of natural resources.

In each of these areas, the basic data and trend lines generally indicate substantial improvement both in the near term and especially over the long run. That is to say, the data contradict the popular but discredited “limits to growth” model that is still taught in schools and receives such widespread attention from worldwide organizations and the national media.

*Can the progress continue?*

What follows is an explanation for why these environmental improvements have occurred in recent times and why it is that these favorable trends toward a healthier environment and a more livable planet should show continued gains in the future. The trends of general improvement will undoubtedly strike many readers as counterintuitive. After all, with more people on the planet all the time, and a world of supposed finite resources, it would make sense that as we use
Land use in the USA

hundreds of thousands of additional acres in concrete every year. From 1960 to 1990, the number of acres classified as "urban land" more than doubled, from 25 million to 56 million. Yet the percentage of land in the United States that is devoted to urban/suburban use is only about 3 percent of the total land area of the continent (Figure 4.13). The rate at which land is being converted to suburban development is about 0.0006 percent per year, which is hardly a worrisome trend. In fact, protected lands from development have outpaced urban land conversion over recent decades. According to Pacific Research Institute (PRI), "The ratio of protected lands to urban and agricultural lands rose from 6.4 percent to 22.9 percent from 1959 to 1987."48

While there may be some cause for concern about preserving tropical rain forests in Brazil and other developing nations, and old growth forests in the United States, the fact remains that forests are not shrinking and trees are not disappearing. Here is some impressive evidence to that effect:

- Currently, the Forest Service reports that the United States is growing about 22 million net new cubic feet of wood a year and harvesting only 16.5 million, a net increase of 36 percent per year. This contrasts with the situation in the early years of
this century, where about twice as many trees were cut as were planted. (See Figure 4.14.)

- In this century, despite a fourfold increase in population, the percentage of land space that is covered by forest has remained remarkably constant at about one-third of the land area of the United States.

- The amount of [world forest] has held remarkably steady over the course of the past 50 years. There are now nearly 4 billion hectares of forest on the globe, up from about 3.6 billion in the late 1940s. Nor are rain forests disappearing at an alarming rate.

- Russian forests have grown substantially in recent years, increasing Russia's forest cover by more than a million hectares in just the last 10 years.

As always, the most reliable indicator of whether we are running out of trees and wood products is the price data for paper and other forest products. The price data for forest products over the past century should dispel overblown fears that we will soon be suffering a timber famine. Lumber prices relative to wages are about one-third the

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Figure 4.14
Timber Growth and Removals

<table>
<thead>
<tr>
<th>Year</th>
<th>Net Growth</th>
<th>Removals</th>
</tr>
</thead>
<tbody>
<tr>
<td>1920</td>
<td>5</td>
<td>10</td>
</tr>
<tr>
<td>1933</td>
<td>7</td>
<td>15</td>
</tr>
<tr>
<td>1952</td>
<td>10</td>
<td>20</td>
</tr>
<tr>
<td>1962</td>
<td>15</td>
<td>25</td>
</tr>
<tr>
<td>1970</td>
<td>20</td>
<td>30</td>
</tr>
<tr>
<td>1976</td>
<td>25</td>
<td>35</td>
</tr>
</tbody>
</table>

CLIMATE CHANGE

With the Democrats now in control of Congress, the White House faces a new assault on its environmental policies

By Bret Schulte

Toward the end of his first 100 days in office, President George W. Bush suspended proposed Clinton administration regulations to clamp down on arsenic in drinking water, arguing that more study was needed. His action drew the ire of Democratic Sen. Barbara Boxer. "I sent Arsenic and Old Lace over to the White House with a note that says, 'Don't you know arsenic kills? Watch the movie," she tells U.S. News. "I never got an answer." In the end, Bush allowed the Clinton rule to take effect. Democrats notched a win, but arsenic proved to be just the opening salvo in a red-faced battle over all things green.

Overshadowed by the high-stakes debates over Iraq and the war on terrorism, environmental policy has simmered as an ideological battleground for congressional Democrats and the Bush White House. Toting an M.B.A., Bush came to Washington determined to wed environmental policy with market-based reality. And for most of his time in office, the president clearly had the upper hand. Not only is he the chief executive of the Environmental Protection Agency, he was aided by a Republican-controlled Congress disinclined to raise questions. But as Boxer, who now wields the gavel of the Environment and Public Works Committee, recently declared: "Elections have consequences."

Suddenly empowered Democrats are vowing to push back. The environmental committee just added a new legislative gunslinger, an attorney who specializes in clean-air regulation. Rep. John Dingell, Boxer's powerful counterpart in the House, is investigating the drop-off in progress cleaning up some of the worst environmental pollution cases, the so-called Superfund sites. And both have summoned the EPA administrator, Stephen Johnson, to Capitol Hill to justify the agency's budget requests for the first time in the Bush administration.

The White House isn't blinking. The president issued a controversial executive order on January 18 that strengthened his hand, putting a presidential appointee in charge of rule making at the EPA (and other agencies) as well as decreeing that "market failure," or proof that a regulation is ineffective, will be the primary catalyst for stricter regulations—as opposed to other factors, such as new pollution-control technology. In short, the war over the EPA just escalated.

For observers, it's hard to imagine things getting much uglier. The arsenic flap raised tensions. So did Vice President Dick Cheney's early closed-door sessions with energy representatives as he com-
posed a national energy policy rife with environmental implications. The affair affirmed some people's worst suspicions about the White House, although experts say industry advice on regulations is necessary. The problem is that "closed-door meetings favor perceptions that it's a one-sided debate," says James Boyd, an environmental policy expert at Resources for the Future, an independent research group in Washington.

Critics say it's more than perceptions. Eric Schaeffer, the EPA's former top cop, resigned in protest in 2002 after 12 years at the agency. In his parting letter, he wrote that the White House "seems determined to weaken the rules we are trying to enforce." He calls industry influence in the EPA today "totally over the top." William Wehrum, one of the EPA's top officials on air quality, counters that the agency, under the Bush administration, has enacted "two of the most health-protective clean-air rules we've ever adopted." One greatly curtails toxics from nonroad diesel-powered equipment; the other reduces power plant pollutants in some regions through a cap-and-trade program. Greens give the latter lukewarm reviews, faulting the program as slow and limited. "Those two rules alone reduce emissions by millions and millions of tons," Wehrum asserts. "There is no doubt we have made great progress.

But Democrats do have doubts, even about Wehrum. His former ties to the energy industry have raised the hackles of some Democrats, who have forced him to hold his position on an interim basis by blocking his confirmation, which is now more unlikely than ever.

In coming months, global warming will dominate the headlines (box, Page 30), but Democratic committee chairs are moving on other areas as well. Three key environmental fights to watch:

- Hot air. Air quality is the biggest and baddest battle. How to enforce regulations on old power plants is now being plugged out in federal court. Last week's 9-to-0 Supreme Court verdict against Duke Energy's bid to lower emissions per megawatt hour but increase total hours operated—supported by the Bush administration—is buoying Democrats and some Republicans peeved about how the Clean Air Act is being enforced.

On Boxer's list of concerns: a change made by EPA officials that injects policymakers earlier in the process when determining National Ambient Air Quality Standards, the national rules on airborne pollutants like smog-causing ozone. The NAAQS process was unique in the EPA by allowing scientists, inside and outside the agency, to pore over data, exchange reports, and eventually arrive at a consensus range of acceptable pollution levels. Then, that range was sent to EPA policymakers, who settled on a number. Now the process is open to policymakers' influence early on. The EPA calls it a streamlining maneuver, but environmentalists and public health advocates are crying foul, noting that the rule change tapped the wish list of the American Petroleum Institute.

That change comes on the heels of another controversial move by the EPA: It rejected scientists' recommendation to toughen standards for particulate matter, or soot, a NAAQS pollutant linked to serious heart and respiratory ailments. "For the first time ever," says Blake Early of the American Lung Association, "the EPA really ignored the health basis for setting the standard." The EPA argues the science didn't justify a tougher standard. Democrats are trying to find a way to challenge the EPA's alteration of the NAAQS
process, while environmental groups and more than a dozen states are gearing up for a court fight over the soot standard.

Super unfunded? Cleanups of Superfund sites—locations contaminated by industrial pollutants—dropped when Bush came to office, from 87 completions in 2000 to 47 in 2001. The number hovered in the 40s until this year, when the EPA announced that it would complete just 24 cleanups. Dingell and other Democrats angry over the slowdown blame the GOP’s 1995 refusal to reauthorize the Superfund tax, a general fee on polluting industries. Today, taxpayer dollars alone fund the program, at a fraction of its 1990s heydays. The administration argues that money isn’t the problem: “What we have found is the sites of today are significantly more complex than they were yesterday,” Johnson declared at a House hearing. But even the EPA’s inspector general, the agency’s internal watchdog, called money “an issue of primary and current concern in the Superfund program.”

Democrats are promising to ratchet up funding over Bush’s request, while moving to reintroduce the Superfund tax. Many in the GOP are vowing to fight, saying the broad corporate tax penalizes polluters and nonpolluters alike. The House hasn’t held a single Superfund hearing in five years. That’s likely to change.

rate over perchlorate. While it’s not a household word, chances are perchlorate is in your household. This rocket fuel contaminant can be found in drinking water in 35 states, as well as in milk, lettuce, and other foods. It can cause hypothyroidism, particularly in women, and harm fetal development. But determining what level of perchlorate is safe has been the subject of a backroom Washington brawl between the Defense Department, the primary source of the pollution, and the EPA. In 2002, the EPA was on the verge of recommending a restrictive perchlorate standard on drinking water of 1 part per billion, when, to the surprise of EPA scientists, the assessment was handed over to the National Academy of Sciences, which came under pressure to downplay perchlorate’s hazards, according to documents obtained by environmental groups.

After undertaking the unusual request, the academy recommended a standard of 24.5 ppb, enraging Boxer and others who represent states with perchlorate contamination. California is setting its standard at 6 ppb. In a testy February hearing with Boxer, EPA chief Johnson pointed out that EPA tests showed only 2 percent of water samples contained perchlorate levels over 4 ppb. To date, the EPA hasn’t decided whether it will set any standards for perchlorate at all. And the military is deferring any cleanup until regulations are established. On her first day as chair, Boxer introduced bills that would require the EPA to continue testing and set a standard for perchlorate, measures likely to meet stiff objections from congressional supporters of the Defense Department. A similar fight is likely in the House.

Still, it’s unclear if any action by amped-up Democrats will change the fundamental dynamic in Washington on so many environmental issues. In both chambers, majorities are slim, making legislation difficult to pass, and the Bush administration still has some 21 months to run.

Pressures to Regulate
A chilling report on global warming

Climate pressure continues to build over the last week. The Supreme Court overturned one of the Bush administration’s principal legal arguments for opposing federal action on climate change by ruling that carbon dioxide and other heat-trapping gases could be regulated under the Clean Air Act. According to the act, the EPA must regular emissions in this case those from automo
ECO-SCAM

THE FALSE PROPHETS OF ECOLOGICAL APOCALYPSE

RONALD BAILEY

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Please buy his book

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112-117 nuke winter
Fifteen years ago, we were warned to prepare for the next Ice Age. Today, we worry about our ever-shrinking ozone layer and the looming threat of global warming. Ever since the atomic bomb, the public and policymakers have been barraged by predictions of imminent environmental doom—none of which came true, and, Ronald Bailey asserts, none of which probably ever will come true.

In this timely, hard-hitting book, Bailey explores and explodes the popular myths of global disaster, from “nuclear winter” to the depletion of nonrenewable resources. Who are the “prophets of doom” whose apocalyptic visions keep their lecture calendars full and their audiences in constant anticipation of the world’s end? What effect are they having on the economic and environmental policies that will shape our planet’s future?

Bailey, a PBS producer and former Forbes science writer, offers clear and compelling arguments to debunk the popular grim prophecies. In the process, he questions the wisdom of such established environmental gurus as Carl Sagan, Jeremy Rifkin, Paul Ehrlich, and Barry

(continued from front flap)

Commoner: Are they activists or alarmists?

In a book sure to raise discussion, debate, and controversy, Bailey assures us that while the earth is in far better shape than we’ve been led to believe, a few highly paid, highly regarded “intellectuals” are building successful careers out of convincing us otherwise, and diverting scarce resources into foolish and unnecessary programs.
But the Soviet Union did not lag far behind the United States, testing its first thermonuclear device in 1953.

Later in the decade, Soviet scientists scored a stunning success by launching Sputnik, the world’s first artificial satellite. This dazzling achievement worried American politicians like Senator John F. Kennedy, who charged that the Eisenhower administration had allowed a “missile gap” between the U.S. and the Soviet Union to open, thus making America vulnerable to a push-button attack from the Soviet Union.

The arms race continued and the U.S. nuclear arsenal reached its deadliest extent at 20,000 megatons of explosive force in 1960. Due to improvements in weapons’ delivery accuracy, the destructive power of the U.S. nuclear stockpile dropped by nearly three quarters, to 5,500 megatons by the mid-1980s.\(^{29}\)

The second wave of peace and antinuclear activism mounted in the United States and Britain in the late 1950s when the National Committee for a Sane Nuclear Policy (SANE) began pushing for a nuclear test ban treaty. Norman Cousins was a key figure in organizing SANE in 1957 to face “a danger unlike any danger that has ever existed.” He warned, “In our possession and in the possession of the Russians are more than enough nuclear explosives to put an end to the life of man on earth.” SANE proposed that all nuclear testing stop under a United Nations–monitored agreement. SANE also wanted the United Nations to be transformed into “an instrument of effective world law.”\(^{30}\)

At the same time in Britain, the more overtly pacifist Campaign for Nuclear Disarmament (CND) began its activities.

To drum up public support for a nuclear test ban, SANE launched a series of full-page advertisements to publicize the findings of biologist Barry Commoner. Commoner’s work showed that milk contained strontium-90, a radioactive byproduct in the fallout from nuclear testing. Chemically similar to calcium, strontium-90 was being absorbed by the bones and teeth of children.\(^{31}\) (Commoner would later become one of America’s leading environmental activ-

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\(^{29}\) late

\(^{30}\) late 1950s

---

\(^{31}\) publicize

I got many mailings from Commoner—He was much more of a political activist than a scientist.

— Roy Byrnes
ists.) SANE also sponsored a four-week display in Times Square on the dangers posed by strontium-90 to human health.

Cousins, capitalizing on American fears about fallout, argued, “No nation has the right to contaminate or jeopardize the air or water or food that belongs to people.” In a refrain that would resonate more strongly in the 1980s during the stratospheric ozone and greenhouse gas controversies, the Bulletin of the Atomic Scientists praised SANE’s campaign, commenting, “The general agreement that the air we breathe is the common property of mankind and not to be polluted at the will of sovereign nations is a step forward in the education of the human race.”

In the late 1950s, Neville Shute brilliantly depicted the slow extinction of human life due to fallout after a nuclear war in his best-selling novel On the Beach. Foreshadowing the 1980s and 1990s, Hollywood stars were enlisted in the test ban crusade. Marlon Brando, Kirk Douglas, Gregory Peck, and Henry Fonda all joined the Hollywood SANE chapter.

Nobel Prize–winning chemist Linus Pauling declared that probably not more than one million Americans would survive a nuclear attack, and he persuaded two thousand scientists to sign his petition to ban nuclear testing. Martin Luther King, Jr., signed a number of SANE manifestos in support of an atomic test ban.

The Cuban missile crisis in October 1962 was probably the closest the world ever came to nuclear war between the superpowers, but a year later, the U.S. and Soviet Union signed the Limited Test Ban Treaty prohibiting all nuclear tests in the atmosphere and oceans. The test ban treaty has been since described “not as an agreement which related to the arms race, but as the first international law to prohibit environmental pollution.”

The 1960s saw the fusing of the civil rights and peace movements with environmental activism. Environmentalist Victor Scheffer points out that there is a natural affinity between peace and civil rights activists and the nascent environmental movement. Both movements appeal to people with strong egalitarian sympathies.

The first wave of environmentalist (as opposed to earlier conservationist) fervor in the United States emerged from the late 1960s and early 1970s peace and civil rights movements, and the second began in the late 1980s and continues to swell. Many of the more militant environmental lobbying organizations, including Greenpeace, the Environmental Defense Fund, and the Natural Resources Defense Council, were born in the political hothouse of the 1960s. Later, old-line conservation groups like the Sierra Club, the National Wildlife Foundation, and the Audubon Society also became radicalized. In the 1970s, environmental organizations began to pay greater attention to peace and arms-control issues when public interest in specifically ecological problems flagged.

The political activism inspired by the real possibility of a nuclear holocaust served as the training ground for the later purveyors of apocalyptic environmentalism. The politicization of science; the revolving doors between government agencies in charge of environmental affairs and environmental advocacy groups; the symbiotic relationship among activists, the press, and politicians, all of whom thrive on a crisis atmosphere; the massive propaganda campaigns involving public schools, church organizations, and civic clubs; the call for massive government intervention and international control—all were policies and strategies developed and refined first by antimilitary and peace activists.

For instance, New Left peace activism and environmentalism were combined in the Union of Concerned Scientists (UCS). The UCS emerged from a one-day research strike and teach-in at the Massachusetts Institute of Technology in March 1969. During the MIT strike, faculty and students discussed the atomic bomb, the Vietnam War, and the world food crisis. The UCS’s founding “faculty document” called on scientists and engineers to “devise means for turning research applications away from the present overemphasis...

Fusing civil rights and environmental activism in the 1960s
on military technology towards the solution of pressing environmental and social problems."\(^{40}\)

UCS moved to the forefront of arms control, nuclear power, and environmental activism. In the 1970s, it focused most of its efforts on opposing nuclear power plants. In the early 1980s, it became one of the chief promoters of "nuclear winter," and led the opposition to President Reagan's Star Wars missile defense plan.\(^{41}\) Recently the UCS has launched a major effort to combat the latest and most fashionable environmental doom—global warming.

In the 1970s, the Soviets and the U.S. signed the Strategic Arms Limitation Treaty (SALT) and the Anti-Ballistic Missile Treaty. Thereafter the superpowers embarked on arduous negotiations aimed at reducing—not just limiting—the arsenals pointed at one another. Some progress was made, but the SALT II treaty was never ratified because President Jimmy Carter withdrew it from consideration to show his displeasure at the Soviet Union's brutal invasion of Afghanistan.\(^{50}\)

In the 1980s peace advocacy groups were reinvigorated by the hardline anticommunist rhetoric emanating from the Reagan administration. Activist Randall Forsberg's proposal that both superpowers freeze their current nuclear forces seemed like a good simple solution to a complex problem to a sizable portion of the public. The "Freeze" eventually garnered considerable support in Congress. Antinuclear activists also tried to stop the positioning in Western Europe of American Pershing II and cruise missiles. These weapons were designed to counter earlier Soviet deployments of mobile SS-20 missiles in Eastern Europe. Mass demonstrations against the U.S. deployments took place in Western Europe and the United States.

Antinuclear and peace activism in the West reached its high-water mark during the Nuclear Freeze Campaign. On June 12, 1982, some 700,000 people crammed into New York City's Central Park to rally against the nuclear arms race. It was the largest political demonstration in U.S. history. Eventually voters in nine states passed referenda ap-

proving a nuclear freeze. Scores of towns and cities also passed resolutions supporting the Freeze campaign and declared themselves to be "nuclear free zones."

By 1984, the number of disarmament and peace groups in the U.S. blossomed from eight to thirty-nine and their membership rolls swelled to over a million. The core of the peace advocacy community consisted of the Federation of American Scientists, the National Committee for a Sane Nuclear Policy (SANE), the Union of Concerned Scientists, the Council for a Livable World, Physicians for Social Responsibility, and the National Nuclear Freeze Campaign (Freeze). Prominent environmental organizations like Greenpeace, the Natural Resources Defense Council, and Friends of the Earth also strongly came out in favor of the Freeze.\(^{42}\)

In 1982, Jonathan Schell explicitly called on environmentalists to join forces with the peace/antinuclear activists in his portentous The Fate of the Earth. He reminded environmentalists that nuclear holocaust, which "might render the biosphere unfit for human survival, is, in a word, an ecological peril. The nuclear peril is usually seen in isolation from the threats to other forms of life and their ecosystems, but in fact it should be seen as the very center of the ecological crisis."\(^{43}\)

Cornell University astrophysicist Carl Sagan and his colleagues, at about the same time, unveiled their "nuclear winter" doomsday scenario (see Chapter Seven). Environmentalists, inspired by Schell's urgent call to abolish nuclear weapons, quickly offered to help promote and publicize Sagan's new version of nuclear doomsday.\(^{44}\) Sagan claimed that the detonation of thousands of nuclear bombs would loft megatons of smoke high into the stratosphere, blocking the sunlight from the surface. Temperatures would plunge by more than 25°C degrees, killing crops and freezing the hapless human survivors to death. Sagan asserted that the nuclear arsenals of the Soviet Union and the United States had already far exceeded the threshold for triggering nuclear winter in the event of war.

Meanwhile, the Soviets huffed out of nuclear disarma-
ment talks in Geneva, hoping that Western public opinion would force the United States to make concessions at the negotiating table. Instead, in 1983 President Reagan announced his controversial Strategic Defense Initiative (SDI, often referred to as “Star Wars”). Reagan proposed to build an antimissile shield to protect the United States and its allies from Soviet ballistic missile attacks.

In 1985, the Soviets, apparently worried by the prospect that the U.S. might succeed in building a missile defense system, returned to the negotiating table. At the Reykjavik summit meeting in 1986, Reagan startled Soviet President Mikhail Gorbachev by proposing the complete abolition of nuclear weapons. By 1987, the two rival nations signed the Intermediate Nuclear Forces Treaty (INF), the first agreement ever to scrap any type of nuclear weapons system.

“Most disarmament groups merely hoped to stop deployment of new Western missiles in Europe,” acknowledged one chagrined German peace activist. “We never hoped to get the Soviet Union to remove all of its SS-20s and we should criticize ourselves for that.” In 1989, historian John Gaddis ruefully admitted in the Bulletin of the Atomic Scientists, “During his eight years as president, Ronald Reagan has presided over the most dramatic improvement in U.S.-Soviet relations—and the most solid progress in arms control—since the Cold War began.” Gaddis concluded, “Hanging tough paid off.”

Later, Presidents Bush and Gorbachev reached an agreement to reduce strategic nuclear weapons by 30 percent. After the failed Soviet coup in August 1991, Gorbachev and Bush participated in an astonishing bidding war to further reduce strategic weapons. In January 1992, Bush in his State of the Union address proposed deeper cuts in the superpower arsenals, and Russian President Boris Yeltsin upped the ante, suggesting still larger reductions. In fact, the cutbacks proposed by the U.S. and Russia are now approaching those made by proponents of “minimum deterrence.”

The unforeseen dissolution of aggressive Soviet communism, not the protests and activities of the Western peace movement, has led to the end of the Cold War. The historic events of the past five years have now made it clear that disarmament intellectuals and activists were wedded to a false doctrine of technological determinism, to wit, since nuclear weapons exist, they will necessarily be used. They failed to put other countries’ nuclear arsenals in their proper political context.

According to defense analysts Theodore Reuter and Thomas Kalil, “A nuclear-armed, democratic, market-oriented Soviet Union with a foreign policy committed to international peace and international law and a defense policy strictly limited to defense is different from a nuclear-armed, non-democratic, command economy Soviet Union committed to hegemonic domination and a defense policy oriented toward nuclear preemption. The United States worries little about a French or British nuclear arsenal of several hundred nuclear warheads; an Iraqi or Libyan nuclear arsenal of several hundred warheads is another matter entirely.”

At the end of the Cold War, foreign policy expert Owen Harries finds the attitude of leading peace intellectuals toward nuclear weapons highly ironical. Nuclear weapons were supposed to make the “balance of terror” so delicate, and scribes like the scientist-novelist C. P. Snow solemnly and fatuously demonstrated the inevitability of nuclear war in a matter of a few years in the absence of a general nuclear disarmament, while the aged philosopher Bertrand Russell sat on cold pavements to dramatize the cause. All in all, no other issue was given as high a priority by intellectuals during the cold war as “banning the Bomb.” And yet it is surely true that it was only the existence of nuclear weapons that kept the cold war cold. Certainly it is difficult to think of another case in history where such a level of intense hostility, backed by massive and growing stocks of arms and sustained for such a lengthy period, did not result
in 1798. Malthus asserted that “Population, when unchecked, increases in a geometrical ratio. Subsistence increases only in an arithmetical ratio. A slight acquaintance with numbers will show the immensity of the first power in comparison of the second.” Thus, Malthus concluded that some portion of the population would always be condemned to starvation.

Although his latter-day disciples do not acknowledge it, Malthus amended his views. He decided that humans could control the number of offspring they engendered and thereby avoid perpetual famine.²

However, Malthus’s original doctrine appealed especially to nineteenth-century “radical critics and antagonists of capitalism. The Malthus of the first edition could be used to demonstrate that under capitalism the grim ratio between population and food would inevitably prevail, leaving the working class in a permanent straitjacket of poverty and unemployment….”¹ Nineteenth-century egalitarians argued that only a postcapitalist, non-hierarchical society could equitably provide for the needs of humanity. This conviction remains a staple of contemporary environmental millenarianism.

Malthus was a victim of fascination with exponential growth rates—a fascination which would later mesmerize many twentieth-century doomsters including Ehrlich, Brown, Jay Forrester, and Dennis and Donella Meadows. What worries them is that more babies are being born than old people are dying. Let’s say for every thousand people, 30 new babies are born each year and 10 people die, yielding a net annual population increase of 20. This yields a 2 percent compound growth rate, doubling the population every 35 years. If this situation were to continue indefinitely, the earth would eventually drown in people. This image of a standing-room-only world mesmerizes modern Malthusians. They focus solely on one exponential trend, population growth, while ignoring other even faster positive trends in economic growth and food production.

Stanford University entomologist Paul Ehrlich is the
most famous population alarmist alive. He has tirelessly promoted his millenarian predictions in a torrent of bestselling books and articles for a quarter of a century. In 1968, he published the sensational The Population Bomb.

Ehrlich is a master of sketching out imaginative doom-fraught future scenarios. His role as a population doomster has brought him considerable renown and financial security—in 1990 he won the prestigious Crafoord Prize from the Swedish Academy and a MacArthur Foundation “genius grant.” All this recognition notwithstanding, the fact is that not one of Ehrlich’s many frightful predictions has ever come true.

Ehrlich succeeds by making himself a rapidly moving target, following the old political adage, “Never apologize and never explain.” He makes a prediction, and when refuted by scientific evidence or events, he simply makes another assertion incorporating the latest apocalyptic fads. Being proven wrong apparently never bothers him, and he has great faith that his population predictions must eventually come true. Like earlier millenarians whose prophecies failed, he serenely defers doomsday.

Also like religious millenarians who claim that doomsday was averted on account of their prayers, Ehrlich is not above taking credit for the postponement of the end either. He modestly suggests that the steep decline in American birth rates in the 1970s may be due to the publication of The Population Bomb and the work of his Zero Population Growth lobbying organization. He also takes credit for the regulations on pesticides and for the improvement of water quality in the United States. In Ehrlich’s own self-estimation, the world would be in much worse shape if he weren’t in it.

Let’s take a stroll down memory lane.

“The battle to feed all of humanity is over. In the 1970s the world will undergo famines—hundreds of millions of people are going to starve to death in spite of any crash programs embarked upon now” is the arresting way Ehrlich began The Population Bomb. Twenty-two years later we hear again the old familiar refrain in The Population Explosion: “One thing seems safe to predict: starvation and epidemic disease will raise the death rates over most of the planet.”

Rather than make specific predictions, Ehrlich prefers to use “scenarios” which he disingenuously calls “devices for helping one to think about the future.” The three scenarios outlined in The Population Bomb feature atomic war, killer smogs, massive famines, food riots, poisoned water, and global epidemics. The most optimistic scenario ends with the death of only half a billion people in a major “die-back” by 1985. Ehrlich intends to scare the hell out of his readers as a way to get them to adopt his coercive population control policies.

In 1968, Ehrlich agreed with an expert who predicted India couldn’t “possibly feed two hundred million more people by 1980.” Furthermore, he claimed, “I have yet to meet anyone familiar with the situation who thinks that India will be self-sufficient in food by 1971.” In the revised The Population Bomb in 1971, he evidently recognized that his predictions about India had already been proved wrong because he discreetly omitted them. In fact, India became more than self-sufficient, exporting surplus grain in the early 1980s to the Soviet Union.

In 1969, Ehrlich pumped up the volume in an article entitled “Eco-Catastrophe!” for Ramparts Magazine: “Most of the people who are going to die in the greatest cataclysm in the history of man have already been born.” He added: “By that time [1975!] some experts feel that food shortages will have escalated the present level of world hunger and starvation into famines of unbelievable proportions. Other experts, more optimistic, think the ultimate food-population collision will not occur until the decade of the 1980s.”

In “Eco-Catastrophe!” Ehrlich outlined his most lurid scare scenario: the oceans died of DDT poisoning by 1979; crops failed due to air pollution blocking sunlight; the “much ballyhooed” Green Revolution collapsed; 200,000 people died of “smog disasters” in New York and Los Angeles in 1973; and U.S. life expectancy dropped to only
forty-two years by 1980 owing to epidemic cancer caused by pesticide use. The scenario ended with the beginning of World War III on October 13, 1979. (Recall that the Millites thought the world would also end in October, only 135 years earlier in 1844.)

Ehrlich particularly savored the part of his scenario where he portrayed “cornucopian” economists, his perpetual nemesis, as humiliated in congressional hearings on resource depletion. Ehrlich acknowledged that he offered a “pretty grim scenario,” but concluded that “Unfortunately, we’re a long way into it already...much of [it] is based on trends already appearing.”

In 1970, for the first Earth Day issue of the leftist journal *The Progressive*, Ehrlich painted yet another gruesome picture in which sixty-five million Americans died of famine and worldwide a total of four billion people perished in “the Great Die-Off” between the years 1980 and 1989.

The massive famines killing billions of people predicted for the 1970s and the 1980s never happened, of course. Instead of the death rate going up, life expectancy sharply increased worldwide. Too many people did die of starvation, especially children in the developing world, but on nothing remotely like the apocalyptic scale predicted by Ehrlich.

For millenarians like Ehrlich, the world is filled with portents of the apocalypse. He uncritically jumps on board any doomsday train at the station. In the 1960s, as evidence of the coming cataclysm, Ehrlich cited air pollution, pesticide poisoning, and the then-fashionable notion of global cooling, which was going to bring on a new ice age and severely shorten growing seasons in the world’s breadbaskets. He foresaw pesticide-resistant insects gobbling up what little grain farmers were able to coax from their severely eroded land, and flatly dismissed the enormous success of the Green Revolution that swept the Third World in the late 1960s and early 1970s. He also foresaw massive deaths from pollution.

Later when pesticides turned out not to be such a mor-
tal danger, air pollution began to abate, and global cooling turned to global warming, Ehrlich smoothly switched to promoting other dooms (including global warming). Ehrlich also coauthored an article in *Science* on the biological effects of nuclear winter in the early 1980s. Now he believes that the thinning ozone layer, topsoil erosion, and the depletion of groundwater will give humanity the coup de grace. In the meantime, he published a new book in 1991, *Healing the Planet*, in which he once again predicted the deaths of billions in the early years of the next millennium. He went to all this effort despite the fact that he told *Look* magazine in 1971, “When you reach a point where you realize further efforts will be futile, you may as well look after yourself and your friends and enjoy what little time you have left. That point for me is 1972.” Twenty years later Ehrlich continues his campaign.

Ehrlich claims in his 1990 book, *The Population Explosion*, that global food production peaked in 1986 and that global food production per person peaked in 1984.” In a kind of “you scratch my back, and I’ll scratch yours” technique commonly used by environmental millenarians, he apparently cribbed this information from fellow Malthusian Lester Brown. The small cadre of influential millenarians constantly cite each other’s work as evidence for the truth of their assertions. Unfortunately for the gloomy professors, it’s not true.

The career of Lester Brown closely parallels Ehrlich’s. In the 1960s, Brown hit upon an arresting public relations formula when he joined claims of environmental degradation to fears of imminent global famine. He, like Ehrlich, has been very successful at peddling millenial doom. He is now the president of the notoriously gloomy Worldwatch Institute, which publishes each year the self-styled State of the World Report.

Predictably the “state of the world” in this volume is always just terrible and rapidly getting much worse. The book is also a wonderful propaganda tool for apocalyptic environmentalism. Available in 27 languages, the first print
years to double in 47 years, and doubled its output in 10 years. Only just $350 a
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FIVE

THE REFRIGERATOR EFFECT

Climatic changes cause massive crop failures in the American Midwest and the grain-growing regions of the Ukraine, millions die of famine, populations migrate from their formerly bountiful countries, sea levels alter, and whole ecosystems begin a forced march to more equitable regions. The harbinger of this impending climate disaster was a global trend toward decreasing temperatures that began in the 1940s.

Most of the public has forgotten that just fifteen years ago the eco-doomsayers were frantically predicting the advent of a New Ice Age. In the 1970s, worried scientists pointed to a relentless thirty-year trend toward ever-lower temperatures. Many were sure that they had detected the cooling “signal” which portended the return of the mile-thick glaciers that had covered North America and Europe only eighteen thousand years earlier.

Climatologists theorized that mankind was responsible for this refrigerator effect. Industrial pollution and slash-
south as New York City and Chicago. Herds of woolly mammoths ranged freely from Siberia to Alaska, crossing the Bering land bridge. Where the glaciers reached in the Arctic and Pacific oceans, the climate during the last ice age was much colder than it is today. Scientists estimate that during the last ice age, the average temperature in these regions was about 30 degrees Celsius below the present average. 

5. 

Scientists still argue over the current global warming trend. Some predict that the earth's average temperature will continue to rise, leading to more frequent and severe heat waves, droughts, and wildfires. Others believe that the warming trend will eventually reverse itself, leading to cooler temperatures and more frequent cold snaps. The scientific consensus is that the earth's climate is changing, and that human activities, such as burning fossil fuels and deforestation, are contributing to this change. 

6. 

The last ice age ended about 10,000 years ago, and the earth's climate has been warming ever since. Climate models predict that the earth's average temperature will continue to rise, leading to more frequent and severe heat waves, droughts, and wildfires. Scientists are working to develop strategies to mitigate the effects of climate change, such as reducing greenhouse gas emissions and increasing the use of renewable energy sources. 

7. 

As the glaciers retreated, they left behind a legacy of ice-covered mountains, ice caves, and other landforms. These features have provided scientists with valuable information about the climate of the last ice age. For example, the thickness of the ice sheets and the extent of the glaciers can be measured from the topography of these features. This information can be used to develop models of the earth's climate history, and to better understand how the climate will change in the future.
Earth warmer 6000-8000 yrs ago

than now. Climatologists straightforwardly refer to this period of milder weather as the earth's "Climatic Optimum." And with good reason, because rainfall was more abundant and the world's deserts shrank. The Sahara was well watered, supporting large herds of grazing animals and human hunters. Summer temperatures in Canada were 4°C (7.2°F) degrees warmer six thousand years ago, and the spruce forest boundary pushed much farther north. Then the temperature dropped from this "optimum" by 2°C degrees, ushering in a drier climate worldwide.

A period of balmier weather called the "Medieval Optimum" returned between A.D. 900 and 1200. England then supported many vineyards, oats and barley grew in Iceland, wheat in Norway, and hay in Greenland. Eric the Red's Viking colony at Brattalid in Greenland grew to three thousand settlers. Greenland's climate was then mild enough to support farming and livestock such as horses, goats, cows, and sheep. After 1200, the climate degenerated. Havoc ensued—the inhospitable weather brought on famines and social unrest throughout Europe. Mountain glaciers expanded worldwide, sea ice around Iceland increased, England's vineyards died, the Greenland Viking colony perished, and the growing season shortened by as much as two weeks in Northern Europe.

Temperatures fell further, ushering in the period (A.D. 1400-1890) that paleoclimatologists call "the Little Ice Age." The Little Ice Age was marked by two century-long interludes of especially colder weather. The first occurred in the seventeenth century and the second during the nineteenth century. Then mankind got a reprieve—at the end of the nineteenth century, temperatures began to rise again.

One interesting note—the lower temperatures of the Little Ice Age also coincided with the "Maunder Minimum," a period when sunspot activity was greatly reduced. No one knows if this is more than a coincidence.

The earth can also be significantly cooled when dust and sulfur blasted into the atmosphere by volcanoes block sunlight from reaching earth's surface. The huge eruption of the Indonesian Tambora volcano in 1815 cooled the earth by about 1°C degree and perhaps caused New England's Year Without Summer in 1816. In June 1991, the Philippine volcano Mount Pinatubo blasted megatons of dust and sulfur into the atmosphere, which might lower the earth's temperature by as much 0.5°C degrees.

Two decades ago climatologists bluntly called the world's warmer weather a "good thing." The climatological consensus was that the twentieth century's weather had been "the warmest and best for world agriculture in over a millennium." "The world's major agricultural areas have enjoyed an unparalleled record of beneficent weather for the past half century," said Time magazine in 1974. The warmer temperatures were also credited with fostering plant growth and helping to shrink deserts through increased rainfall. (Notice the politically incorrect linkage—warm, good; cold, bad.) Then in the 1940s, temperatures began a steep decline. Doomster Lowell Ponte claimed in his popular book The Cooling that humanity, lulled by the deceptively amiable climate of the early twentieth century, had foolishly "created a new, fair-weather world" which was now ending.

Indeed, if a "Little Ice Age" could cause so much misery to humanity, climatologists were right to worry about what the effects of the new cooling trend would be. In 1974, scientists disclosed that the 12 percent increase in the area of snow and ice cover in the Northern Hemisphere had persisted for three years. Snow covered some areas year-round in the Canadian Arctic which formerly were snow-free in the summer. Sea ice around Iceland was thickening and warmth-loving animals like armadillos were retreating to more southerly climes. Even worse, the colder temperatures had shortened the average growing season since 1950 by about two weeks. British climatologist Hubert H. Lamb fretted, "How long the current cooling trend continues is one of the most important problems of our civilization."

Some scientists believed the earth was merely under-
going a return to another little ice age. However, a National Academy of Sciences report in 1975 warned that the earth might be at the end of a 10,000-year warm period and on the brink of a full-blown Great Ice Age. Other meteorologists claimed the cooling since 1940 would not soon be reversed. And if gradual global cooling weren't disastrous enough, some scientists proposed the onset of a new ice age could happen suddenly in a ‘snowblitz.’

In a snowblitz, nature could suddenly cover a large area with enough snow that it would persist through a colder than normal summer. This begins a terrifying feedback loop in which the snow reflects sunlight making temperatures lower, which in turn prevents melting of the snow and encourages earlier snowstorms the following winter. The ever-deeper snow decreases the likelihood that it will melt in the following summers. Inexorably the snow piles up higher and higher, becoming continent-sized ice sheets in only a few centuries. Seven such winters in a row might trigger an ice age. 

Like other apocalyptic visions, global cooling Cassandras couldn't resist making the customary comparison to the danger of nuclear war. “The threat of a new ice age must now stand alongside nuclear war as a likely source of wholesale death and misery for mankind,” wrote Nigel Calder, the former editor of New Scientist, in 1975.

Global coolers like Reid Bryson, Stephen Schneider, and Lowell Ponte promptly jumped on the millenarian bandwagons then rolling—overpopulation and resource depletions. Worried about crop failures and famines due to the chilling climate, they all approvingly cited Ehrlich’s *The Population Bomb* to bolster their dire predictions. Reid Bryson warned that perhaps a half billion people could soon starve due to climate change. Schneider tried to plumb the “climatic limits to growth” in his first climate doomsday book, *The Genesis Strategy: Climate and Global Survival*. Schneider’s book embraced most of the radical environmentalist agenda with concerns about overpopulation and depletion of nonrenewable resources, a rejection of nuclear power, and calls for extensive recycling. He declared that earlier doomsday predictions of impending "Times of Famine” in the 1970s were "extraordinarily accurate." Not surprisingly, fellow doomsters Ehrlich, Brown, and Carl Sagan all praised Schneider’s book.

Global coolers predicted colder temperatures would bring droughts to India, the Sahara Desert, and the American Midwest. Fifteen years later global warmers would claim the same regions would suffer droughts as temperatures rose (see Chapter Nine).

Typically, the many global cooling books gloss over the scientific evidence for the purported climatic trends and move quickly to their detailed policy prescriptions on how to deal with the impending crisis. (“The world will come to an end if you don’t do what I say.”) Schneider’s *Genesis Strategy* is a classic of the apocalyptic genre. He cannily hedges his bets, pointing out that while in 1975 the scientific consensus favors global cooling, greenhouse warming may be a threat one day. Schneider apparently wanted the climate to change in some way so that he could get the world to adopt his sweeping proposals for social and economic reform.

Being a mere climatologist is evidently too humble a task—he must be a planetary savior. To save itself, humanity must embrace Schneider’s grandly named “Global Survival Compromise” plan to redistribute wealth from the rich nations to the poor. The cooling crisis is so urgent that we must toss aside such inconvenient formalities as democracy, national sovereignty, property rights, and free markets in order to cope with it, he argued. Schneider would institutionalize his global crisis mentality by creating several elaborate “extranational” bureaucracies modeled on the autocratic European Commission.

Schneider’s “World Security Institutes” would include an “Institute of Imminent Disasters,” an “Institute of Resource Availability,” and an “Institute of Alternative Technologies.” The institutes would be staffed by unelected experts who, like bureaucrats everywhere, would then have
Figure 4.15 An analysis of the fluctuations of glaciers in the northern and southern hemispheres during the last 7,600 years, compared with radiocarbon production variations. Periods of negative radiocarbon production signal lower solar activity and are associated with glacial advance, which is a sign of a cooling climate (Burroughs, 1994, Fig. 4.10).

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**Change of glaciers**

4.7 CHANGES IN RECORDED HISTORY

Glaciers advance and retreat -- past 7500 years.

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From: Climate change by Burroughs, 2001 (book)
devastating nuclear winter. Reductions in strategic weapons arsenals of 90 to 99 percent would be necessary to get below Sagan's threshold.

Ubiquitous doomster Paul Ehrlich, who joined the crusade as the lead author of a companion paper on the biological effects of nuclear winter, warned that 'the population size of Homo sapiens conceivably could be reduced to prehistoric levels or below, and extinction of the human species itself cannot be excluded.' Characteristically, Ehrlich's team chose an even more implausible worst-case scenario than Sagan's did for their analysis. Sagan's baseline case was a 5,000-megaton nuclear war, while Ehrlich arbitrarily doubled it to 10,000 megatons, which would provoke a nuclear winter with temperatures falling by 40C degrees. Ehrlich's scenario unrealistically targeted every city on earth with a population greater than 60,000 people.

Sagan and Ehrlich alarmed the Third World by arguing that the smoke pall resulting from nuclear war in the Northern Hemisphere could blanket the entire earth, including the nations in the Southern Hemisphere. Noncombatant countries would therefore have a bigger stake in pressuring the superpowers to cut their nuclear arsenals. Ehrlich claimed that the spread of 'subfreezing temperatures to the northern tropics is highly likely and to the Southern Hemisphere at least possible.' In fact, Ehrlich assumed temperatures in the Northern Hemisphere would remain at about -43C degrees (-45F degrees) for four months. The Southern Hemisphere would experience a month of temperatures below -18C degrees (zero Fahrenheit).

Early on, environmental advocacy groups were deeply involved in promoting the nuclear winter hypothesis. According to Sagan, "beginning in June 1982 a group of environmentalists and foundation executives had concluded that inadequate attention was being given to the potential consequences of nuclear war." Responding to Jonathan Schell's eloquent appeal to abolish nuclear weapons in The Fate of the Earth, the activist groups helping Sagan promote nuclear winter included the Union of Concerned Scientists, Physicians for Social Responsibility, and the Federation of American Scientists.

Like The Limits to Growth before it, the nuclear winter concept was launched with an enormous amount of media hoopla. A Washington public relations firm was hired for $80,000 to promote and organize a conference on the topic. In October, the public first heard of this new form of atomic doom in an article by Carl Sagan in the popular Sunday supplement Parade. In December, a somewhat toned-down version of the nuclear winter hypothesis was published in the prestigious journal Science along with Ehrlich's accompanying article on its biological effects. Also in December, an article penned by Sagan aimed at nuclear strategists and policymakers appeared in Foreign Affairs.

Many environmental advocacy organizations, including Greenpeace, the Friends of the Earth, and the Natural Resources Defense Council, had joined the Freeze Campaign in the early 1980s (see Chapter Two). Once nuclear winter was unveiled, they quickly applauded it, and the Union of Concerned Scientists was particularly active in publicizing the idea. Sagan and environmental radicals were once again claiming that a certain state of affairs—the possibility of a nuclear winter—required that specific policies—a freeze on deploying nuclear weapons—be adopted. Thus the nuclear winter hypothesis meshed nicely (and metaphorically) with the specific aims of the freeze movement—freezing superpower nuclear weapons arsenals and opposing the deployment of American intermediate-range nuclear weapons in Europe.

However, matters are not that straightforward. Without going into the arcane details of nuclear strategy and deterrence theory, many nuclear strategists and defense intellectuals concluded that nuclear winter had little or no bearing on how to maintain and strengthen deterrence and nuclear stability between the superpowers.

Prior to nuclear winter, nobody had any doubt that the consequences of nuclear war would be horrific—billions of
people could die. However, experts strongly disagreed about what was the best way to prevent war from breaking out. Hawks argued that a large nuclear arsenal strengthens deterrence by convincing aggressive adversaries that they will lose any possible fight, while doves believed that a significantly lower number of weapons would be adequate for maintaining deterrence. The chief contribution that the TTPAES team made to the arms control debate was to try to provide Schell's dark meditations on the possibility of human extinction by means of a nuclear holocaust with some sort of firm scientific basis.

In 1984, Ehrlich and Sagan with other collaborators further popularized nuclear winter in The Cold and the Dark: The World After Nuclear War. One adoring reviewer gushed that it could be "the most important book ever published." Indeed the book could have a greater effect on human history than "the Odyssey, the Bible, the Koran, or the collected works of William Shakespeare." Its apocalyptic vision was later promoted by ABC Television's dramatization of the aftermath of a nuclear war, "The Day After."

Unlike other environmental issues such as resource depletion, ozone depletion, and global warming, nuclear winter can only be tested in computer models. In the case of limits on nonrenewable resources, we can see whether resources are in fact becoming scarcer, or with regard to global warming, whether temperatures are rising catastrophically. The only reality check for nuclear winter is nuclear war. There are only dueling computer models, and given the huge uncertainties that routinely crop up in computer climate models, it is very difficult to end definitively the debate on the subject.

However, scientists and defense experts were far from unanimous in accepting Sagan's nuclear winter hypothesis. In 1985, a prestigious panel of scientists convened by the Scientific Committee on Problems of the Environment (SCOPE) ruled out the possibility of human extinction due to climatic effects of nuclear war. Even perennial climate doomster Stephen Schneider and his colleague Starley Thompson attacked Sagan's outlandish conclusions. Using a much more sophisticated climate model than Sagan's, the two showed that the "global apocalyptic conclusions of the initial nuclear winter hypothesis can now be relegated to a vanishingly low level of probability."24

Russell Seitz, a visiting scholar at Harvard's Center for International Affairs and a severe critic of nuclear winter, dismissed the defects of the TTPAES climate model in blistering terms: "Instead of a planet with continents and oceans, the TTAPSS model postulated a featureless bone-dry billiard ball. Instead of nights and days, it postulated twenty-four-hour sunlight at one-third strength. Instead of realistic smoke emissions, it simply dumped a ten-mile-thick soot cloud into the atmosphere instantly. The model dealt with such complications as east, west, winds, sunshine, sunset, and patchy clouds in a stunningly elegant manner—they were ignored."25

When Thompson and Schneider included all these factors in their model, they found that Sagan's predicted drastic drop in temperature moderated substantially. They calculated that the TTAPSS team was off by a factor of three to five—summertime temperatures over the United States would drop by 8C to 12C degrees for a few days, not by 25C degrees for months as predicted by Sagan.26 "These temperature changes more closely describe a nuclear 'fall' than a nuclear winter," the two concluded.27 Schneider and Thompson also determined that the estimates of smoke generated by a nuclear war were off by a factor of two to four. They found that temperatures wouldn't plunge to and persist at subfreezing levels because the vast amounts of heat stored in the oceans would keep the planet warm and because 75 percent of the smoke would be removed from the atmosphere over the course of a month.28 Others contradicted the claim that the northern tropics and the Southern Hemisphere would suffer subfreezing temperatures.29

MIT political scientist George Rathjens is one of the harshest critics of nuclear winter. Rathjens, a former president of the Council for a Livable World and a past executive
of SANE, groups not known for their tolerance of nuclear weapons, denounced nuclear winter as “the worst example of the misrepresentation of science to the public in my memory.”  

Eventually, Sagan’s colleague Turco admitted that he never thought the extinction of human beings by nuclear winter was a real possibility. “That was a speculation of others, including Carl Sagan,” he said. “My personal opinion is that the human race wouldn’t become extinct, but civilization as we know it certainly would.” Of course, the crucial contribution of the nuclear winter hypothesis was the claim that the human race was in danger of extinction. That nuclear war could destroy civilization is a contention no one ever doubted. However, in the 1990 book A Path Where No Man Thought: Nuclear Winter and the End of the Arms Race, Turco and Sagan continue doggedly to insist that nuclear winter could cause human beings to become extinct.  

The torching of several hundred Kuwaiti oil wells by the retreating armies of Saddam Hussein in 1991 provoked some climate catastrophists and environmentalists into reviving nuclear winter. For example, a British environmental engineer and vice president of the Campaign for Nuclear Disarmament, John Cox, suggested that the smoke could lower temperatures over a quarter of the world’s surface. Scientific American solemnly declared that optimists believed that oil well firefighters “would complete their task in nearly two years. Pessimists ... say the job could take seven years.” In fact, dousing Kuwait’s oil fires took less than a year.  

Sagan evidently could not resist making lurid nuclear winter doomsday pronouncements about the Kuwaiti fires, including the prediction that smoke from the fires could cause droughts in India and Bangladesh. When it became clear that the effects of the oil well fires were far from apocalyptic, Sagan complained about having his statements characterized as “doomsday scenarios” by Science. But what else could one call his assertion on ABC’s “Nightline”: “We think the net effects will be very similar to the explosion of the Indonesian volcano Tambora in 1815, which resulted in the year 1816 being known as the year without a summer. There were massive agricultural failures in North America and in Western Europe, and very serious human suffering, and, in some cases starvation. Especially for South Asia, that seems to be in the cards, and perhaps for a significant fraction of the Northern Hemisphere as well.” For good measure, Sagan told CBS’s “60 Minutes” that the smoke from Kuwaiti fires could obscure the sun over 10 percent of the Northern Hemisphere. “You might have massive agricultural failures in the United States as a result,” he added. Sagan’s obsession with nuclear winter has become so loony that other scientists now quip behind his back, “Where there’s smoke, there’s Sagan.”  

By the way, instead of suffering a drought as predicted by Sagan and company, India and Bangladesh saw unusually high rainfall during the 1991 monsoon season. And based on their analyses of the smoke from the Kuwaiti oil fires, atmospheric scientists Peter Hobbs and Lawrence Radke concluded that the smoke had “insignificant effects on a global scale.” They also calculated that Sagan’s estimates of the amount of sunlight that oil fire soot would block after a nuclear war are two to five times too high. This tragic real life experiment casts further doubt on the validity of Sagan’s version of nuclear winter.  

In 1983, Sagan declared, “Apocalyptic predictions require, to be taken seriously, higher standards of evidence than do assertions on other matters where the stakes are not as great.” Succumbing to his desire to bolster the Nuclear Freeze Campaign by means of a “technological fix,” Sagan failed to meet the normal standards of scientific evidence, much less the “higher” ones required of apocalyptic predictions. Nuclear winter, like the other environmental dooms analyzed in this book, is just a “scientifically generated fiction” designed to scare the public and policymakers into accepting certain drastic policy prescriptions.  

“In the final analysis, we must recognize that whatever
Trashing the Economy
HOW RUNAWAY ENVIRONMENTALISM IS WRECKING AMERICA

Ron Arnold
Alan Gottlieb

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Trashing the Economy

About the Authors

Ron Arnold

Ron Arnold is an outspoken critic of the organized environmental movement. It is not what it seems, he says. It is not saving the Earth. It is killing jobs and trashing the economy. He says environmentalism must reform or be pushed aside by the emerging Wise Use Movement.

Ron is a native Texan who attended the University of Texas and later the University of Washington where his major study was business administration.

More than 300 of his articles have appeared in national magazines and newspapers, including Reason, The Washington Times, St. Louis Post-Dispatch and USA Today. His series The Environmental Battle won the prestigious American Business Press Award for best magazine series of 1980.

Ron is Executive Vice President of the Center for the Defense of Free Enterprise in Bellevue, Washington. He is listed in Contemporary Authors and Who's Who in the West.

His activism in defense of jobs and the economy has been reported in all the major media including Time, People, U.S. News & World Report, Outside, the magazines of a dozen major environmental groups, the New York Times, Washington Post, Boston Globe, Chicago Tribune, San Francisco Examiner and Los Angeles Times.

Ron has appeared on ABC News Nightline, CBS News 60 Minutes, TBS Network Earth, the evening news of all TV networks, on C-SPAN, and over a thousand radio and television talk shows.

Ron is President of Northwoods Studio, a media consulting firm that has produced more than 100 films on business and industry, and operated strategic campaigns for companies and grass roots citizen organizations.

Ron makes his home in Bellevue, Washington with his wife Janet and her 90-year-old mother, Mary. Ron and Janet have three married daughters.

See the profile of co-author Alan Gottlieb on the back inside cover.

About the Authors

Alan Gottlieb

Dynamic and articulate are two accurate descriptions of Alan Gottlieb.

Alan is a Nuclear Engineering graduate of the University of Tennessee and has attended the Institute on Comparative Political Economic Systems at Georgetown University.

He is recognized as a member of the working press, maintaining active membership in the Outdoor Writers Association of America. His articles have appeared in the Seattle Times, San Francisco Examiner, Washington Post, Cincinnati Inquirer, Chicago Tribune and USA Today.

He is the Chairman of the Citizens Committee for the Right to Keep and Bear Arms, a National Director of the American Conservative Union and President of the Center for the Defense of Free Enterprise in Bellevue, Washington.

His handiwork has received notice in the New York Times, Washington Post, Time, People, Rolling Stone, National Review and Outside magazine.

Alan has received the prestigious Golden Eagle Award from the American Federation of Police, and was commended by the Kentucky House of Representatives for his “outstanding leadership in preserving our American heritage of freedom.” He is listed in Who's Who in the West and Who's Who in American Politics.

Alan has appeared on over 2,000 TV and radio talk shows, including the McNeil-Lehrer News Hour, ABC’s 20/20, PBS Late Night, CNN Crossfire, and Good Morning America.

Alan is President of Merrill Associates, a noted direct response advertising agency specializing in direct mail, fund raising and public relations. Alan is also President of KBNP, a Portland, Oregon radio station, and President of Chancellor Broadcasting Company, owners of a national talk radio network with more than 70 affiliates coast-to-coast.

Alan currently resides in Bellevue, Washington with his wife Julianne, his daughters Amy, Merrill and Alexis and son Andrew.

See the profile of co-author Ron Arnold on the front inside cover.
What The Media Are Saying

Ron Arnold and Alan Gottlieb have money, muscle, and something to say to millions of angry Americans. —Outside Magazine

There's not much you can teach Ron Arnold and Alan Gottlieb about environmental activism. But Arnold and Gottlieb are activists with a difference... —People Magazine

Arnold warned that unless the environmental movement is brought to heel, "public hysteria is going to destroy industrial civilization..." Arnold's organization has published a "wise-use agenda" spelling out an opposing series of goals. —The Washington Post

Mr. Arnold and Mr. Gottlieb say they have borrowed from the early tactics of the environmental movement—newsletters with ominous overtones, direct-mail fundraising to a very specific audience, the threat of lawsuits—and are just now hitting stride. —The New York Times

The direction of the Center for the Defense of Free Enterprise is determined by two men, Alan Gottlieb and Ron Arnold. Arnold, who confesses to a brief history as a Sierra Club activist, has been described as the movement's "philosopher." Gottlieb, on the other hand, is the money man. —Sierra

The principal organizer of the Wise Use Movement is Alan M. Gottlieb... —Harrowsmith Country Life

Ron Arnold...is gaining increasing national stature and political influence as the arch-druid of the burgeoning movement against environmentalism. —The Boston Globe

Legislatively, Arnold has had a remarkable degree of success. He and Gottlieb organized support for a stringent anti-regulatory bill... —Buzzworm: The Environmental Journal

Alan Gottlieb and Ron Arnold. The two men are the gurus of the Wise Use Movement. Ron Arnold [is] a former Sierra Club activist who has torn whole chapters from the textbook of grass-roots activism... —National Parks

Wise Use has no formal command structure. Any cohesion the movement has comes from a few pivotal figures—notably Ron Arnold [and] Alan Gottlieb... —Audubon

Arnold is now a fixture on the anti-environmental lecture circuit. —Greenpeace

Gottlieb, a shy direct-mail genius...Arnold, who looks like an Amish Santa Claus after a Slim Fast diet, goes to work as the eco-slayer. —E, the Environmental Magazine
Authors Ron Arnold and Alan Gottlieb at their Liberty Park complex

They challenge environmentalism! Eco-group leaders polled by People magazine voted Ron and Alan the Number One "Enemy of the Earth" they'd like to see living next to a toxic waste dump. Everybody is talking about them.

Time magazine said, "...in the wise-use movement, its ideologues are Ron Arnold, a former Sierra Clubber who did a philosophical backflip, and Alan Gottlieb, a longtime fund raiser for conservative causes."

The New York Times wrote, "Mr. Gottlieb is the most successful fund-raiser working to tap a growing movement of loggers, ranchers, miners, oil drillers, dirt-bike riders and others who view big environmental groups as a threat to their livelihood and way of life."

The Washington Post wrote, "A former Sierra Club official...Arnold says he still considers himself a strong conservationist. But he accuses mainstream groups of exaggerating or even inventing environmental threats in order to advance narrow political goals that have little to do with safeguarding natural resources."
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Runaway environmentalism is wrecking America. This book makes that startling case in a hard-hitting narrative based on years of research and investigation. It is the skeleton key to secrets that the environmental movement does not want the public to know. It contains heavily documented profiles of more than sixty environmental organizations, including many histories, sources of funding, interlocking boards of directors, personal biographies of leaders—and exactly how they kill jobs and trash the economy, detail by detail, fact by fact.

Nothing like this book has ever before been dared. It is the road map to a concentration of money and power unlike anything America has ever seen. It has but one message: The environmental movement is not what it seems. It is not Saving the Earth, it is Trashing the Economy. This is the story of a runaway movement grown so arrogant and aggressive it is killing the goose that lays our nation's golden eggs.

Trashing the Economy has taken us three years to complete. It was made possible only by the volunteer help of hundreds of informants, some of whom spent months of their time and substantial amounts of their own money digging out hidden facts about the most powerful superlobby on Capital Hill, some at serious risk to themselves.

Much of our material came from whistle-blowers and defectors from the environmental movement itself—government memos and organization letters dropped over our transom, personal interviews, financial statements, computer network printouts, closed conference proceedings.

Most of our information came from activists in the wise use movement that has grown up to challenge the legitimacy of environmentalism. These are the people who have suffered most at the hands of unfeeling environmentalists. They do not live in glass towers in New York or Washington, D.C. They are the true guardians of the environment, the farmers and ranchers who have been stewards of the land for generations, the miners and loggers and oil drillers who have built our civilization by working in the environment every day, the property owners, workers and technicians and professionals who provide all the material basis of our existence. This is their story. The devotion of these people to the jobs, private property, communities and lives of others has kept us going through a deluge of vicious attacks by environmental organizations intent on keeping the public in the dark about their inner workings. This book belongs to our activist friends who have helped in more ways than we could ever acknowledge.

Because what we found was so shocking, we have included footnotes citing the sources for every major fact we describe—1,256 footnotes. We know that footnotes break up the flow for the average reader, but there was no other way to enable the skeptical to verify what we discovered. We placed the footnotes at the end of each chapter rather than at the bottom of the page or in the back of the book. This book is too important to leave its assertions untested. We urge every reader to check everything we say at the source—to challenge every one of the more than sixty environmental groups we profile and evaluate the responses yourself.

Ron Arnold

Alan Gottlieb

Liberty Park
Bellevue, Washington (near Seattle)
The American Dream is in trouble.

Not since the Great Depression of the 1930s has the average citizen felt such alienation from "The System."

We have seen jobs that were the foundation of America's wealth dying off. We have seen Los Angeles in flames. We have seen secession measures on ballots in California and Kansas—rural communities trying to break away from hated urban governments—with similar moves under consideration in Alaska and Michigan's Upper Peninsula. We worry about the vigor and even the viability of our country.¹

We have seen a Presidential campaign in which Bill Clinton and Al Gore won with only 43 percent of the popular vote—and the victorious Southerners ushered in the Bubba Era without carrying either Texas or Florida. George Bush, who proved he knows how to wow them on the hustings four years earlier, ran a campaign so dull it was memorable mainly for a debate during which he looked at his watch to see if it was time to leave yet. The television infomercial came out of retirement to convince nearly twenty percent of the electorate it should vote for a protest candidate with big ears and a bigger pocketbook. His potent message was that people are fed up with greedy businessmen, lazy workers, and careerist politicians beholden to special interests. During that whole alienated election, more than 30 percent of those contacted refused to even talk to a poll taker. A Knight Ridder newspaper reporter characterized the Clinton election as "a mandate to give the American people hope—or else."

Or else.

Americans are realizing with outrage that their home is no longer the nation that their fathers and grandfathers once built in steel mills and automobile factories and household appliance plants—the land of hope and optimism, the one nation in the world where anything might be possible.

Political leadership, too, has lost its power to inspire us. The Congressional election of 1992 turned out the old rascals for a batch of new rascals—and saw the largest turnover in members of Congress in several generations. Gridlock is gone—and the power of Congress is growing rapidly into we know not what.

Even when jobs are not vanishing by the hundreds of thousands, clouds of mistrust hang low over the Potomac; even as politicians give themselves more control over our lives, confidence in government fades like a ghost in pale fog.
Getting Trashed

But who? Who would do such a thing? And how did we let it happen?

The answer is stunning: The Monkey Wrench Gang is the much-admired environmental movement. And we let it happen by trusting our own government too much.

If that sounds preposterous, reserve your judgment a while. This book is not another conspiracy theory. It is built around detailed profiles of the top environmental groups in America, telling who runs them, where they get their money, what they do with it, and exposing the economic damage they cause, campaign by economy-trashing campaign and program by job-killing program. Never has such a factual analysis of the environmental movement been published—taking names and kicking butt, as the vernacular goes.

We all realize that the environmental movement has become a major fact of American life. Even the FBI, which monitored some Earth Day 1970 organizers as potential subversives, ran an environmental exhibit in its lobby for Earth Day 1990. Vice President Al Gore wrote a best-seller titled Earth In The Balance reflecting his impeccable environmentalist credentials. Some 20,000 lawyers in the U.S. call themselves “environmental” attorneys. Environmentalists have become very Establishment. And very willing to trash the economy: A 1980s Sierra Club poll found 40 percent of respondents said they favor environmental goals “regardless of cost to the economy.”

Regardless of cost to the economy.

Think about that.

We have all felt Green Guilt poking at us, poking at us. We have all seen the skyrocket popularity of John Javna’s 50 Simple Things You Can Do To Save The Earth. We know it’s not nice to fool with Mother Nature. We even find journalists opening stories with the lead, “Child abuse, wife battering, alcoholism, divorce, single-parenting, toxic waste”—a commentary on just how embedded the environment has become in our social anxieties.

But when we see overkill at work we don’t take it very seriously. Who could believe Earth Island Journal meant it when the editors began their 50 Difficult Things list:

1. Dismantle your car.
2. Become a vegetarian.
3. Grow your own vegetables.
4. Have your power lines disconnected.
5. Don’t have children.

And who could believe that a respected environmental scholar would recommend abandoning all our rights and freedoms for the sake of the environment? William Ophuls, a former United States Foreign Service Officer, decided that “the golden age of individualism, liberty, and democracy is all but over,” and thus concluded in his 1992 book Ecology and the Politics of Scarcity Revisited, “The need for a world government with enough coercive power over fractious nation states to achieve what reasonable people would regard as the planetary common
Every act of environmental protection is an economic decision. Putting old
growth trees in a nature preserve rather than allowing foresters to convert them into
homes is an economic decision. Banning exploration for oil and gas on the Outer
Continental Shelf rather than using it to heat homes and run automobiles is an
economic decision. Expanding a national park by demolishing the homes and
businesses of next-door neighbors is an economic decision. Protecting wetlands
by regulating private property out of all commercial or residential development is
an economic decision. And every one of those items is on the agenda of the Clinton
Administration.

Making such human choices—the allocation of scarce resources to individual
wants—is what environmental organizations do every day. And in making their
choices they are inevitably and unavoidably economic competitors trying to
allocate scarce resources to their individual wants against the individual wants of
all the industries that feed, clothe, shelter and employ us.

As Franklin G. Reick, president of Fluoramics, Inc., said, “If this country is
destroyed, it will be destroyed by mindless bureaucrats and Kafkaesque regulation
much sooner than by the pollution we all want cleaned up.”

The Institute for Policy Innovation wrote, “The rapid growth of government
regulations may very well be the single most important obstacle to U.S. competi-
tiveness here and abroad.”

The artificial resource scarcity and high cost of doing business created by this
New Environmental Regime has sapped the American economy of its profit
margin, leaving nothing for growth—trashing the economy. These varied laws
have slowly, gradually, invisibly come home to roost, unexpectedly squeezing the
life out of America’s free enterprise system, all in the name of environmental
protection.

Storing mounds of dirt can be illegal. To move a rock in a stream or cut down
a tree in your own yard can bring heavy fines. A farmer using water to grow
blueberries or cranberries can be fined and imprisoned for despoothing “wetlands.”
Bill Ellen was convicted and sentenced to six months in federal prison for creating
ten duck ponds on Maryland’s Eastern Shore where he managed a private wildlife
sanctuary because in the process, he “knowingly filled wetlands without any
federal authorization,” according to Assistant U.S. Attorney Jane E. Barrett, who
helped prosecute Ellen. When supporters sought a Presidential pardon for Bill
Ellen, environmental groups furiously insisted he go to jail.

Cities find themselves unable to foreclose on companies that fail to pay real
estate taxes because, upon foreclosing, they legally become the owner of record
and hence are responsible for the clean-up costs of previous polluters. Service
Government programs are notorious for failing in their original purpose because bureaucrats build great bureaucracies, not great societies. Environmental programs are not exempt from this inherent fault. When companies faced with “greenmail” tactics cannot find other states with less greedy bureaucrats, they leave the United States altogether. This “capital flight” is a serious consequence of overzealous environmental regulation. Another serious consequence is the bite it takes out of the average American pocketbook each year—while failing to help the environment.

**The Cost of Environmentalism**

Environmental regulations on business cost each family more than $1,000 a year, or about $110 billion annually, according to former chairman of the Council of Economic Advisors Murray Weidenbaum. Other analysts say it is many times that amount. Robert Crandall, a senior fellow at the Brookings Institution, attempted to put a cost on environmental protection by reviewing all the major economic studies since the early 1970s. He found the excess to be several hundred billion dollars a year. Economists Michael Hazilla of American University and Raymond J. Krupp of Resources for the Future, a Washington-based environmental think tank, put the total cost of federal air and water legislation in 1990 at $320 billion—$79 billion in direct costs, the remainder from curtailed job growth, lowered savings rates, and reduced capital formation. This stupendous reallocation of resources, asserted Hazilla and Krupp, reduced our Gross Domestic Product by 5.8%. Rochester Institute of Technology says all expenses associated with regulation exceeded $400 billion in 1991, or a cost-per-family of $4,200.

The Environmental Protection Agency itself estimated that complying with its regulations was costing Americans $115 billion a year, or a remarkable 2.1 percent of Gross National Product, versus 0.9 percent in 1972. Every American is paying on average about $450 more in taxes and higher prices, or $1,800 for a typical family of four—about half their annual expenditure for clothes and shoes. EPA’s regulation has cost the nation $1.4 trillion in the past twenty years and compliance costs will total another $1.6 trillion in the 1990s alone, not counting the 1990 Clean Air Act Amendments that could add another $40 billion. Superfund cleanup is estimated to cost as much as $1.25 trillion, with about 85 percent of that stupendous amount earmarked for “transaction costs” which for the most part means lawyers’ fees.

That does not count the loss of property values due to environmental regulation for wetlands and endangered species or outright condemnation for nature preserves.

Nor does it factor in the economic losses from environmentalist pressure to reduce allowable timber harvest, mining operations, petroleum exploration, or livestock grazing on federal lands—and all of these are economic activities the Clinton Administration has said it will stop.

But taking Weidenbaum’s calculations as a conservative figure, it is fair to say that Congress would never pass the $110-billion annual hidden budget for
Trashing the Economy

Today the Environmental Protection Agency is charged with administering the Clean Air Act; the Clean Water Act; the Resource Conservation and Recovery Act; the Toxic Substances Control Act; the Noise Control Act; the Quiet Communities Act; the Safe Drinking Water Act; the Asbestos Hazard Emergency Response Act; the Medical Waste Tracking Act; the Comprehensive Environmental Response, Compensation, and Liability Act; the Emergency Planning and Community Right-to-Know Act; the Marine Protection, Research, and Sanctuaries Act; and the Insecticide, Fungicide, and Rodenticide Act. The EPA says it costs $131 billion a year to comply with those regulations.

Behind each one of these laws stands an environmental group that lobbied it into existence and made sure the costs were pushed onto private budgets. Congress never acts, it only reacts.

Congress reacts these days mainly to the wishes of the powerful environmental lobby (and we will see just how incredibly powerful it is in the profiles to come): Congress passed the 1992 budget that financed the payroll for 122,400 federal regulators—the largest number ever. And that is considered understaffed considering the huge excess of laws they have to enforce against businesses.

The question is not “Shall we pay to protect the environment so that man and nature can live together in productive harmony?”—everybody would answer “Yes” to that. The question is “What portion of the costs now being imposed are excessive?” Everybody would like to know the answer to that. Although the actual number is clouded in confusion, there are studies that provide clues.

The 1990 legislation to cure the alleged damage from acid rain was lobbied into law by environmental groups that totally ignored a $500 million study by the National Acid Precipitation Assessment Program (NAPAP), a study that Congress itself ordered and paid for. The study found minimal damage from acid rain in

All other problem areas could meet EPA levels by cutting emissions on one or two days a year. The law was unreasonably harsh, as everyone in Congress realized, but they didn’t dare ease up on George Bush’s proposal for fear that the powerful environmental lobby would eat them alive. So now the private sector has to pay over $100 billion each year to meet the new law’s excessive demands.

Former Deputy Administrator of EPA John Quarles said of the permit process for the new Clean Air Act, “It may become an administrative nightmare.” The Act affects some 150,000 small businesses. Just doing the paperwork to get one set of the permits will cost the average small business between $10,000 and $15,000, and buying the monitoring devices to track emissions will cost anywhere from $10,000 to $50,000. Every little auto-body repair shop will have to buy $100,000 worth of equipment to catch spray paint fumes. The result of this single law will be the death knell for tens of thousands of local mom-and-pop businesses that cannot afford to comply with the Act.

Solid-waste disposal regulations and toxic waste cleanup cost $5 billion to $9 billion a year. Part of the rationale for the tough regulations was that such wastes were predicted to cause an additional 1,100 cancers each year. If the money spent actually prevented half of those cases—an optimistic estimate—it would add up to a cost per avoided case of $10 million to $18 million.

Regardless of cost to the economy.
The Clinton Administration has sworn it will toughen the Clean Air Act to limit emissions to 1990 levels by the year 2000.
The Asbestos problem was handled in a ridiculous way.

Michael J. Bennett, veteran journalist and author of The Asbestos Racket, says we will spend $150 to $200 billion needlessly removing asbestos from buildings—$60 billion for schools alone, and the overall economy will sustain between $1 trillion and $2 trillion in lost property values. And the asbestos issue has also warped our legal system into a nightmarish travesty of justice. In truth, 95 percent of the asbestos used in this country is essentially harmless. The 5 percent that is seriously harmful is the blue asbestos imported from South Africa during World War II and used primarily in shipyards to wrap pipes. So asbestos removals in most instances were a complete waste of time and money, and actually exposed people to more hazard by stirring up the dust of old asbestos than they would have by simply containing it in place.

But because of environmentalist legal activism, asbestos claims can be made in the courts because of mere exposure to the substance before any harm appears—the theory being that it takes years for certain asbestos-related cancers to show up. That may seem like a compassionate accommodation to a real problem, but the entire juridical tradition of American law has required that an actual harm be done before a court may accept a case. Now, however, anyone can simply say they have been exposed to asbestos and file a lawsuit on the mere expectation that a future harm might occur and the courts need not turn it away for lack of merit. Productive

However, environmental groups still try to peddle fear of dioxin as a fund raising gimmick and press for government studies, hoping that one will someday come up with the politically correct result. Regardless of cost to the economy.

The Clinton Administration has sworn it will tighten dioxin laws.
Then there are the predatory environmental groups that consciously use the regulatory system as a fund raising device for their own organizations. One of their favorite ploys is to identify a chemical that the government is methodically phasing out for low but unacceptable levels of toxicity and then to raise an alarm that the government is not acting fast enough on the chemical, thereby endangering millions of people. In exactly such a stunt, the Natural Resources Defense Council severely damaged the apple orchard business—one of America’s few remaining mom-and-pop industries—by claiming on CBS News 60 Minutes that Alar, a growth regulator chemical, was “the most potent carcinogen in our food supply,” when in fact Alar has never caused a single case of cancer and no test has ever shown it to cause cancer in any laboratory animal—one of its by-products, UDMH (unsymmetrical dimethylhydrazine), had been shown to be a weak carcinogen in one strain of laboratory mice, but does not cause cancer in rats. Even though such a low level of toxicity does not constitute an imminent hazard, the Environmental Protection Agency was diligently following its normal decertification procedure to gradually remove Alar from the market, and the NRDC discovered that fact. NRDC hired Washington, D.C.-based Fenton Communications to treat a low level problem as if it were The Crisis of the Century.

The sensational skull-and-crossbones story hit the small screen and 40 million of its viewers: “Alar is the most potent carcinogen in our food supply” said CBS News 60 Minutes’ Ed Bradley, and the public jumped to the conclusion “my child will die of cancer if he or she eats apples.” Mothers everywhere immediately dumped the apple juice sitting in the refrigerator down the sink—whether Alar had ever touched the apples or not. School lunch rooms removed apples from the menu. The Alar panic caused the apple market to disappear for months and drove thousands of small orchardists into bankruptcy. Devastated apple orchardists sued the Natural Resources Defense Council, CBS News 60 Minutes and Fenton Communications for damages in the hundreds of millions of dollars, although existing product disparagement laws offer slim chance of victory.21

Why do we go to such lengths to destroy the industries that feed, clothe and shelter us? Robert Crandall of Brookings told Fortune magazine that it’s “a desire to purge ourselves of guilt for succeeding too well in taming nature.” In short, some people who feel guilty just want to stop growth for the sake of stopping growth.22 That’s bad enough, but it’s not even the tip of the iceberg.
Columbus, Ohio — Huge envr costs

Trashing Our Cities

The City of Columbus, Ohio, found itself faced with unmanageable environmental costs. Unlike other cities that continue to work in the dark, the mayor and city council of Columbus commissioned a unique study that revealed environmental regulation was trashing its municipal economy at an unbelievable rate. By the year 2000, households will be paying over $850 a year for new environmental regulations atop the City charges they pay now, plus the $1,000 a year they pay now on the federal regulations that Murray Weidenbaum pointed out.

The report, prepared by a blue ribbon Environmental Law Review Committee, began, “The City of Columbus has been affected during the last several years by changes in both federal and state environmental mandates. For example, between 1988 and 1990, there were 67 environmental mandates from the Federal and State government.”


The report went on, “More importantly, the federal government is actively pursuing compliance with these legislative mandates. U.S. EPA Administrator, William Reilly, has set the enforcement tone for the federal government by the ‘...aggressive enforcement...’ stance that he adopted even in his confirmation hearing. In addition, the State of Ohio has begun to adopt similar legislative mandates with which the City must comply or face legal action.

“Unfortunately, very little or no funding has been provided at either the state or federal level to assist the City in complying with these laws and regulations. And, costs of compliance are escalating. Environmental costs may be 85% higher in the year 2000 than in 1987 if full compliance with environmental mandates is achieved.”

You can bet that President Clinton’s EPA Administrator will make it tougher than that.

Most of the new mandates purport to improve the nation’s health and safety risks, but in fact they do little at stupendous cost. The mandate that EPA
Trashing Our Farms

Our farms are particularly vulnerable to assault by wetlands controllers. Even though farms are theoretically exempt from wetlands regulation, in practice they are attacked through numerous loopholes such as "pothole lakes" and "riparian zone" exceptions, and farms are all in areas where there is water from some source. With the definition of wetlands so elastic that it can even include "moist soils," Uncle Sam's environmentalists can effectively nullify property rights on 70 percent of U.S. private land, which works out to at least half of all farmland. That's most of the eastern United States and more than 40 percent of California. Federal wetland policy has also shut down or reduced commercial development, reduced the availability of land for housing—causing prices to either skyrocket or collapse, depending on the situation. Existing homes go up in price, undeveloped land goes down, and in places like California where environmental regulations are completely insane, the market just gives up and goes totally to hell.

Trashing People

What doesn't get taken out of production by wetlands could be trashed by the Endangered Species Act. If you own land which is home to any species, plant or animal or bug that has been classified by the U.S. Fish and Wildlife Service as "endangered" or "threatened," the law restricts that land from residential, commercial, or even agricultural development. When the Endangered Species Act of 1973 was passed, probably not a single member of Congress had any inkling of the time bombs they had set ticking. Most of them were thinking about saving the whooping cranes and bald eagles and other such beloved creatures. They weren't thinking about insects, salamanders and weeds, although numerous obscure species now crowd the Endangered Species list.

Most people would willingly try to save even these creatures if it were not for the punitive way the law was drafted. Under terms of the Endangered Species Act it is unlawful to kill, harm, harass or annoy any creature listed as endangered or threatened. "Harm," has been defined to include any acts that destroy, damage or

Lady was fixing a fence

Margaret Rodgers, an elderly lady who owns a ranch west of Austin, was clearing a fencerow of invading young junipers so she could rebuild the fence. The vigorous juniper had crowded the fenceposts and rearranged the barbed wire so badly that her livestock could get out—a problem familiar to every Hill Country rancher. Some busybody saw her at work and called the U.S. Fish and Wildlife Service, which is the federal agency responsible for enforcing the Endangered Species Act. Robert M. Short, a Fish and Wildlife bureaucrat, responded to the report of the secret informer by writing this letter to Mrs. Rodgers:

It has come to our attention that clearing of a strip of woodland has recently occurred on a tract of land located south of FM 1431 in the vicinity of Lago Vista, Texas. We understand that you are one of the joint owners of the
Trashing Industry

Industry provides all the things we need to live. America seems to have forgotten that basic fact. Let us explain it in simple terms anyone can understand, as we heard it once told by a mining engineer:

People need things. Things are made of stuff. Stuff comes out of the ground. Industry gets the stuff out of the ground and turns it into things. Then people can use the things. Whatever it is, animal, vegetable, or mineral, the things we need to live are made of stuff that industry gets out of the ground, one way or another. If that sounds patronizing, it is—we Americans have grown so remote from our natural and industrial roots, so soft and stupid, we need a patron.

It's as if every adult American had been afflicted with the blind sight of the sixth grader in Oakland, California, whose entry into a 1980s Farm Poster Contest announced "We Don't Need Farmers Where I Live Because There's A Safeway Right Across The Street." That's forgivable in a twelve-year-old, but not an adult with a college degree working in a professional job. Yet that's what many supposedly grownup Americans think today. They are people who use things made by industry every day and never even realize it, much less say "Thank you, industry." Environmentalism is a kind of impervious Mindwrap that protects them from economic reality. Minds stuffed with fluffy. Emotions that regard industry as evil men running evil factories whose only product is pollution. Souls that believe all the material goods of industry just come out of some little black box like magic. With a society as disconnected from the real world as that, we have no chance of survival. We will act to mock, and devalue and destroy the very sources of our food, clothing, and shelter, just as we see the environmental movement doing all around us.

At a conference once, we asked a highly intelligent reporter who was interviewing us, Eric Brazil of the San Francisco Examiner, what the mining industry had done for him today—just picking an industry at random to make a point. He stunned us with an uncomprehending abstraction: "Well, I suppose that some mining industry stock transaction may have increased the portfolio of some of the readers of Hearst newspapers." We stared in disbelief and said, "Didn't the mining industry provide the metal for the presses that will print the story tonight that you're writing today?" With a shock of recognition he said, "I see your point." Unfortunately, not everyone is as bright as Eric Brazil.

Government As Enemy

Jim Little runs cattle on the 30,000 acre Bear Valley allotment in Idaho. The land is bisected by Bear Valley Creek near the headwaters of the Salmon River, where the spring chinook salmon spawn. The chinook run is newly listed as an endangered species. Protection measures will increase Little's operating costs more than 20 percent. That will squeeze the surplus out of his ranch. He'll slowly drift down the road to economic ruin. Environmentalists are doing everything they can to speed his departure. The Nature Conservancy, Earth First! and the Audubon Society have pushed ranchers to the brink of extermination with demands to take private and government lands out of livestock production.

The Audubon Society's slick television special, The New Range Wars, falsely depicted cattle ranchers as degrading the land and maligned cattle as ecology-wreckers. It was part of the environmental movement's efforts to make federal rangelands "Livestock Free by '93!" Getting the public to support that campaign required the depiction of ranchers as a "rape, scrape and run mob," and as receiving private subsidies for grazing on public lands. In fact, ranchers have one of the best records of land stewardship and conservation of any human endeavor. And in fact,
Ranchers graze cattle on public lands

Hage's book also examined the history of wildlife populations in federal grazing lands, revealing that ranchers had been such good stewards of the environment that game animals such as grouse, bighorn sheep and antelope have increased dramatically. The phony claims of "damaging the environment" were especially galling to ranchers who had for generations protected wildlife through predator control and building water catchments so animals could survive the dry season, only to have some new federal bureaucrat fresh from employment with an environmental group come onto a rancher's allotment, photograph a naturally bare rocky spot and put it in the rancher's Range Condition File as "proof of overgrazing."

Hage's book caught on like a firestorm in a summer prairie. Thousands of ranchers who thought they were the only ones suffering at the hands of federal bureaucrats suddenly realized that they were all in the same predicament. Hage went on the lecture circuit with his book telling other ranchers how to defend themselves. He was an instant hit. His arguments were so powerful that environmentalists could not rebut them.

Western World View - What should we think?

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The environmental movement challenges the dominant Western worldview and its three assumptions:

- Unlimited economic growth is possible and beneficial.
- Most serious problems can be solved by technology.
- Environmental and social problems can be mitigated by a market economy with some state intervention.

Since the 1970s we've heard increasingly about the competing paradigm, wherein:

- Growth must be limited.
- Science and technology must be restrained.
- Nature has finite resources and a delicate balance that humans must observe.3

We feel that fairly represents the debate.

The competing paradigm's three themes dominate the entire environmental movement. That includes more than twelve thousand nonprofit groups centered on the environment or related areas, according to the Internal Revenue Service. They command billions of dollars in resources and incredible political clout. This book profiles twenty-five membership groups, each of which has an annual income in excess of a million dollars, five influential non-membership and five specialized organizations, equally well-endowed—35 powerhouse of the movement.

Each environmental group has its own special story. Each has its own origins, strategies and preferred operating style. And yet they coalesce into a single movement, not monolithic and solid like a potato, but instead, well-textured with friendly rivalries and sibfofienmites, cozy clusters and antagonistic factions—
The environmental movement is not what it seems. What we will find in fact is a self-enriching power-hungry leadership using nature slogans to betray a naive public into a new brand of economic slavery. What the environmental movement is really doing, despite its carefully groomed image of Saving the Earth, is Trashing the Economy.

So, while this book is built around profiles of the twenty-five top membership groups, five top non-membership groups, and five important specialized groups, it also contains sub-profiles of twenty-five related or otherwise influential organizations—more than sixty groups in all.

Although these rankings change annually as incomes fluctuate, the list of top national environmental groups as of 1993 was:

1) The Nature Conservancy, $274.9 million, 680,000 members;
2) National Wildlife Federation, $77.2 million, 5.6 million supporters;
3) World Wildlife Fund, $55 million, 1 million members;
4) Greenpeace USA; $47.6 million, 2.1 million members and supporters;
5) Sierra Club, $39 million, 650,000 individuals;
6) National Audubon Society, $37.3 million, 600,000 individuals;
7) Humane Society of the United States, $19.2 million, 975,000 members;
8) Environmental Defense Fund, $18.5 million, 220,000 individuals;
9) The Wilderness Society, $17.9 million, 383,000 individuals;
10) Cousteau Society, $17.7 million, 350,000 members;

11) Natural Resources Defense Council, $17.4 million, 170,240 members;
12) Clean Water Action, $11.6 million, 600,000 members;
13) Conservation International, $10.9 million, 55,000 members;
14) National Parks and Conservation Association, $9.1 million, 260,000 members;
15) People for the Ethical Treatment of Animals, $8.8 million, 325,000 members;
16) Defenders of Wildlife, $6.5 million, 75,000 members plus 13,000 contributors;
17) Center for Marine Conservation, $5.6 million, 110,000 members;
18) Environmental Law Institute, $4.3 million, 1,900 associates;
19) Union of Concerned Scientists, $3.7 million, 100,000 members;
20) Friends of the Earth, $3.2 million, 50,000 members.

21) Izaak Walton League of America, $2.2 million, 52,700 members;
22) Fund for Animals, $1.8 million, 200,000;
23) Earth Island Institute, $1.5 million, 32,000 members;
24) National Toxics Campaign, $1.5 million, 1,400 groups;
25) Environmental Action, Inc. / Environmental Action Foundation, $1.3 million (combined), 16,000 members.  

Five important non-membership environmental groups also do their best to trash the economy with conferences, studies, books, and other intellectual assaults:

1) World Resources Institute, $10 million;
2) Resources for the Future, $7.8 million;
3) The Keystone Center, $4.1 million;
4) Rocky Mountain Institute, $1.2 million; and
5) The Foundation on Economic Trends, $1 million.
One important non-organization that doesn’t show up in the money and membership tabulations is Earth First! This eco-terrorist faction trashes the economy by sabotage and violence, has no official members, calling itself a “movement” rather than an organization to shield its supporters from prosecution, although an Earth First! Foundation has been granted a 501(c)(3) tax status by the Internal Revenue Service.

In addition, a number of specialized groups with million-dollar budgets must be included:

Worldwatch Institute, $3 million, a non-membership global anti-development organization.

INFORM, Inc., $1.5 million, 1,000 members, a “social responsibility” organization centered on waste issues.

League of Conservation Voters, $1.3 million, a political action committee.

Zero Population Growth, $1.3 million, 30,000 members, a population control organization.

Rainforest Action Network, $1.2 million, 35,000 members, a direct action network.

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**The Nature Conservancy**

The Nature Conservancy (Founded 1951)

Annual budget: $274,909,000 (1992); capital allocations $286,735,000

Staff: 1,150 total

Members: 680,000 individuals; 405 corporations

Tax Status: (501)(c)(3)

Headquarters: 1815 North Lynn Street
Arlington, Virginia 22209
Phone: (703)841-5300 Fax: (703)841-1283

The Top of the List, the Number One Economy Trasher. This richest of all environmental groups—with total assets of $727 million—is one of the least known. A 1990 marketing study showed that the public didn’t know the group’s name or understand what it does. Yet the Nature Conservancy’s 680,000 members belong to an outfit that operates 8 regional offices: in San Francisco, California; Boulder, Colorado; Winter Park, Florida; Honolulu, Hawaii; Boston, Massachusetts; Minneapolis, Minnesota; Albany, New York; and Chapel Hill, North Carolina, along with 50 state chapter offices.

Wealth this big keeps a low profile for a good reason. If the public knew what it was really up to, they’d be up in arms against it. As Rolling Stone commented, the Nature Conservancy is a “relatively obscure but smart and effective environmental group. Unlike some organizations, it expends no energies on publicity-seeking stunts or shrill fund-raising mailings.”

The Nature Conservancy is so secretive because it is a big money non-profit upperclass real estate firm. TNC buys private land in the United States,
Playing Rough

The Nature Conservancy also uses its financial and political clout to intimidate private property owners into selling. Their favorite harassment ploy is to covertly play "good cop-bad cop" in joint actions with openly aggressive environmental groups. TNC rigs deals with activist accomplices to raise huge stinks about specific land developments that then become politically impossible so that selling to TNC is the only alternative.

A case in point is the attack on Donnell Pond, east of Ellsworth, Maine. Prentiss and Carlisle, a timber company based in Bangor, owned a substantial portion of the land around the pond. In the summer of 1987 they had contracted with Patten Corporation, a Vermont-based developer, to put in 150 camp lots on their land, although Patten had less than a sterling track record for abuses. This project had been designed for minimum impact-maximum conservation, scattering the sites over 1,500 acres so that for each camp lot there was an average of nearly ten untouched acres in the project. Most people regarded it as a model development.

But not the Maine Chapter of the Nature Conservancy, which, with its 12,000 members, is the state's largest eco-group. It wanted absolutely no development on that pond. Period. So TNC set about to wreck the Patten Corporation's plans. Conservancy Maine Director Mason Morfit and Associate Director Kent Wommack worked with the belligerent Natural Resources Council of Maine (NRCM) and with Edwin Meadows, then director of Maine's Bureau of Public Lands—but formerly a trustee of the Nature Conservancy—to stop Patten's project dead in its tracks. Here's how it worked:

Attack Phase I. The NRCM mounted a screaming publicity campaign with the usual eco-sales pitch: "The last magnificent wilderness pond in Maine is about to be overwhelmed by a tidal wave of destruction by heartless out-of-state developers." Reading NRCM's propaganda, you could just visualize a dozen pulp mills,

Funny how the Nature Conservancy can develop its own "Last Great Places" but doesn't want anybody else to develop their own great place.

We guess not all Great Places are created equal.

Selling our Birthright

There is another illusion, one infinitely more threatening. TNC appears to be buying land in legitimate deals and preserving it as a selfless protector of nature, putting its money where its mouth is, even if it does make a few million bucks in commercial real estate development now and then, which, after all, is just good old American competitive capitalism at work, even if a little odd for a nonprofit. None of the publicity in the standard profiles of environmental groups, such as that published in Public Interest Profiles, even mentions the most important fact about the Nature Conservancy: that it serves as a major conduit for nationalizing private land by selling the bulk of its purchases to the federal government at high "management fees" (profits). 37
The Number Two Economy Trasher. While the Nature Conservancy is the biggest environmental group in terms of sheer wealth, the National Wildlife Federation is far and away the biggest in terms of members. While the Nature Conservancy toils quietly in the basement of the environmental movement, the National Wildlife Federation reveals the movement's intent on the rooftops through high-profile action and a vast publication program.

The NWF is not an organ of the Mellon Money Axis or the Rockefeller Money Axis like the Nature Conservancy and American Farmland Trust, respectively, but has its own distinctive web of big money connections. The National Wildlife Federation occupies a position in the Establishment Interventionist Axis: It does not eschew owning and managing its own private wildlife areas although it acts to interfere with property rights generally and specifically acts to nationalize private land into government nature preserves.¹

And although it acts to regulate business and stop market activities on federal lands, it does so in the interest and with the cash of a substantial spectrum of large corporations, including Arco, Du Pont and Ciba Geigy. It avoided becoming the

World Wildlife Fund

The Number Three Economy Trasher. *Animals' Agenda* said, "The powerful World Wildlife Fund (WWF), is one of the wealthiest groups in the international arena."¹ That shouldn't be too surprising for an organization that gets 20 percent of its income from your federal tax money, another 10 percent from industry, and half from foundations.² *Philanthropy* said, "Their effect on environmental policy has been enormous. And many of these environmental organizations have received significant support from foundations and even corporations."³ Major donors Chevron and Exxon donated more than $50,000 in 1988, and Philip Morris, Mobil and Morgan Guaranty trust gave large contributions to the World Wildlife Fund.⁴

This American nonprofit group is only one of 29 international corresponding World Wildlife Fund organizations and a home office in Gland, Switzerland. The United Kingdom's Prince Philip, Duke of Edinburgh, is President of the World Wildlife Fund internationally, lending a prestige that can hardly be critiqued without a bit of lèse majesté. No offense, Prince, but you know how fond we scoundrels from the Colonies are of raising a little hell now and then.

The American unit of the World Wildlife Fund concentrates on "international field activities, including protection of endangered wildlife and wildlands, especially in the tropical forests of Latin America, Asia and Africa; international trade in wildlife, ecologically sound development; conservation of natural resources; and environmental public policy and opinion," according to its literature. It operates affiliate Fairfield Osborn Center for Economic Development.

It is another one of those marvellous revolving door organizations: In July 1990 it absorbed the Conservation Foundation, which had given the Bush Administration William K. Reilly, its Administrator of the Environmental Protection Agency. In addition, WWF's president, Kathryn S. Fuller, worked at the office of the Legal Counsel at the Department of Justice and helped start Justice's wildlife section, becoming head of the section in 1979.
Carnival in Rio

The latest model of world environmentalism arrived in June of 1992 when more than 100 heads of state and 50,000 others streamed into Rio de Janeiro, Brazil for the Earth Summit, the radicalized, revitalized environmental movement's circus of the mind. The big eco-bash was formally known as the United Nations Conference on Environment and Development, or UNCED.

After years of feverish preparations and the expenditure of vast piles of cash, the Malthusians won big at UNCED. Two formal treaties came out of the Earth Summit, one governing climate change and the other on biological diversity.

The Group of 77, which represents the Third World, tried to shift the Rio agenda toward economic development, but were outflanked by environmental groups—those pesky NGOs. However, with the help of the Vatican, the Group of 77 thwarted the U.S.-led campaign to put population control, which they saw as genocide, at the top of the agenda.

Aside from the two formal treaties, the Earth Summit participants also endorsed several nonbinding documents, including a Declaration of Principles and Agenda 21, a long laundry list of policy recommendations ranging from population control and sustainable development to the creation of new global organizational frameworks for environmentalism.

Vice President Al Gore, who headed the U.S. congressional delegation to Rio, declared UNCED a "tremendous success." Gore said, "I believe deeply that substantive policy and program changes necessary to protect the Earth's environment will come more easily after the Earth Summit."
Greenpeace USA (Founded 1971)
Annual budget: $47.6 million (1991); 
$157 million internationally (1990)
Staff: 250 staff members plus 20 interns;
Offices in 24 countries
Members: 2.3 million members and supporters U.S.,
5 million worldwide
Tax Status: (501)(c)(3)
Headquarters: 1436 U Street, NW
Washington, D.C. 20009
Phone: (202)462-1177 Fax: (202)462-4507

The Number Four Economy Trasher is very open about destroying free enterprise. "I don't believe in the market approach... It results in treating toxics or pollution as a commodity... When companies have a bottom line of profit you won't have them thinking about the environment." So said Greenpeace USA Executive Director Peter Bahouth (salary $40,000) in the left-wing newspaper In These Times in April 1990.

Anti-capitalist rhetoric shouldn't come as much of a surprise from a group that coalesced from the 1969 Don't Make a Wave Committee, a bunch of American Vietnam War draft dodgers who fled to Vancouver, British Columbia, and, with some Canadian supporters backed by American Quaker money, tried to stop U. S. nuclear tests on the Aleutian island of Amchitka with a halibut seiner renamed Greenpeace. Various West Coast Quaker groups gave money, including the Palo Alto Meeting of Friends and the Eugene Meeting of Friends.

Canadians were worried about possible tidal waves and earthquakes from the underground atomic blast and American Quakers had tried to stop nuclear tests twice before by sending the boats Phoenix and Golden Rule into test zones but were quickly arrested and their boats seized.

Some people were fishing, then...

as we approached Coco Island we were intercepted by a ship with a United States flag under the name Edward Abbey at about 11:30 a.m. The American ship tried to sail against us several times, forcing us to change course. We tried to establish radio contact with it but were repeatedly ignored.

As part of their hostile actions, they shot bullets with a red substance at us. Some hit our boat, others hit two of our crew members, Martin Dijeres Dijeres and Juan Mayorga Montes, causing them great pain. The American ship also fired live ammunition in the air a few times.

Finally, the American ship also shot a mortar round at us that landed some 10 meters away from our boat.

The Tuna Commissioner of Costa Rica issued a news release stating:

A new concept of imperialism, not much different from that of the last century, exists today. In the name of ecology, environmentalism and other principles, some people intend to sacrifice the countries of the Third World. Environmentalists will defend their principles even if it means trampling the sovereignty of any nation that dares stand in their way. They are not concerned with the hunger afflicting the poor neighborhoods of Puntarenas, Caracas or Mexico City. What's more, they will not stop at cold-blooded murder. For them it is only a modus vivendi that allows them to raise million of dollars to defend principles for which they will sacrifice us.

It is time to defend our sovereignty and that our authorities act and capture this armed ship.
Mick Kronman, a freelance reporter for *National Fisherman* magazine and *Underwater USA* magazine, interviewed Peter Brown of the Sea Shepherd Conservation Society about this incident. The Sea Shepherds believed that the Costa Rican boats were fishing illegally in a national park near Coco Island. During the interview, Mr. Brown made the following statements: "The fishermen are full of shit. In fact, we should have used real bullets on the damn bastards, not paint bullets. These fishermen are pigs. They're raping the environment for the sake of a buck." When Kronman wrote that in his magazine articles, the editors deleted it. Kronman verified in writing the quotes to Teresa Platt, president of the nonprofit Fishermen's Coalition.46

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**Sierra Club**

(Founded 1892)

Annual budget: $40.6 million (1991); $37 million (1990)

Staff: 325 total—180 professional, 145 support, plus volunteers

Members: 650,000 individuals

Tax Status: (501)(c)(4)

Headquarters: 730 Polk Street, San Francisco, California 94109

Phone: (415)776-2211

Fax: (415)776-0350

Washington, D.C. 20002

Phone: (202)797-6800

Fax: (202)797-6646

Economy Trasher Number Five. As "the only member of the 'Group of 10' without tax deductible status, the Sierra Club is the most free-wheeling lobbying and political apparatus of any of the environmental groups," said the *Washington Post*. "The Group of Ten" is the somewhat pretentious name that ten environmental groups in Washington, D.C. gave their informal coalition which banded together in 1981 to coordinate strategy during the Reagan administration. By rank, they are 1) National Wildlife Federation; 2) National Audubon Society; 3) Sierra Club; 4) Wilderness Society; 5) Natural Resources Defense Council; 6) Environmental Defense Fund; 7) Izaak Walton League of America; 8) National Parks and Conservation Association; 9) Friends of the Earth; and 10) Environmental Policy Institute.1

The Sierra Club arrived at its "most freewheeling" status after a hundred years of drifting relentlessly to the left of the conservation spectrum.
Actual businesses have been established to “discover” newly endangered species on proposed development properties. Environmentalists systematically use the Act as a kind of legal blackmail to trash the economy.21

It is not unusual to find that, long after a development project has been killed at a horrendous cost in jobs and money, the allegedly “endangered” species suddenly turns out to be alive and well in huge numbers in a nearby valley or stream or forest. The classic example is the Tellico Dam farce. In 1978, the U.S. Supreme Court ruled that the Tennessee Valley Authority must halt construction of the Tellico Dam because construction would destroy the home of the endangered snail darter, which was later found thriving in large numbers in other parts of the South.

But such discoveries do not embarrass environmentalists, who appear to be beyond shame. The case of the Dusky Seaside Sparrow ended in snail darter fashion, even though environmentalists tried to put blinders on the public by saying of the bird that it was living on borrowed time. Man-caused habitat changes pressed in—cattle grazing, canal and road building, burning and drainage for agriculture, flooding and pesticide spraying for mosquito control. The advent of the close-by Cape Canaveral space-flight center and the development it spawned were a major blow. Site-tenacious, the dusky race existed nowhere else and would not move. Its numbers fell. By 1976, no more evidence of nesting could be found.22

That was written quite a while after renowned ornithologist Roger Tory Peterson, in the 1980 edition of his authoritative Field Guide to the Birds, noted that the Dusky was actually rather common: “Any Seaside Sparrow on St. Johns River near Titusville, Florida, is the species.” The doomsayers got a further slap in the face when scientists John C. Avise and William S. Nelson found that mitochondrial DNA from the supposedly “extinct” dusky seaside sparrow was an exact match with existing populations of seaside sparrows up and down the Atlantic coast.23

The fact that no such studies were required when environmentalists demanded the Dusky be listed demonstrates the extent to which environmental organizations have gained credibility as legitimate spokesmen on such issues, despite their history of emotionalism, exaggeration, baseless allegations, and outright fraud.
Union of Concerned Scientists (Founded 1969)
Annual budget: $3.7 million
Staff: 32 total—25 professional, 7 support
Members: 100,000 individuals “including thousands of scientists.”
Tax Status: 501(c)(3)
Headquarters: 26 Church Street Cambridge, Massachusetts 02238
Phone: (617)547-5552 Fax: (617)864-9405
1616 P Street, NW, Suite 310 Washington, D.C. 20036
(202)332-0900

Economy Trasher Number Nineteen. A Union of Concerned Scientists fund raising letter dated September 1992 began, “Our global environment is under a severe threat because of a failure of American leadership.” It was a variation on the main theme of UCS since its founding in early 1969: Bash America.

The organization most relentlessly critical of America in the environmental movement, the far-left-wing Union of Concerned Scientists began not as an environmental group at all. It was convened in early 1969 by a faculty group of 48 professors at the Massachusetts Institute of Technology to act as the sponsor of a one-day research work stoppage to protest against the Vietnam War.

In late January of 1969, the magazine Science gave prominent coverage of the proposed protest: “Scientists Plan Research Strike at M.I.T. on March 4.” Faculty and students got together and sponsored the event, which was far more like an ordinary campus conference than a strike. Numerous distinguished figures spoke at the March 4 conference, including Rep. George Brown of California; Francis E. Low, later MIT provost; Hans Bethe, Nobel laureate and professor of theoretical Physics at Cornell University; Bernard T. Feld, subsequently editor of the Bulletin of Atomic Scientists; and William McMillan, of the RAND Corporation.

Also on the program were radical activists such as Eric Mann of the Weatherman faction of Students for a Democratic Society; Father Anthony Mullaney, one of the “Milwaukee 14” draft resistance organizers, who served a prison term for his anti-Vietnam war activism; and the noted leftist, Noam Chomsky, MIT Professor of Linguistics who tagged himself “an active critic of American society.”

For those unfamiliar with Eric Mann’s Weather Underground, originally called the Weathermen—after the lyrics of an anti-war song by folksinger Bob Dylan—it split with the relatively nonviolent SDS in 1970 over the use of terror tactics, which the Weathermen felt were their only effective weapons in their “armed struggle against the state.” The group was forced underground when its “bomb factory” in Greenwich Village exploded. The group engaged in a terror campaign culminating in the bombing of the U.S. Capitol in 1971 in protest of “the Nixon involvement in Laos.” Most of its known members have been arrested at one time or another.

The conference called for “concrete action” against the ABM (antiballistic missile) system, the dismantling of MIT’s $90 million-a-year Draper Laboratory
Union of Concerned Scientists

where largely classified research was performed, and a change in MIT policy to reject all future classified research contracts. The Union of Concerned Scientists helped to make all those things happen in later years.

The underlying tone of the March 4 conference was captured by Jonathan Kabat, a key organizer of the campus group Science Action Coordinating Committee and chairman of the panel titled "Proposals for Further Action," who said: "It's not a question of a few reforms, it's not a question of just saying that we oppose this aspect and that aspect and this aspect. You've got to say 'no' to capitalism. You've got to say 'no' to a system that is based on the profit motive and reduces humanity to nothing. You've got to say 'No, we want capitalism to come to an end.'"

The Union of Concerned Scientists' sponsorship statement at the top of the March 4 conference agenda began: "Misuse of scientific and technical knowledge presents a major threat to the existence of mankind. Through its actions in Vietnam our government has shaken our confidence in its ability to make wise and humane decisions."

This anti-Vietnam war rhetoric has conveniently vanished from UCS's current literature; only the first sentence of that paragraph survives. In fact, it appears to have suffered the fate of those famous pages of the now-defunct Great Soviet Encyclopedia which were periodically cut out and replaced by the Central Committee so that history would reflect the current party line.

It is fascinating to read accounts of the origin of the Union of Concerned Scientists written twenty years later. The magazine Technology Review, published at MIT, ran a 1989 editorial titled "March 4, 1969" commenting on talks held to commemorate the twentieth anniversary of the event. Editor Jonathan Schleifer 1) failed to mention that the original meeting was a work stoppage; 2) didn't acknowledge that it was an anti-Vietnam war protest; and 3) didn't bother to mention the overt anti-capitalist rhetoric that drenched UCS's kickoff meeting. But you can count on the Union of Concerned Scientists for objectivity and intellectual integrity, right, Charley? 2

The huge media coverage of the March 4 conference turned on a light for the 48 MIT faculty members who called themselves the Union of Concerned Scientists: they had a constituency which could turn into money and influence. The ad hoc group became permanent, got its own offices in Boston, and grew into a multimillion dollar activist center. Three of the original March 4 sponsors still sit on the board of directors of UCS today: James A. Fay, Professor of Mechanical Engineering, MIT, now Emeritus; Kurt Gottfried, Chairman, Department of Physics, Cornell University (he was a Visiting Professor at MIT in 1969); and Victor F. Weisskopf, Institute Professor of Physics, now Emeritus, MIT.

The membership of Union of Concerned Scientists has always consisted of less than 10 percent scientists and more than 90 percent generic America-bashers. UCS has spent most of its time since 1969 shutting down American nuclear power reactors, trying to eliminate the American defense establishment and generating America-bashing propaganda dressed up in scientific garb by people with Ph.Ds behind their names and all their anti-capitalist allegiances sticking out in front.

Note: I got many mailings from the "Union of Concerned Scientists" for many years. They did not seem like a group that I should support. They were very political! Ray Lema
July 2007
Senior Scientist at NCAR
Trashing the Economy

UCS’s first membership recruitment campaigns turned up few scientists but many anti-war protesters. For its first few years, the UCS said very little about the environment, focusing upon draft resistance, opposition to weapons research, and general anti-war activism. They worked hard to push through the ABM Treaty of 1972, which stopped what the faculty statement had called the “ill-advised and hazardous” antiballistic system. As a later era found, having no way to stop incoming nuclear warheads was ill-advised and hazardous to America. Its absence was one of the chief reasons that the Strategic Defense Initiative (SDI), better known as Star Wars, was later proposed.3

When the Vietnam war ended, UCS turned to anti-nuclear activism on two fronts, one to shut down all 111 American nuclear energy generation plants, the other to entirely dismantle the American nuclear defense capability.

You’ve got to say, “No, we want capitalism to come to an end.”

The defense-dismantling program of the Union of Concerned Scientists has been carried out with the intelligence you’d expect of an organization of America-bashers presided over by a board of noted scientists. The cleverest thing they did was in the fall of 1982—when the leaders of the nuclear freeze movement were still buoyed by what they considered a popular tide—UCS introduced to America’s schools the subject of nuclear war, and their favorite way to prevent it, i.e., bash America. It was part of a campaign to make “peace” or “nuclear war” education a part of the short list of subjects which all children must study. They succeeded in convincing states such as Oregon, and municipalities from New York and Milwaukee to Pittsburgh and Los Angeles to legally require such a unit of instruction.

The Union of Concerned Scientists wrote a teaching unit for junior-high-school students under a lucrative contract with the teachers union, the National Education Association. The unit was called Choices: A Unit on Conflict and Nuclear War. It was a masterpiece of fear and hate mongering—fear America, hate America.

The authors of Choices instructed teachers, “It is also important for you to admit your fears about nuclear war. This may help students more freely admit their own fears.”

Lesson 1 of Choices began with a picture of a mushroom cloud distributed to all students. The teacher asks what it means to them. The teacher then goes to the first exercise, “The First Atomic Bomb,” reading “one factual and one personal account of the dropping of the atomic bomb on Hiroshima.” The “factual” account gives no background to World War II, and doesn’t even mention who started it. The “personal account” includes a child’s description of the devastation.

Then the class is divided into groups of four or five students, who are asked to discuss their feelings about the Hiroshima accounts. Then the groups list three or four things they felt after hearing these accounts, which a spokesperson from each group presents to the class. Plenty of time is allowed to discuss their thoughts and feelings about Hiroshima and the atomic bomb. As an option, the teacher distributes the book Unforgettable Fire, “pictures drawn by atomic-bomb survivors 30 years after the event.”
Union of Concerned Scientists

Lesson 2 goes through the same exercise with radiation sickness, particularly with bomb victims who do not die immediately. Students are encouraged to start a private journal in which they write about their new-found fears, sense of national guilt, disgust with being a creature which would do such a thing to others.

Finally, teachers give a map of their city to students who do the exercise “Ground Zero” showing the effects of a one-megaton bomb at different distances from “the point on the earth’s surface on or above which a nuclear weapon explodes.” The Union of Concerned Scientists pointed out in their instructional materials that should the teacher “choose to have students draw the concentric circles on the maps, they will need compasses.” The Union of Concerned Scientists is nothing if not thorough. History of WW II

There you have it. That is the history of World War II according to the Union of Concerned Scientists. It generated in millions of young students exactly what UCS intended: pity for the Japanese, disgust for America.

It was another brick added to the edifice of self-loathing, first for America and then for all things human, that an entire generation of American students learned from our educators. Needless to say, young people emerging from such brainwashing would hardly be eager supporters of national defense measures.

The Union of Concerned Scientists did everything it could to take the American defense establishment apart. Lobby Gorbachev

In 1985 the Union of Concerned Scientists sent a message to Soviet General Secretary Mikhail Gorbachev asking for a joint prohibition of all development and testing of space arms, as well as a moratorium on further testing of antisatellite weapons. In the political context of the arms control negotiations of the time, in which the U.S. was attempting—according to some analysts—to raise the hardware ante so high that the Soviets would no longer be able to compete, the UCS appeal clearly favored Soviet interests. A gushingly friendly letter from General Secretary Gorbachev to Union of Concerned Scientists Chairman Henry W. Kendall did little to allay the suspicions of such analysts.

In 1986 the Union of Concerned Scientists tried to kill the Strategic Defense Initiative as they helped kill the antiballistic missile system in 1972. UCS hired Washington, D.C.-based pollsters Peter D. Hart Research Associates, Inc., to telephone 549 members of the 37,000 members of the American Physical Society and ask whether they thought SDI was “a step in the wrong direction for America’s national security policy.” Respondents answered by a ratio of 54 percent against SDI to 29 percent for SDI. UCS concluded that their survey showed “profound and pervasive skepticism toward SDI in the scientific community.”

The Union of Concerned Scientists predictably complained that the B-2 Stealth bomber was unnecessary and too costly. You’ve got to say, “No, we want capitalism to come to an end.” Anti nuclear power

The Union of Concerned Scientists’ anti-nuclear power program has been most impressive. In 1987 the UCS petitioned the Nuclear Regulatory Commission to shut down 8 “unstable” reactors of the Three Mile Island design until they could be

30
made more stable. UCS cited 30 accidents at the eight plants, of which 10 were considered especially troubling. UCS also asked for public hearings to revive the hysteria of the 1979 reactor accident at Three Mile Island as a fund raising event. NRC spokesman Joe Fouchard said the information presented by the Union of Concerned Scientists was “generally out of date” and there was “no reason at all” to close the plants or order hearings.8

When new reactor designs promised to make nuclear power politically acceptable in 1988, the Union of Concerned Scientists reacted warily. Having called for the phase out of all existing reactors, new safer reactors presented a serious threat to the group’s ideology. By this time the scientific prestige of UCS’s board of directors had made the organization the most respected of anti-nuclear groups, and that public esteem had to be safeguarded. No knee-jerk diatribes would appear. A spokesman said only that the group wanted to be shown that the new generation of nuclear reactors live up to the claims made for them, something even a customer would want before buying. One new model, UCS conceded—a gas-cooled reactor—“sounds eminently workable,” said staffer Robert Pollard.9

The UCS did its best to head off a resurgence in nuclear power by publishing a 1990 report critical of three new safer nuclear plant designs, by General Electric, Westinghouse and General Atomics. While applauding with faint praise some of the new safe designs, UCS found countervailing disadvantages. Minor, who oversaw the study for UCS, said, “Even with looming questions of safety, new reactors might be ordered later in this decade. But unless the issues are resolved, the second generation will be few in number and short lived.”10

The Union of Concerned Scientists operated a 1991 petition campaign to shut down Yankee Rowe nuclear power plant, which had one of the best operating records in the U.S. nuclear industry.11 Led by staffer Robert D. Pollard, an ultra-left wing activist and disgruntled former employee of the Nuclear Regulatory Commission, the Union of Concerned Scientists complained to the NRC that the reactor containment vessel in Yankee Atomic’s plant at Rowe, Massachusetts, weakened by 31 years of atomic bombardment, would only withstand a force measured at 35 foot pounds, when NRC regulations specify it must be able to withstand 50 foot pounds.12

The NRC rejected the Union’s petition to close Rowe, recognizing there were items that needed routine repair during the scheduled refueling shutdown the next April.13

After relentless pounding by UCS in the press that a meltdown was imminent, fear campaigns in the neighborhood of Rowe and arm twisting of the NRC technical staff, Yankee Atomic voluntarily shut down the Rowe plant on October 1, 1991. It was barely voluntary: The NRC technical staff had been heavily lobbied by UCS members and were set to recommend the shutdown.14

As soon as Yankee Rowe shut down, UCS went to work on the Surry nuclear power plant operated by Virginia Power. A computer-based statistical survey of the plant turned up a pipe design unique to the Surry plant that had a 1-in-a-thousand probability of failure that could lead to a meltdown and release of radiation into the environment. The computer, capable of devising billions of possible combinations
of events, ran across a Rube Goldberg lashup of 28 different possibilities and tied them together in a worst-case-scenario: A gravity-fed water pipe from the James River could break, which could flood a building housing electrical equipment, which could short it out, which could disable a critical safety system, which could shut down the reactor's cooling system, which could lock out other safety systems, which could last for hours, which could give the two nuclear cores time to melt—and then you'd be in deep neutrons.

Virginia Power said the risk analysis forced upon them by the computer model was so contrived and exaggerated the actual danger so greatly it could not not be realistically assessed. Since there was no precedent for such a large cooling system leak anywhere in the world, not even in the Chernobyl disaster, which was the result of an deliberate if foolish operator decision, Virginia Power had to feed the computer its best-guess estimates based on smaller leaks combined into one big leak.

However, America-basher Bob Pollard of UCS struck again—he was an early advocate of computer-based risk analysis rather that reality-based design and performance data—and said the reactor should be shut down immediately. "It's an unacceptable situation where a single pipe rupture could cause a meltdown," he said, knowing full well the actual unlikelihood of such an event. He pointed, "The utility should not be able to disavow its own numbers on the likelihood of an accident. They're the ones who chose the numbers." 15

Robert D. Pollard knew perfectly well that the risk assessment was unrealistic.

After a six-year tour in the nuclear Navy and four years at Syracuse University to earn a bachelor's degree in electrical engineering, he was hired in 1969 by the Atomic Energy Commission, the NRC's predecessor agency. By 1974 he was coordinating design and safety reviews for seven plants. He left to join the Union of Concerned Scientists in 1976. UCS gave Pollard the title senior nuclear safety engineer and sent him to work in their Washington, D.C. office.

Pollard, 53, has goaded regulators for years into writing new rules, performing inspections and making other changes at power plants, usually by filing petitions with the Nuclear Regulatory Commission with charges that its regulations were not being met and then personally influencing the technical staff of NRC, holding the threat of adverse publicity over their heads if they do not comply with his wishes. Knowing the ropes in the bureaucracy, he can apply quiet pressure to a few key points and get big results. 16

You've got to say, "No, we want capitalism to come to an end."

Energy policy and global warming

As the environment became a viable fund raising vehicle for UCS, the program emphasis shifted to such issues as energy policy and global warming. UCS Staffer Bob Pollard served on the Blueprint Steering Committee for the 1988 Blueprint for the Environment, rubbing shoulders with top environmental group leaders as an equal.

The first ploy was a Union of Concerned Scientists report in late 1989 that said the U.S. could double renewable energy's share of the supply mix, from 7.5 percent today to 15 percent in the year 2000. And by 2020, it said, renewables could provide half of the country's energy needs.

Also read 452-457 (but not here)
Union of Concerned Scientists 453
to set off unexploded land mines were presented to enthusiastic oil company fire fighting experts. It was a pleasant contrast to other environmental groups quarreling against government reports that the pollution from the desert fires wasn’t going to bring the world to an end.20

In 1990 the Union of Concerned Scientists gathered 49 Nobel laureates and 700 members of the U.S. Academy of Scientists to sign an appeal sent to President Bush for action against global warming.

The appeal was publicized in press releases by UCS and the eco-group called U.S. Council for Energy Awareness. The groups’ statement listed five key policy objectives:

1) A steady increase in motor vehicle fuel economy standards, while the search continues for fuels and other technologies that mitigate carbon dioxide impact.

2) A substantial increase in Federal funding for research on energy efficiency technologies, as well as Federal activities to enhance the adoption of more efficient energy use.

3) Development, demonstration, and commercialization of renewable energy technologies on a massive scale.

4) A nuclear energy program that emphasizes protection of public health and safety, resolution of the problem of radioactive waste disposal, and stringent safeguards against the proliferation of nuclear material and technology that can be applied to weapons construction.

5) Full consideration of environmental, social and economic impacts in the establishment of Federal subsidies and regulatory standards for development of energy sources.

Translated out of scientificese, that means:

Auto fuel stds

1) Make fuel standards so tough that American automobile manufacturers can no longer produce their best selling models, the full size car that the American public favors. Bash America.

2) Centralize government control of energy so that no private sector innovations can be developed on the free market. Bash America.

3) Here’s some eyewash making it look like we favor plentiful energy sources, but when Kansas farmers start converting corn to methanol or ethanol for automobile fuel and actually solve the problem, we’ll invent all kinds of terrible things it does to the environment so you can’t use that either. Bash America.

4) We want to sound like we might be in favor of nuclear power, but we’re actually working to shut all existing nuclear reactors down as soon as possible. Bash America.

5) Hedge free market development of new energy sources with so many restrictions and disincentives that it becomes uneconomic to even try, leaving American with no energy sources at all. Bash America.

The nuclear power industry was silly enough to think this publicity stunt represented thinly-veiled support for nuclear power plants. It wasn’t, which they found out the hard way.21
This inquiry into the rise and fall of the great Wall Street boom of the 1990s, from best-selling author Roger Lowenstein, has all the hallmarks of a financial classic.

Origins of the Crash

The Great Bubble and Its Undoing

Roger Lowenstein

Published 2004

Story: Big Enron Energy company went down in year 2001
This inquiry into the rise and fall of the great Wall Street boom of the 1990s, from best-selling author Roger Lowenstein, has all the hallmarks of a financial classic.

Roger Lowenstein, hailed by The New York Times Book Review as "one of the best financial journalists there is," now turns his focus to the 1990s stock market and economic boom and bust in Origins of the Crash. With his singular gift for turning complex financial events into eminently readable stories, Lowenstein lays bare the labyrinthine events of the manic 1990s—including the collapse of Enron, the dot-com bubble, the accounting scandal at Andersen, and much more.

Drawing on his sense of history, Lowenstein inquires how a financial system that arose out of the wreckage of the Depression and that was intended to avert the miscues of that era could ultimately repeat the very same scenario of massive speculation and corruption leading to collapse. He discovers the roots of the recent crisis in the financial culture that emerged in the 1970s and 1980s as America encouraged companies to hand out ever-greater packages of stock options to their executives. In an enthralling narrative, Lowenstein ties together all of the characters of the great boom and bust: Alan Greenspan, Jack Grubman, Jack Welch, Abby Cohen, Henry Blodget, and a host of dot-com pioneers. But it is the collective rendering of such figures—the unique portrayal of the culture of the era—that truly distinguishes Origins of the Crash as the book that will frame our appreciation of the period.

Just as John Kenneth Galbraith's The Great Crash was the canonical text of 1929, Lowenstein's Origins of the Crash is destined to be the definitive account of the 1990s.

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In the 1970s, a candidate for president advanced the novel proposition that the money in the Social Security system should be funneled into, of all places, the stock market. The candidate’s name was Ronald Reagan. The incumbent president, Gerald Ford, had a good deal of fun with this evidently zany proposition. “I am not sure a lot of people would think it was a very good place to invest funds over the longer period of time,” Ford declared. His advisers had no trouble tarring the idea as kooky. The president likened it to “something dragged out of the sky.” If not certifiably alien, then it might even be—perish the thought—an example of “wild-eyed socialism,” which was no doubt something worse.

Ford did not have to explain why he thought the stock market was not a safe place “over the longer period of time.” Stocks were considered simply too risky. Indeed, in 1976, the market was no higher than its level of eleven years before. Adjusted for inflation, the picture was far worse: the purchasing power of the average stock had fallen by two-
thirds. Even over the longer sweep of a half century, stocks had managed a gain of only 3½ percent a year, so that people thought of the stock market as a place that went upwards a little but sideways mostly, with wrenching nosedives along the way. Indeed, the number of Americans who owned stock would actually fall during the ’70s by seven million.²

Such grim statistics were reflected in a certain distance between the market and people’s ordinary lives. Most newspapers carried at most a single account of the previous day’s action on Wall Street, and television barely covered it at all. Today, at my daughter’s middle school in New Jersey, an investing club is busily educating future market wizards, but in the ’70s, through four years on an Ivy League campus, I didn’t hear a mention of the stock market. Professors spoke darkly of America’s “economic interests,” but if any of those interests happened to be corporations with publicly traded shares, it was a detail that went unspoken.

Unlike in the ’90s, when people would become accustomed to faithfully adding a little bit to mutual funds, rain or shine, every month, in the ’70s, they withdrew a little bit, month after month, and they did so for eight long years. For Wall Street it was one long night, one long depression. Even the pros who managed pension funds were little more interested in stocks than my professors were. By 1979, of the money managed by pension funds, 90 percent was invested not in stocks but in bonds, bills, and cash, which was practically like stuffing it under a mattress.³ That summer, BusinessWeek sized up America’s non-love affair with the stock market in a morbid, instantly famous cover story—“The Death of Equities.”⁴

But equities were not dead, only dormant. And the renaissance began in short order. Three months after the article, mutual funds—finally—took in more money from investors than they redeemed. The net addition was a trifle—a mere $12 million. But deep in the giant furnace room where the economy is engineered, a long-stuck wheel had emitted a creak, shaken off its cobwebs, and, finally, turned. People were buying stocks.
2. Blanket over Houston

The crash of broadband put Enron, too, on a downward spiral. But at the dawn of 2001, few people outside of Enron seemed to know it.23 The stock, at $83, was near its high. Wall Street analysts were bullish. *Fortune*, citing Enron's "reinvention skills," had recently tapped it as one of ten stocks to own for the *decade*—in other words, as a sure thing. The magazine's breezy assurance that Enron's broadband unit "should turn profitable in a few years" typified the tendency of investment writers (to a much greater degree than business writers generally) to echo the chorus on Wall Street—especially in the ubiquitous ten best lists that magazines and newspapers trumpeted to hype their sales. On average, the ten stocks in *Fortune*'s list—patently a compendium of technology, media, and financial favorites—would ultimately fall by an average of 80 percent.24

It was easy for supporters of Enron's stock to claim, later, that they had been mislead by Enron's various charades. But we should not acquit the investment community so easily. The collusion on Wall Street, the conspiracy to push share prices ever higher, was abetted by investors
Enron Bankrupt

(even though investors were, of course, the ultimate victims). The danger signs were there; investors simply chose not to see them. In Enron’s disclosures specifically, the references to Fastow’s partnerships were so obscure, so confusing, that to the few investors of an inquisitive mind, the lack of transparency clearly spelled trouble. The accounting, even to those not in the know, was aggressive; indeed, it was patently deficient. Kim Schnabel, an analyst at TIAA-CREF, which manages pension money for teachers, actually called Enron’s department of investor relations to complain. An employee spat back, “We’re Enron; we don’t need to have good accounting.”* Why didn’t Enron need good accounting? Enron had observed that analysts such as Schnabel were rare. Skilling and Lay had correctly reckoned that most investors wouldn’t read its reports; they would give Enron a pass.

Even if one accepted Enron’s accounting, its results were not of a caliber to justify its soaring stock. Quite simply, over the four years that followed Skilling’s 1996 elevation to president, Enron’s net income, as reported by the company, rose from $1.08 a share to precisely $1.12. That is growth of less than 1 percent per annum. Enron impressed upon analysts that they should focus on other, more favorable yardsticks, which did not include various onetime events—such as, in 2000, a disastrous markdown of Enron’s Argentine waterworks. And of course, they projected stupendous growth in the future. But its net income, the actual record, was in black and white for all to see. The supposed growth that made Enron a Wall Street darling, that led to a quadrupling of its stock price, simply did not exist.

What drove Enron’s stock wasn’t its results but the perception of its results—of its image as a new economy changeling. Put differently, the Enron bubble was as much a public relations phenomenon as it was an

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*Schnabel courageously recommended that TIAA-CREF’s portfolio managers sell their Enron shares. TIAA-CREF was one of the few major fund organizations not to get burned.
accounting phenomenon. In this sense, Enron was the lineal descendents of a generation of share-price promoters—of Lucent, Tyco, and the Internet kingpin CMGI. Enron was simply slicker. Skilling made a priority of Siliconizing Enron’s image, in part through p.r. stunts (to promote the notion that Enron operated on Internet time, he ordered elevators removed so that employees could bound the stairs and not lose “momentum”) and by hammering away at the theme of Enron’s digital rebirth.

Tellingly, Enron wrote, in its annual report for 2000: “We have metamorphosed from an asset-based pipeline and power generating company to a market and logistics company whose biggest assets are its well-established business approach and its innovative people. Our performance and capability cannot be compared to a traditional energy peer group.” If this passage means anything, it means that by shifting its emphasis from energy assets to “logistics,” its value was now derived more from its people than from its pipelines and that it consequently should be valued more highly than a traditional energy company.

Put differently, Enron encountered the same difficulty on the Web as did everyone else—huge traffic, little or no profit.

The real Enron had an extremely profitable—but also an extremely volatile—business in energy and derivatives trading. Contrary to repeated management assertions that Enron was essentially a middleman, the company was in fact making highly speculative bets on the direction of energy markets. In 2000, Enron earned more than $1 billion by speculating on prices in California, which was then suffering intermittent blackouts and a serious power shortage.

Politicians in Sacramento suspected Enron of manipulating its energy prices, but Enron had another reason for playing down its involvement in the state. Since trading is inherently volatile, the stocks of trading companies generally trade at a low multiple of earnings. For a Goldman Sachs, for instance, a price-to-earnings ratio of twelve would not be uncommon. As Enron’s stock had soared to seventy-five times earnings, Lay and Skilling did everything to distinguish Enron from the Goldmans of the world. Ultimately, Enron’s every deception was tied to the desire to promote the stock.
When Enron met with securities analysts, in January 2001, Skilling was the very picture of bluster; his optimism was proportionate to the company's underlying troubles. To a stock promoter, compromise can never be a virtue. Just as a dictator's slightest concession to reform can incite a revolution, so, for a company in a bubble, the most trifling admission of weakness can trigger a collapse. And Skilling had the intuition of a great promoter. He declared that Enron was significantly under-valued—indeed, he said, it was worth no less than $126 a share. He upbraided the analysts for not giving Enron's broadband operation, in particular, a higher valuation—$30 billion, to be precise. As Enron had lost $60 million in broadband in the just-completed year, and as the entire broadband industry was in a state of collapse, one marvels at his cheek; perhaps he figured it was all or nothing.

The analyst meeting, again in Houston, was a tour de force. One hundred and seventy analysts and professional investors attended. They sat through a day of elaborate presentations, detailed forecasts, PowerPoint graphics—all the props of shareholder value. One effect of such a carnival was to diminish the likelihood of intelligent appraisal. Ronald Barone, an analyst with UBS Warburg, afterward confessed to feeling "brain-drained." This did not keep him from raising his forecast. Another, Curt Launer, of Credit Suisse, diligently reported, "Trends in all of our modeling inputs point to earnings of $2.20 in 2002." To judge from Launer's stilted phraseology, he wasn't thinking critically, as is required of an analyst; he was modeling inputs that the company had dropped in his lap. The truth is that the analysts, and also their lemminglike clients, wanted to be led by Enron; they wanted, in a sense, to be misled.

As the analysts knew, Enron was making its numbers only by selling assets. Quarter by quarter, it sold the requisite total to make up the deficit from normal operations and thus paint a happy picture of consistency. That the picture was false hardly mattered; what mattered was Enron's commitment to the ritual and the Street's collective willingness to applaud it. Enron was really the Street's creation—the creation of its faith. It was the creation of a decade of lesser Enrons, of General Electric and Amazon—of companies that had conditioned the investment community to act on faith.
Enron's distortions

Enron's distortions spawned vast opportunities for its executives. This twisting of incentives was always the problem with conventional stock option plans—with shareholder value. Enron, like its spiritual brethren in telecom, simply turned personal enrichment into an art form. In the last quarter of 2000 and the first quarter of 2001—that is, just before and during the Houston meeting in which Skilling said the stock was significantly undervalued—Skilling sold $26 million of it. Enron's officers and directors as a group sold $125 million in the same period. What's more, early in 2001, numerous executives collected cash bonuses that were conditioned, in part, on the performance of the stock. Lay got $10 million, Skilling $7.5 million, Fastow, $3 million.\(^3\) Even forgetting just how the executives had gotten the stock to rise, the system was conceptually flawed. No stock will remain at an unwarranted peak, but the bonuses were forever.

Over a longer time frame, the executives' sales clearly dovetailed with the period of headiest promotion. In 1999–2001, as Enron shares were peaking, officers and directors sold approximately $1.2 billion—an awesome total. Even allowing for the rise in the stock's price, this represented a drastically quickened pace of selling. In the three preceding years they sold less than two million shares. In 1999–2001, during the period of most intense hype, the executives sold 20 million shares.\(^3\)

The insider selling does not suggest that Skilling, who succeeded Lay as chief executive early in 2001, or anyone else, knew that the end was near. Life is rarely that clean. What it shows, rather, is that the executives were increasingly eager to unload the stock just as Enron was reporting increasingly bogus numbers. Skilling, in particular, sold less than $3 million worth before the beginning of 1999, $68 million after it.

Lay, who received by far the biggest option awards and who remained chairman after Skilling's promotion, cashed in $10 million in '98, $30 million in '99, and $145 million in 2000–2001. Like WorldCom's Bernie Ebbers, Lay had borrowed from his company against his stock, and some of his sales were forced by margin calls. Lay's defenders have put forth a not implausible defense that he believed in Enron till the end. With the election of Bush, Lay had a friend in the White House (he had also been close to the elder Bush), and politics increasingly distracted him from business. Having been among the biggest donors to Bush over the length of his career, Lay was invited to advise on energy policy at the most senior level of government (all while Enron's hired hands were lobbying Congress, during 2001, on seventy distinct pieces of legislation).\(^3\) As his distractions increased, Lay became even more detached from the day to day at Enron, though one senses his hand in some of its
more profligate gestures, such as erecting a palatial new tower in downtown Houston, from which the top executives could overlook a vast electronic trading pit, and putting Enron's name on the local baseball stadium. But Lay's distractions do not explain how he could accept such lordly compensation ($31 million plus millions of options from 1998 through 2000) and yet remain, at best, so uninformed. More difficult, still, except by the curiously forgiving standard of shareholder value, is to reconcile Lay's income with his furious borrowing. Like Ebbers, he adopted an ATM approach to the corporate treasury, helping himself to $77 million (far above what the board had authorized) in return for which he pledged his shares. This was exceeding reckless.

The other sign that the executives were operating under duress is that Enron's deal-making became increasingly suspect. Enron disclosed in 2001 that it had managed to sell some of its surplus fiber-optic network (known as dark fiber, because it was not yet operational) to a "related party" for a $67 million profit. What was not disclosed was that the related party was LJM2, the Fastow partnership, and that, as Enron had promised to make LJM2 whole, the entire sale was bogus. Still, one marvels at Enron's misdirected cleverness. While all the world was sinking under the weight of excess fiber, Enron—and only Enron—managed to sell some of its inventory, for an apparent 200 percent profit.

More desperate, still, were Enron's efforts to raise cash without owning up to borrowing. Beneath its drivel about having metamorphosed, Enron in its essentials was the same company—asset-heavy, cash-poor and debt-ridden—as the one that had emerged from the original 1980s merger. Its hollow claim to being asset-light was suggestive of one of the unspoken myths of the new economy—that the country could run wholly on circuits, absent any plant or equipment.

Enron concealed its old economy burden by persuading banks to make what in substance were loans but in a form that enabled Enron to book the money as cash flow. This was done by dressing the loans as investments in energy assets and cycling the money through special-purpose vehicles, creating a chimera of distance. In its simplest form, banks lent money to partnerships, which went through the motions of purchasing assets from Enron. The net effect was that the bank loans passed through to Enron.
first-class way," which was the standard sworn to by J. P. (Jack) Morgan Jr. during Congress’s hearings into the causes of the Great Crash. Long after J. P. had left the scene, Morgan standards remained a cut above. It was not till the age of shareholder value that Morgan executives so fully abandoned their birthright. Eager to convince investors of their own transmutation into New Age bankers, Morgan and its merger partner Chase acquired a dot-com bank, then shoveled money at telecoms, now did sham trades with Enron—the great triad of fin de siècle excesses.

As we have seen, with the repeal of Glass-Steagall bankers could dream that loans would lead to underwriting assignments. This annulled a principle of J. Pierpont Morgan (Jack’s father) that the prime consideration in lending should be the character of the borrower. The bank’s modern-day rival, Citigroup, was if anything more susceptible to temptation than Morgan. Citigroup had been formed by the merger of Trav-

Bankrupt 175

Warning

Not everyone at Citi was happy about it. When Enron, in 2001, proposed another such deal, Dave Bushnell, Citigroup’s chief risk officer, argued that Citigroup was already too exposed to Enron. Trying to quash the second partnership, he pointed out that Citigroup could face embarrassing questions if the details ever became public. However, bankers who saw Enron as a limitless fount of business kept pushing. “One side of the house is trying to be strict, while the other is committing capital to” Enron, Bushnell wrote in a memorandum. That single sentence devastated the post–Glass-Steagall pretext that an informal, so-called Chinese wall would immunize banks from conflict. The deal was approved.42

None of these deals could have gone forward without the sanitizing varnish provided by Enron’s outside auditor, Arthur Andersen. Andersen was implicated in Enron’s every pore, and if we wish to understand Enron’s climatic undoing, the Andersen relationship is central. The first point is that it was a relationship: Andersen did not merely audit Enron’s books; it was involved in the company on a daily, ongoing basis.

Andersen showed extraordinary license in permitting such a structure, as did Enron’s board. The corporate secretary observed, at a meeting of the finance committee, that Raptor “does not transfer economic risk but transfers P&L volatility.”49 The sentence speaks for the age, for it confirms that directors knowingly approved a structure to shore up Enron’s appearance—that is, the empty ciphers on its profit and loss...
statement—while doing nothing for the substance of its business.

During the latter half of 2000, Enron’s merchant investments deterio-
rated, but—as planned—its reported income was inoculated by Raptor.

To outward appearance, Enron’s results were bright but only because, over that span, it had reported some $500 million more in profit than it would have absent Raptor’s hedge. Since Raptor had thus become the fulcrum on which Enron’s public profile depended, maintaining Enron’s stock price now became a matter of the first priority.

Skilling’s insistence, early in 2001, that Enron was worth an extra-
ordinary $126 a share can be understood only in this light: not as a candid reflection of enthusiasm but as a desperate plea to bolster an increasingly imperiled operation. By February, the value of Enron’s portfolio had sunk further, and Raptor’s obligation to Enron had grown to troublesome proportions. Skilling, now, was pressing for a way to fix Raptor’s credit. He tended to think of every problem as a public relations problem—as a challenge to Enron’s image. True to form, Enron proposed a fix for Raptor that was merely cosmetic, a financial face-lift. Otherwise, at the end of the March quarter, Enron would be forced to take a $500 million charge. Punish good advice

But would Andersen approve the fix? Bass, the firm’s standards offi-
cer, argued against it. A refusal could mean the loss of Enron as a client, an option the partners actively debated. But that would mean forgoing Enron’s lofty fees—a bountiful $52 million in 2000. Moreover, Ande-
rsen was no longer quite capable of deciding the matter on its own; it had become infiltrated by Enron people—by Enron’s mind-set. Every time Bass raised a concern to his partners it was leaked to Enron—perhaps by Duncan, who was a golfing partner of Richard Causey, Enron’s senior accounting officer. Private deliberations at Andersen were no longer private; the firm had become an arm of its client. At the urging of Causey, for whom one diligent auditor was evidently one too many, Bass was taken off the account; in March, Andersen approved the fix. Skilling was so overjoyed by the accountants’ cleverness that he personally called one to thank him. Remarkably, neither he nor anyone informed
the board that Enron had narrowly, and quite dubiously, avoided taking a massive charge.53

bury the whistle-blower

Such reticence should not surprise us, for burying the whistle-blower was one of Enron's identifying traits. It emanated from Lay as well as Skilling, and though the two had different styles, the net effect was remarkably effective, as though a blanket had been draped over Houston. Various employees had raised concerns about the partnerships to Skilling; his reflexive response had been to muffle the complainer.54 Some of their unease percolated up to Lay, in a more informal and sporadic manner. The Washington Post reported a telltale instance: in the spring of 2000, Alberto Gude, an Enron vice president who had known Lay since 1977, felt moved to warn the chairman about the character of Skilling and certain of his associates. "I really believe you are in trouble," Gude reportedly said.55 Lay responded cordially; he was never as confrontational as Skilling. The problem was his tendency to do nothing—to procrastinate. He depended so heavily on underlings that he was unwilling to ever undermine them. That was the case with Lay and the oil traders in 1987, and it was true of Lay's relationship with Skilling and Fastow now.

Death of the Raptor

A year later

A year after Gude's warning, the gods abandoned Enron. In March 2001, Bethany McLean, a young journalist at Fortune, wrote a probing, critical piece that asked a question overlooked by others: How, exactly, did Enron make money? Enron replied that the details were "proprietary."56 For a company with public shareholders this was remarkably unforthcoming. It showed a certain touchiness; Enron had been nicked. Soon, investors began to ask it similar questions. In April, Enron dis-
closed its results for the previous quarter. It didn’t formally file these results with the SEC (it did that four weeks later)—rather, it “disclosed” that portion of its results that it wished to publicize, by a conference call with the usual Wall Street professionals. As Enron reported that its income had risen sharply, the investors on the call were effusive, even congratulatory. They were not alarmed by the fact that Enron’s cash flow—the actual dollars generated by operations—were deeply negative—for the simple reason that Enron had not yet disclosed its cash flow.

However, one investor asked how Enron was managing its trading risks, particularly in California. The question seemed to hit a nerve. Skilling went into a harangue, the substance of which was that Enron managed its risks with a state-of-the-art, proprietary system that calibrated its exposures every day.

Now, a hedge-fund investor from Boston named Richard Grubman, who had been selling Enron short, asked to know Enron’s trading exposures. Grubman was particularly curious about an entry on Enron’s balance sheet denoted “accumulated other comprehensive income.” It referred to the net fluctuation in investment assets that didn’t hit the income statement. At the end of 2000, Enron’s accumulated other comprehensive income was negative $1 billion. Grubman wondered whether the deficit had widened; indeed, he thought Enron might be using the balance sheet to hide its losses.

Skilling said the numbers weren’t available; they would be filed with the SEC within forty-five days of the end of the quarter, as required by law. Grubman said that was odd: Enron was the only major financial institution to his knowledge that couldn’t produce a balance sheet at the end of the quarter. Then, Skilling lost it. He said, “Thank you very much, asshole.”

The comment stunned his many listeners. It exposed a truth that Wall Street, previously, had failed to see: when not provided with a
smooth script, Skilling was defensive and inarticulate. Behind the promotional veil, the Oz-like mists, Skilling did not have answers.

Wall Street can be fooled, as the memo writer for Global observed, but not forever. When investors catch a scent of weakness, they will turn with surprising haste. All former affection is forgotten; now they want only to sell. And so it was with Enron. Month after month the stock declined—$80 at the end of January, $68 at the end of February, then $58, $62, and $52 at the end of May. The investors, most of them, did not know exactly why Enron was falling (nor had they understood its rise). Enron, it is true, was absorbing a string of blows—the loss of the only customer for its Indian power plant, the early termination of its video project with Blockbuster, the collapse of an agreement to sell the Portland utility. Investors weren't necessarily aware of the details—only that the sheen was gone. Perhaps it was as simple as the protester in San Francisco, where Skilling spoke on the state's electricity crisis—and where he was hit in the ear with a blueberry tofu cream pie. When Wall Street is nervous, blueberry tofu is all the reason it needs.

In any case, the Street was nervous. By the end of July, the stock was $45. Because of Raptor's dependence on the stock, its credit deficiencies were mounting—in fact, they were becoming intolerable. And the stock was a problem Skilling couldn't fix. He had always resorted to image-making, but Enron’s image was beyond repair—the sinking stock was a reflection of its image. And so, Skilling committed the quintessential act of a man who has lost his script—he exited the stage. In the middle of August, he quit.

Enron attributed the CEO’s resignation to a “personal decision.” Lay, who reassumed Skilling’s duties, tried to reassure the public by commenting that Enron did not have “accounting issues”—that it was, indeed,
"in the strongest shape it's ever been in." The remark did not fool anyone (the stock kept sliding) except, possibly, Lay himself. There are certain men who say, and perhaps even believe, what others wish to hear.

But the next day, Lay received an anonymous letter—apparently from an employee—that depicted a more troubled Enron. Lay had known whistle-blowers before, but this one was different—utterly alarmed and disturbingly informed. What Lay read now was not the whispered allusion of wrongdoing but the bald charge—not vague assertions but detailed facts.

Sherron Watkins, who promptly identified herself as the author, was an executive in finance. She was neither a moralist nor an ethicist; indeed, the first paragraph of her letter could have been written by a younger Andy Fastow:

Dear Mr. Lay:

Has Enron become a risky place to work? For those of us who didn't get rich over the last few years, can we afford to stay?

Watkins made several points. The accounting for Raptor and other SPVs was deceptive, quite possibly fraudulent. Raptor and LJM (and hence, Fastow) had been protected by "a veil of secrecy." But now, given the attention focused on Enron by Skilling's "shocking departure," investigative journalists, investors and others would surely be poring over Enron's disclosures. They would see that its filings, its footnotes, and its amplifications did not explain its manifold transactions. They would ask more questions. In short, Enron was about to be exposed.

I am incredibly nervous that we will implode in a wave of accounting scandals. My 8 years of Enron work history will be worth nothing on my resume, the business world will consider the past successes as
nothing but an elaborate accounting hoax. Skilling is resigning now for "personal reasons" but I think he wasn't having fun, looked down the road and knew this stuff was unfixable and would rather abandon ship now than resign in shame in 2 years.

**Advice**

Ever the pragmatist, Watkins laid out two possible courses of action. First, if Lay felt "the probability of discovery" was low enough, Enron could try to quietly unwind the partnership deals, reverse the accounting, and take the necessary charges. Otherwise, it should publicly disclose the problem and do its best to contain the damage.38

A week after receiving the letter, Lay met Watkins in his office, for approximately an hour. He was both impressed and concerned and promised to investigate the issues raised in the letter. Watkins recommended that Lay hire a major accounting firm—obviously, not Arthur Andersen—and a law firm other than Vinson & Elkins, the company's regular counsel, to investigate. Lay, who was hoping for a quick resolution, did neither. Instead, he passed the letter to the very same Vinson & Elkins, whose partners took it straight to Duncan, the Andersen partner who oversaw the Enron account. Duncan assured the lawyers that the accounting, however questionable it might appear, "satisfies the technical requirements." This is the trouble with finely written rules—they are a prescription for what is permissible as well as what is not. Had Vinson & Elkins checked with any other auditor they would have heard that, in fact, the accounting for Raptor satisfied virtually no one. But the lawyers, who had helped to create the very structures they were now investigating, decided to accept the "treatment provided by AA" on its face. That meant its inquiry would not be an inquiry at all. Vinson & Elkins duly reported that no further investigation was warranted.59

This was faintly comic, for even "AA" had come to realize that Raptor wouldn't hold. The Watkins letter had scared the Andersen partners, and they were—finally—pushing Enron to act. At the end of Septem-
ber, Lay ordered his lieutenants to terminate Raptor and take a charge to earnings. Two dishonest meetings

However, Lay was not yet willing to own up to the consequences. Late in September and early in October, he met with his two most loyal constituent groups: Enron’s employees and the outside directors. The employee meeting took the form of an Internet chat: an electronic pep rally. Many of Enron’s workers had invested their savings in the stock, which in the aftermath of the September 11 terrorist attacks had plunged to $25. Lay urged them to keep the faith—even to buy more. In fact, he said he was buying it. This was remarkably dishonest. Actually, over the past month, Lay had sold $20 million worth, with which he had repaid advances from the company.

Two weeks later, Enron’s executives met with the board. Lay glossed over Raptor’s troubles and made only a vague reference to an employee’s having questioned the company’s accounting. Incredibly, the directors left thinking that Enron was in good shape. Thus, in a fortnight, Lay had managed to deceive the two groups that were his most steadfast supporters.60

In mid-October, Enron did disclose a $710 million pretax charge resulting from the termination of Raptor.* A subsequent investigation concluded that over five quarters, Raptor had manufactured 70 percent of Enron’s reported earnings.61 Enron also admitted to huge losses in its water company and in broadband. However, Enron did not identify Raptor by name, nor did it own up to Fastow’s role. Indeed, its press release was a triumph of spin. It downplayed its losses as onetime occurrences, aside from which, the company asserted, its “core” results had been “very strong.” This was also the theme struck by Lay in the customary conference call. Instinctively and probably unconsciously, Lay

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*The figure equals the excess of Raptor’s liabilities over its assets plus a $35 million payment that Raptor made to LJM2 in September.
had blended Sherron Watkins’s two suggested responses into the most
publicly palliative strategy—“we find a way to quietly and quickly re-
verse, unwind, write down these positions” and “develop damage con-
tainment plans and disclose.” Nobody bought it.

But nobody bought it. Of the write-offs, an analyst from Goldman
Sachs asked simply, How do we know there won’t be more?

There is little so dispiriting as trying to support a stock that has run
out of believers. Ultimately, one stops believing it oneself. A cou-
ples of days after the conference call, Enron met with investors in Boston,
at the Four Seasons Hotel. One of the first people to arrive was Grub-
man, the hedge-fund manager who had been insulted by Skilling six
months earlier. This time, the Enron people were solicitous. They com-
plimented Grubman, who they knew had been betting against Enron’s
stock, for having asked such intelligent questions. Then, Lay came by
and apologized for Skilling’s outburst. Abruptly, he added, “Can I join
you for lunch?”

The two of them, the short seller and the teetering tycoon, sat to-
gether, nearly alone. Lay tried to reach out—he noted he was only six
months shy of sixty, and, as he told it, he had been nearly retired, his
wife had been planning a round-the-world-trip, his guys had made a
mess of it all, and Lay had been stuck trying to fix it. He did not seem to
grass that his guys had merely been following his own implicit instruc-
tions—to build a stock price, to generate reportable earnings, to do the
things that had brought a congenial preacher’s son to the inner circles of
the White House.

Grubman felt awkward—not inclined to ask questions. He said,
“Ken, this must really be tough.”

Lay seemed to know how it would end. He asked about the hedge-
fund business—Grubman’s work. When Grubman finished, Lay leaned
back with an air of resignation. "Well, you must be some pretty bright
guys," Lay said, "'cause you been making a bundle while I been los-
ing one."62

There was no stopping the dominoes, now. The Wall Street Journal
was on to the story of Fastow's special vehicles and the millions he had
earned (later estimated at $50 million) on illicit deals that had seemingly
wrecked the company.63 Then, the SEC launched an investigation into
the partnerships. Lay briefly defended Fastow; then, he fired him. By
the end of October, Enron was preparing to admit, retroactively, that
Chewco, the first of the troublesome SPVs, had never had sufficient out-
side equity and thus should have been consolidated in Enron's results all
along. This would result in a massive restatement of its earnings and a
sharp revision of its debt over a full five years.

Virtually all of the gatekeepers that had once conspired to shelter En-
ron—the purported GE of the new economy—now abandoned it. The
press and the regulators were digging up scandalous details by the day.
The auditors were forcing a restatement. The directors, finally, had re-
cruited a competent outsider, the dean of the University of Texas law
school, to join the board and conduct an investigation. Analysts were
jumping ship. The only gatekeeper not completely lost to Enron was the
one that was most important: the credit-rating agencies. Enron had al-
ways been a credit story, ever since the takeover era and the merger that
saddled it with debt. Fastow's trickery—the debt he didn't call debt, the
equity that wasn't equity, the hedge that was nothing more than Enron
stock—had always been aimed at preserving Enron's credit. Without
credit it was nothing. end Oct 2001

The rating agencies had been as derelict as anyone in scrutinizing
Enron, but by the end of October, they had awoken. Lay, with his for-
midable political connections, called Alan Greenspan and two cabinet
officials to see if someone—anyone—could persuade the agencies not
to downgrade.64 This was Enron's usual modus operandi—to arm-
wrestle a gatekeeper. The officials refused. In the first week of November, Fitch Ratings downgraded Enron to just one notch above junk-bond level. Its stock was now in the single digits. As the market knew, a trader, specifically, cannot survive the loss of credit. Enron’s trading partners were demanding collateral, and Enron was, indeed, hemorrhaging cash. At this late hour, Morgan and Citigroup agreed to provide $1 billion of liquidity, a remarkable show of allegiance. But they could not restore Enron’s credit, which is an intangible that derives not merely from the borrower’s balance sheet but from the market’s trust. A year earlier, no company had been accorded more faith than Enron; by late November, none was trusted less. And so, a gasping gurgle, a desperate SOS: Enron, the emblem of free markets, the champion of deregulation, reached into its depleted treasury and forked over $100,000 to each of the major political parties’ campaign war chests. Then, it shuttered its online trading unit—its erstwhile gem. On November 28, Standard & Poor’s downgraded Enron to junk-bond level—which triggered provisions in Enron’s debt requiring it to immediately repay billions of its obligations. This it could not do. Its stock was seventy cents and falling, and, now, no gatekeepers and no credit remained. Accordingly, in the first week of December, Enron, the archetype of shareholder value, availed itself of the time-honored protection for those who have lost their credit: bankruptcy.

Nov 28, 2001: Stock 70 cents
From the moment Enron admitted to having misstated its books, Wall Street and also a considerable stretch of corporate America were never the same. They suffered the shock of recognition—as if an attic trapdoor had been flung open exposing the family’s supposedly demented aunt, and all of her cousins, nieces, and nephews had seen a ghostly reflection of themselves. The main components of the scandal—the unvarnished greed, the conspiratorial neglect by gatekeepers, the hysterical attention to share price—were simply too common to think that Enron was unique.

Its seamier revelations turned the public’s stomach. The news that Enron had locked down its 401(k) program to prevent rank-and-file employees from selling stock—even as executives whose own pensions were protected were bailing out—presented a revoltingly greedy picture of the corporate suite. The revelation that Enron had paid $55 million in retention bonuses in the month before the bankruptcy seemed too shocking to believe. Just as painful was the retrospective discovery that

Chung Hu, a Houston stockbroker who warned his clients in August to get out of the stock and thereby demonstrated the integrity lacking in almost every other watchdog, had been summarily fired by UBS PaineWebber for the crime of upsetting the senior executives of Enron.¹

In every way, the deck had been stacked against the average investor. Alfred Harrison, the mutual fund manager who had blown hundreds of millions of his shareholders’ dollars on Enron, pocketed a personal reward of $2 million, confirming that the interests of fund managers were not aligned with those of their shareholders.²

Worse, it was soon learned that Arthur Andersen, Enron’s primary gatekeeper, had undertaken a concerted effort to hide the truth by shredding trunk loads of papers. The appearance of criminality at Andersen, formerly the gold seal of trust, heightened the public’s impression that Enron was the result of a systemic, as distinct from a singular, breakdown. The bull market had already cracked, and after Enron/Andersen it seemed not just over but invalidated—as though it had been based on shoddy premises all along. The bubble now seemed to have been not merely doomed but foredoomed.

Many small investors returned to the older, cynical view of the market that the fat cats would always, ultimately, trump the little guy. The fact that Enron’s executives had pocketed millions while its workers had lost more than a billion in savings was deeply offensive. For the first time in a decade, average investors pulled money out of equity mutual funds and rediscovered bonds. The love affair was over.