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DARNTON Vs CLARK:**

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*politics, economics & life as if freedom mattered*

Labour seems to have concluded that political speech is so important that no one else should be allowed to have any... The Clark government is not nibbling at the edges of free speech, they are engaged in both direct frontal assault and deliberate flanking attacks on free speech.

...Political speech must be especially protected because it is in the political arena that all other freedoms must be protected. The Clark Government's assaults on free political expression must be resisted because if we fail to withstand this latest round of assaults, it may be illegal to resist the next.

- Bernard Darnton, p.12

# The Assault on **FREE SPEECH** in New Zealand



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The Soviet Union might be long gone, but the desire to clamp down on those who don't obligingly echo the party line is alive and well in Wellington.

- Bernard Darnton, p. 12

I've concluded that genius is as common as dirt. We suppress our geniuses only because we haven't yet figured out how to manage a population of educated men and women. The solution, I think, is simple and glorious. Let them manage themselves.

- John Taylor Gatto

The aim of both 'Third Way' and 'Neocon' politics is clear enough: it is power. Power for power's sake -- and all policy is geared to that aim: policy as the handmaiden of power lust.

- Peter Cresswell, p. 20

The building codes of the democracies embody, of course, only what the previous generation knew or thought about building...

- Frank Lloyd Wright

Nearly every significant statement that former Vice-President Gore makes regarding climate science and climate policy is either one sided, misleading, exaggerated, speculative, or wrong. In light of these numerous distortions, *An Inconvenient Truth* is ill-suited to serve as a guide to climate science and climate policy.

- Marlo Lewis, p.29

When the productive need to ask permission from the unproductive in order to produce, then you may know that your culture is doomed.

- Ayn Rand

The Stern review is not about climate change but about economic, technological and trade advantage. Its perpetrators seek power through climate scaremongering.

- Bob Carter, p.41

The 'remote possibility' of the best thing is better than a clear certainty of the second best.

- A maxim fondly quoted by author Henry James



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THIS COULD BE YOU!

# A Free Rad Of Two Halves!

Peter Cresswell

This *Free Radical* arrives in your inbox as you make your plans for summer holidays, and it's packed with good, holiday reading – articles to shock, to enlighten, and to offer ammunition for the inevitable debates of the holiday season.

In many ways this issue is “a magazine of two halves,” each half highlighting a particular contemporary assault on our freedoms.

Al Gore's film, the Stern Report, the false claim for “consensus” on climate science and the outrageous equating of “climate denial” with Holocaust denial have between them signalled the outright politicisation of science, and an all-out assault on our industrial civilisation.

The second half of *The Free Radical* features a defence of the values of our industrial civilisation, a debunking of the many myths of global warming, and a sober look at the history of warming and of the false predictions by earlier scaremongers. Doomsday is not upon us just yet, at least not unless the whole anti-industrial ‘Stern Gang’ do manage to shackle industry in pursuit of a chimera.

Honest debate is something we all value – that is, something honest men and women *should* all value. Free speech is at the heart of western values and is the ultimate bulwark of our liberties – the first half of this issue highlights an uncomfortable realisation of this past year and a dangerous footnote to the Pledge Card revelations: the discovery that those who once valued free speech and open debate are now so terrified of being criticised that they want to stifle political expression. This is chilling.

Packed with Cabinet Ministers who once espoused the value of free speech *for themselves*, the Clark Government now routinely shuts down debate except on their terms. Stealing money to buy an election, changing the law to avoid a law suit, threats to charities and media who criticise the government too harshly, proposals for state funding for political parties and for restricting third-party advertising (“speech rationing” as one American constitutionalist calls it), refusing to answer questions in Parliament while at the same time we see fines, arrests and jail-time for sedition, for “contempt of Parliament” and for “bringing Parliamentarians into [well-deserved] disrepute” ...

With these threats, proposals and very real fines and incarcerations in the air, there is being created “an atmosphere where criticising the government is becoming hazardous.”

Enjoy your holiday – but don't cast aside the ongoing threats to the enjoyment of your freedom. And don't forget the perfect Christmas present for all your thinking friends: a Gift Subscription to *The Free Radical*. Details inside the cover.

*Cheers,*

Peter Cresswell

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The opinions expressed by the writers herein are not necessarily those of the editor, or of each other.

# Around The Barricades . . .

## Dispatches From The Front Line

### BRASH RESIGNATION STOP PRESS 1:

(Lindsay Perigo) Don Brash has resigned as leader of New Zealand's main opposition party, the National Party, in order to save it from the distraction of deflecting allegations about him in a new book by communist "peace activist" and all-round conspiracy nutter, Nicky Hager.

I had held high hopes that Brash, a personal friend who spoke at the second SOLO conference would lead something of a renaissance both for National and the country (he almost certainly would have become Prime Minister in 2008, all things being equal, having very nearly won in 2005). That may have been naivety on my part, but now we'll never know. Hager the Horrible has been gunning for Brash since his Orewa speech on race relations in 2003. It's nauseating that this little twerp has succeeded where Prime Minister Helen Clark failed. Don Brash was a rarity in politics, a thoroughly decent and honourable man.

### STOP PRESS 2:

(Peter Cresswell)

I'm both sad and happy to hear this news. Very sad indeed for the country, which now loses the chance to have what could have been one of our very best PMs, but happy for him that he can now get out of the disgusting three-ring circus that is NZ's parliamentary politics...

The best accolade to give him is that he was never a good politician. Honesty is not valued in a politician; what is wanted in politics in this place is the ability to lie with a straight face, to stroke egos, to spin, and to smile as you put the knife in. Brash was never a good politician.

National have for a long time now just wanted "a good politician" for their leader -- which to his great credit Brash could never be -- and that's now exactly what they'll get: Whichever of the three front-runners gets the job on Monday, the new leader will be just another politician.

### Why The Republicans Deserved to Lose

PRESIDENT OF THE FUTURE OF FREEDOM Foundation Jacob Hornberger recently asked some

pertinent questions about the Republicans:

- How many departments were abolished when Republicans controlled the presidency and both houses of Congress?
- How many agencies?
- How many spending bills were vetoed?
- How many pork-barrel projects were jettisoned?
- How much was federal spending reduced?

The answer to every question is, of course, a big fat zero. No egregious legislation was repealed, and the welfare/warfare state is bigger and more intrusive than ever. Some revolution.

Although many Republicans who claim to believe in a limited government can talk a good conservatism, especially when it comes time for an election, one statistic is all it takes to see that there has been no limit to the growth of government under the Republican Party.

- On the eve of the new Republican-controlled Congress in 1993, the national debt was just over \$4 trillion.
- At the time of Bush's first inauguration in 2001, the national debt stood at \$5,727,776,738,304.64.
- At the time of his second inauguration in 2005, the national debt stood at \$7,613,772,338,689.34.
- On the day of the recent midterm elections, the national debt was up to 8,592,561,542,263.30. [Source: Laurence Vance]

\*\*\*\*\*

### Builder's collapse devastates homebuyers

A COMPANY THAT BUILDS houses from Waiuku to Whangarei has gone into liquidation, leaving customers wondering whether they will get back their deposits of \$25,000 to \$50,000.

Meridian Homes Ltd of Orewa had 30 contracts for homes, with half under construction, said joint liquidator Paul Sargison. Managing director Dean Hopper blamed the collapse of the six-year-old company mainly on significant delays in getting building consents for homes.

By the time the council gave consent, he said, the cost of the

building had exceeded the original contract price and profit was lost.... (Source: *NZ Herald*)

\*\*\*\*\*

### What 'Revolution'?

#### REMEMBER HOW NEW

ZEALAND was meant to have had a 'revolution' during the 80s, where we stripped back Government? The facts don't back it up. Below are intervals of 10 years, next to which is state spending as a percentage of GDP from a recent Cato Institute study:

1960: 27.7  
1970: 34.4  
1980: 47.0  
1990: 50.0

In the following six years, the Government managed to reduce that by 7.7 percentage points. Who cares about that, though? Aren't they doing good things? Um, no.

The experience of New Zealand is also revealing. Between 1974 and 1992, New Zealand's government expenditures as a share of GDP rose from 34.1 percent to 48.4 percent. Its average growth rate during this period was 1.2 percent. Recently New Zealand began moving in the opposite direction. The percentage of GDP devoted to government expenditures was reduced from 48.4 percent in 1992 to 42.3 percent in 1996, a reduction of 6.1 percentage points. Compared to the earlier period, New Zealand's real GDP growth has increased by more than 2 percentage points to 3.9 percent.

I guess it's true what former *TFR* editor Lindsay Perigo once said about the so-called revolution. "If there's been a revolution in New Zealand, then it hasn't been inside people's heads." New Zealanders are just as enamoured with Big Nanny Government now as they have ever been. (Source: TeenagePundit.Blogspot.Com)

\*\*\*\*\*

### For Lexophiles (Lovers Of Words): Read Carefully

1. A bicycle can't stand alone; it is two tired.
2. A will is a dead giveaway.
3. Time flies like an arrow; fruit flies like a banana.
4. A backward poet writes inverse.
5. In a democracy it's your vote

that counts; in feudalism, it's your Count that votes.

6. A chicken crossing the road: poultry in motion.
7. If you don't pay your exorcist you can get repossessed.
8. With her marriage she got a new name and a dress.
9. Show me a piano falling down a mine shaft and I'll show you A-flat miner.
10. When a clock is hungry it goes back four seconds.
11. The guy who fell onto an upholstery machine was fully recovered.
12. A grenade fell onto a kitchen floor in France, resulting in Linoleum Blownapart.
13. You are stuck with your debt if you can't budge it.
14. Local Area Network in Australia: The LAN down under.
15. He would often have to break into song because he couldn't find the key.
16. A calendar's days are numbered.
17. A lot of money is tainted: 'Taint yours, and 'taint mine.
18. A boiled egg is hard to beat.
19. He had a photographic memory which was never developed.
20. A plateau is a high form of flattery.
21. A short fortune-teller who escaped from prison: a small medium at large.
22. Those who get too big for their britches will be exposed in the end.
23. When you've seen one shopping centre you've seen a mall.
24. If you jump off a Paris bridge, you are in Seine.
25. When she saw her first strands of gray hair, she thought she'd dye!
26. Bakers trade bread recipes on a knead to know basis.
27. Santa's helpers are subordinate clauses.
28. Acupuncture: a jab well done.

\*\*\*\*\*

### Libertarians are the new swing voters...

A NEW CATO INSTITUTE report says libertarians -- people who historically tend to agree with Republicans on fiscal issues and Democrats on personal freedom -- are the new swing voters. The authors estimate approximately 13% of voters fall into this category. "For those on



# Around The Barricades . . .

## Dispatches From The Front Line

the trail of the elusive swing voter, it may be most notable that the libertarian vote shifted sharply in 2004. Libertarians preferred George W. Bush over Al Gore by 72 to 20 percent, but Bush's margin dropped in 2004 to 59-38 over John Kerry. Congressional voting showed a similar swing from 2002 to 2004. Libertarians apparently became disillusioned with Republican overspending, social intolerance, civil liberties infringements, and the floundering war in Iraq. If that trend continues into 2006 and 2008, Republicans will lose elections they would otherwise win." (Source RebellionCoffee.Com. See what happened on election day 2006 at Time-Blog.Com/Real\_Clear\_Politics/2006/11/The\_Libertarian\_Effect.html)

\*\*\*\*\*

### University faculties not very diverse - survey

HERE'S SOME 'HIGHLIGHTS' from a fascinating recent survey of [American] university faculty political beliefs:

- "Faculty at colleges and universities of all kinds in America are overwhelmingly liberal in their political ideology, creating a strong campus political culture. Categorized according to both self-identification and voting patterns, faculty are heavily weighted towards the Left."
- "The majority of faculty are liberal and Democratic, and therefore the full spectrum of beliefs and political behaviour of the American public is underrepresented on campus."
- Faculty hold a certain number of beliefs that are pervasive, but not monolithic. They include:
- Criticism of many American foreign and domestic policies.
- Propensity to blame America for world problems.
- A tendency to strongly support international institutions such as the United Nations.
- Strong opposition to American unilateralism.
- Criticism of big business.
- Scepticism about capitalism's ability to help address poverty in developing nations.
- "Recruitment, hiring, and tenure review processes have either failed to adequately prevent this political imbalance within

disciplines or have actively perpetuated and deepened political unity."

- "Social science and humanities faculty are the most liberal and Democratic, and least diverse in their political culture. Fully 54% of the social science and humanities faculty identify as Democratic and 60% as liberal, and only 11% as Republican and 12% as conservative, a 5-to-1 ratio. [Which begs the question of what the remaining 17-23% see themselves as?] Of social science faculty who voted in 2004, they were more than four times as likely to have chosen Kerry (81%) over Bush (18%) while humanities faculty were more than five times as likely (81% for Kerry, 15% for Bush)."
- "Business faculty are the most diverse in their political beliefs and behaviour. Still, only 30% of business faculty de-fine themselves as Republicans and 35% as conservatives..."
- "Significant percentages of faculty acknowledge that not only students but also other faculty may feel restricted in their expression..." (Source StephenHicks.Org)

\*\*\*\*\*

### What is New Zealand's all time greatest engineering feat?

*THE FACULTY OF ENGINEERING at The University of Auckland celebrated its centennial year in 2006 by running a competition amongst alumni to help identify New Zealand's greatest engineering feat from one of the options below. The overall winner was the Manapouri Power Station.*



#### Grafton Bridge (1910):

When it was built, Grafton Bridge was reputed to be the biggest span, reinforced concrete arch bridge in the world. It was pioneering in its use of reinforced concrete.



#### Auckland Harbour Bridge

(1959):

New Zealand's longest bridge with the largest span. 'Clip-on' extensions, doubling the traffic lanes, were added in 1969.



#### The Raurimu Railway Spiral

(1908):

The famed spiral loop on the railway line between Auckland and Wellington overcomes an abrupt 132m rise in the topography.



#### Kelly Tarlton's Underwater World (1985):

Built in disused sewerage holding tanks, the 110m long transparent acrylic tunnel under Auckland's waterfront was a world first.



#### The Skytower (1997):

At 328m it is New Zealand's tallest structure. A feature of its design is its ability to safely withstand an earthquake, severe wind storms or fire.



#### Black Magic NZL32 (1995):

The yacht Sir Peter Blake and Team New Zealand sailed to glory in the 1995 America's Cup race. Black Magic used cutting edge engineering and design technology.



#### High-voltage DC link between the North and South Islands

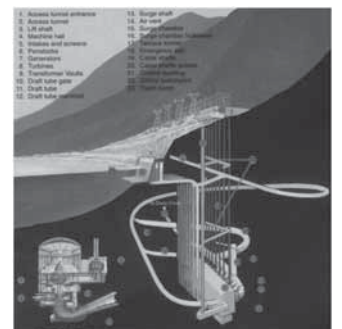
(1965):

The under-sea cable in Cook Strait was the world's largest and longest submarine cable when it was built. The 600MW, 500kV HVDC transmission link integrates power supply between North and South Islands.



#### World's first base isolated building (1982):

The William Clayton Building in Wellington was the world's first base isolated building, designed to withstand earthquakes using a lead/rubber bearing as an isolator and energy absorber.



#### Manapouri Power Station:

The largest hydro power station in New Zealand. The majority of the station, including the machine hall and two 10km tunnels, was built under a mountain.

# Around The Barricades . . .

## Dispatches From The Front Line



**Wairakei Geothermal Power Station** (1963):

The first in the world to utilise super-heated geothermal water as a steam source for the turbines, and the first to utilise flash steam from geothermal water as an energy source.



**McLaren F1 Supercar** (1994):

The McLaren F1 was the fastest production car ever built (top speed 386.5 km/h). Most of the McLaren designers were New Zealanders and Team McLaren was founded by Bruce McLaren, a legendary New Zealand F1 driver.



**World's first flying machine** (1903):

A claim open to interpretation, Richard Pearse flew a powered heavier-than-air machine on 31 March 1903, some nine months before the Wright brothers.



**The electric fence** (1936):

In 1936, New Zealand inventor William "Bill" Gallagher Snr built one of the world's first electric fences from a car's ignition coil and a Meccano set. The Gallagher

Group of companies is still involved in electric fencing.



**The Modern Jet Boat** (1950s):

Bill Hamilton developed the modern jetboat in the 1950s to navigate the shallow fast flowing rivers where he lived. In 1960 a Hamilton jet boat was the first boat to travel up the Grand Canyon.



**The Taranaki Gate:**

A 'Taranaki Gate' is made from battens strung together and connected to a fence by loops of wire. The phrase has come to mean a practical approach to a common problem.



**John Britten Motorcycles** (1990s):

John Britten designed a world-record-setting motorcycle that was years ahead of contemporary design. In 1994 it broke four world speed records in its class.

\*\*\*\*\*

### Slap on a tax, and ...

GREEN TAXES. CARBON TAXES. Pollution taxes. Cigarette taxes. Fat taxes. Alcohol taxes. Gambling taxes... There's a widespread recognition, indeed there's an enthusiasm for the notion, that slapping taxes on something will reduce the extent of that something -- and from wowsers everywhere there are demands to have them slapped good and hard on all the many things they object to.

So just what do people think happens when tax is slapped

on things like wealth, income, production, energy, investment, enterprise ...

\*\*\*\*\*



### Jump!

BUNGY KING AJ Hackett was back in New Zealand recently and doing interviews. He talked about making his start in business by hanging off the bridges of New Zealand:

**AJ:** This was all before the Resource Management Act of course.

**INTERVIEWER:** Would you get off the ground now?

**AJ:** It would be very, very difficult.

And that's without even mentioning what OSH and our safety-obsessed 'cotton-wool culture' would have done to the fledgling business that has since conquered the world.

There has to be a lesson there, doesn't there?

\*\*\*\*\*



Five thousand Pacific Islanders will be allowed to take up seasonal work in New Zealand from next April. Picture / Richard Robinson

### Too many hoops, *not* too many overstayers

THE PROBLEM WITH the scheme drawn up by David Cunliffe to allow up to five-thousand temporary seasonal workers is not the danger of too many overstayers -- and what way is that to talk about other human beings simply looking for a better life -- the problem is too many hoops to jump through. Reports

the Herald:

*The Government is promising tight controls on its new Pacific Island seasonal work permit programme...*

*Immigration Minister David Cunliffe said yesterday that to reduce that risk, the new policy included funding for additional compliance and enforcement officers. "If they do not [return home], the registered employer may be subject to fines and may lose their registered employer status," Mr Cunliffe said. To take part in the scheme, employers must first show that they cannot find New Zealand workers to do the seasonal jobs they need done.*

You see, even when the Clark Government frees something up they're more intent on new barriers than they are on new freedoms. With all the hoops that have to be jumped through to join the programme, you have to wonder how many employers will take up the opportunity. And here's another aspect, reported by NZPA: "Special efforts will be made to ensure unemployed people took up jobs ahead of immigrant workers," said David Benson-Pope. "Ensuring" people who don't want to work take up jobs ahead of those who do? Yeah, good luck with that.

\*\*\*\*\*



### Drinkers fingerprinted. Landlords threatened.

I HESITATE to post this for fear it may give a local bureaucrat ideas. From website Metro UK:

Drinkers could be asked to leave their fingerprints at the bar every time they buy a pint in a pub or club. They may also need to show a passport or a driving licence and their details will be held on a database available to police... Some landlords were reluctant to sign up until they were told they faced having their licences revoked...



# Around The Barricades . . .

## Dispatches From The Front Line

Guy Herbert of privacy campaign group No2ID said: 'People are having to post bail in the form of their fingerprints merely to have a drink.' Liberty's Doug Jewell added: 'The money for these schemes could be better spent on police services.'

Meanwhile, Tony Blair insisted there should be 'no limits' on expansion of a national police DNA database, saying it was vital for catching criminals.

Big Brother, bullying and threats to small businessmen. Just another day in the UK then.

\*\*\*\*\*

### 'Campaign finance reform' = speech rationing

"CAMPAIGN FINANCE REFORM" is being put on the table by a Labour Party that's so short of the readies they want to take your money by force to pay for their next election campaign, while stopping you giving your money voluntarily in large amounts to fund campaigns that you might wish to.

That's as basically venal as this proposal is. Caught with their hands in the till, they want to change the law to leave the till open. Too few people want to support them financially, so they want to force you to pay for their election campaigns instead. Too many people criticise the Government during the election campaign, so they want to *forbid* third-party criticisms of Government during an election campaign.

Taken together, these are what Pulitzer Prize-winning columnist and author George H. Will describes in the American context as "speech rationing," of which he said recently "there is no greater threat to liberty."

*It is commonly called "campaign finance reform," but it's nothing of the sort. It is simply the assertion by the government of a new, audacious 'right': the right to determine the timing, content, and amount of political advocacy about the government. It is the most astonishing slow-motion repeal of the First Amendment [protecting free speech that]*

*anyone could imagine.*

This is as dangerous as an attack on free speech gets. Make no mistake; "campaign finance reform" is just a euphemism for speech rationing. It should be fought by everyone who values free speech with everything they can bring to bear against it.

\*\*\*\*\*

### Honour?

COMMENT ON THE CLARK Government's 'Get Out of Jail Free Act' on pledge card spending:

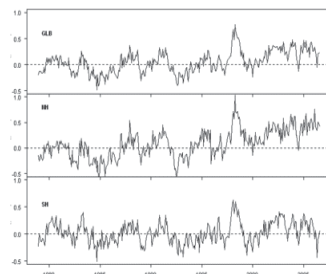
Opposition leader Don Brash says it means there is "no legal obligation on anybody to pay back anything." But Prime Minister Helen Clark disagrees: "I don't believe that's the intention at all but you have to take parties at their word and they say they will refund that becomes a matter of honour."

Honour? From a politician? The irony really is palpable. Time for that old, old joke:

Q: How do you know when a politician's lying?

A: Their lips are moving.

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### No warming thanks, we're Southern Men:

DESPITE BEING PREDICTED for the last eighteen years, "catastrophic warming" is still not happening anywhere except those computer climate models, and in fact figures for the troposphere obtained from the US National Space, Science & Technology Centre and recently recalculated by separating out hemispheres suggest that even the warming that is present is only present in one hemisphere: the north. Here in the south however we're still freezing our tits off. See above.

That's the global average for tropospheric temperatures shown at the top, with the northern hemisphere in the middle, and us colder cousins at the bottom.

That 'El Nino' spike in 1988 aside, there's been nothing of note to deny down here.

Global warming? Well, maybe northern hemisphere warming. "Catastrophic" warming? I think not.

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### N. Korea Detonates 40 Years Of GDP

PYONGYANG, NORTH KOREA—A press release issued by the state-run Korean Central News Agency Monday confirmed that the Oct. 9 underground nuclear test in North Korea's Yanggang province successfully exploded the communist nation's total gross domestic product for the past four decades.

"This is a grand day for the Democratic Peoples Republic Of Korea, whose citizens have sacrificed their wages, their food, and their lives so that our great nation could test a nuclear weapon thousands of feet beneath our own soil," read an excerpt from the statement...

...According to the CIA, over 500 tons of compressed purchasing power, the equivalent of 40 years of goods and services produced by the impoverished country, vaporized in 560 billionths of one second. The device consumed 15 years of peasant wages' worth of uranium, two decades of agricultural- and fishery-export profits' worth for its above-ground emplacement tower, and the lifetime earnings of the entire workforce of the Kilchu fish-canning factory for tungsten/carbide-steel bomb casings... (Source: The Onion)

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Boris Johnson wrote the West should help with Tehran's nuclear programme

### "Give the bomb to Iran" says senior UK Tory

"GIVE THE BOMB to Iran." That's the call of the UK Tory's Shadow Minister for Higher Education Boris Johnson, who's been described as a porky

funster in a urine-coloured wig; the male equivalent of a blonde with big tits; a plummy-voiced nincompoop; the only dumb blonde in Westminster village; a man who has only just learned to dress himself; and a shrewd and calculating prick.

Having such a man as Shadow Minister for Higher Education is clear and present proof that Conservatives do have a sense of humour. And Johnson's call to "give the bomb to Iran" shows once again that the natural state of a conservative is on his knees. Neville Chamberlain is not dead, he's just wearing a urine-coloured wig and representing Henley in the House of Commons.

Shrewd and calculating he may be (let's give him the benefit of the doubt) but his latest calculated clarion call for crawling appeasement is the dumbest idea since leaving the US Pacific Fleet out there at Pearl Harbor with everything but a big 'Kick Me' sign pasted to their bows.

"Give Iran the nuclear bomb," he says, and he does quite literally mean "give."

*Perhaps the Americans could actually assist with the technology, as they assist the United Kingdom, in return for certain conditions: that the Iranian leadership stops raving about attacking Israel, for instance, and that progress is made towards democracy and so on. The Iranian public might feel grateful, and engaged, and not demonised.*

If you feel like issuing a tsunami warning now is the time. The tidal wave of wetness is all-engulfing:

*The tragedy of growing up is that human beings acquire the means of killing themselves and others. The human race now collectively has that power. The Iranians will join in soon enough. It might be sensible if they did so in an atmosphere of co-operation and understanding, and not amid intensifying threats and hysteria...*

Woosh. There it goes. I shall now leave you some space to ponder those words of wisdom (but not perhaps as much space as Iran's near neighbours might like to



# Around The Barricades . . .

## Dispatches From The Front Line

leave between them and Tehran's missile launch sites).

So what do you think? Does it seem any more sensible after some thought? No? Bear in mind, now that this is not Keith Locke or Chris Trotter or Oliver Stone saying this, it's offered by a senior British Conservative as a serious piece of RealPolitik.

And speaking of Oliver Stone, his own advice that "we" should just learn to live with terrorism is not just well-skewed by the cartoon on the right, as a colleague of mine said it is also "proof that common sense is something else you can't get out of a Stone."

It's bloody hard getting it out of a Tory as well.

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### High and higher regulation. High and higher house prices.

THINK HOUSE PRICES are high? Owen McShane points out two reasons below. Reason One: land supply is being strangled by regulation, specifically by artificial city boundaries imposed by regional governments such as the Auckland Regional Council (ARC). Reason Two: a rise in construction costs for new houses brought about by new "gold-plated" building regulation is already feeding through to the prices of existing houses.

Explains Owen:

*The data [in 1996] showed that the cost of actually building a house had been falling over the previous few years because of a deregulated market which reduced material and equipment costs. Furthermore the cost of "constructing" residential subdivisions had fallen too, in spite of increased environmental standards. The competitive electricity supply market [for example] had dramatically reduced the price of supplying cables to sections compared to the old monopoly days.*

*However, recent data now reveals that house building prices have been rising for some years mainly because the restraints on land supply mean that all our house builders are now "Cottage*

*builders". Our home builders can no longer access long term supplies of land. One surveyor took me to look at a major development outside of Wellington and pointed out that "Everyone of those trucks distributed around the development is a cottage builder's head office." This has a major impact on bulk purchasing and management of supply, and overall efficiency.*

*Then of course the addiction to Smart Growth density has led to a wave of leaky buildings which has now generated a new wave of "gold plated" building codes. And everyone seems to believe we can promote "sustainability" (whatever that means) by adding up front costs with proposals for more insulation, solar water heating and double glazing and anything else which seems like a good idea at the time.*

*The impact of the building codes hits earlier than you might think. Real Estate agents are now of the view that the existing housing stock is undervalued because existing houses cost so much more to replace. Hence even as land prices fall the price of the total package may hold up for a while.*

*This will be described as "a strong housing market" rather than the last gasp of a dreadful set of policies which have done, and will continue to do, extraordinary damage to the economy and those struggling to make ends meet.*

And oddly enough, the problem with strangulation of land supply has been recognised even by the Environment Court. Included in the recent decision to allow Living Earth to build a composting plant outside the 'Metropolitan Urban Limit' imposed by the ARC was this comment:

*In cross-examination, Mr Walker [for the ARC] agreed that in the Auckland region there is a shortage of industrial land generally available, with the effect that prices are pushed up because of scarcity,*

*and that many of the sites he had identified are outside the metropolitan urban limits.*

As Owen summarises, "This decision acknowledges the connection between land scarcity, inflated land prices and (by general inference) the impact of the Metropolitan Urban Limit in creating this scarcity."

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### What would a libertarian do about global warming?

LET'S SAY FOR a moment, and just for the sake of argument, that human-induced global warming is both proven and a clear menace -- in other words that all the alarmists' claims are correct. What would be the libertarian solution to such a threat?

That's the question being considered in a revealing roundtable at the Reason Foundation's website. The three papers kicking off debate are:

- **Property Rights Approaches to Global Warming: Scope and Limits**

Shikha Dalmia, *Editor of Reason Roundtable* [Reason.Org/Commentaries/Dalmia\_20060907.shtml]

- **The Missing Elements in the "Science" of Global Warming**

Donald J. Boudreaux, *Chairman of the Department of Economics at George Mason University* [Reason.Org/Commentaries/Boudreaux\_20060907.shtml]

- **The Role of Market Institutions in Enabling Adaptation to Climate, Change**

Julian Morris, *Director of International Policy Network* [Reason.Org/Commentaries/Morris\_20060907.shtml]

As the convenor of the roundtable,

Shakia Dalmia says:

*While it is difficult to use property rights to protect the global commons and avert climate change, it does not follow that government regulations are therefore the answer.*

Too true. You can read the debate (and join in yourself) at the main roundtable page [http://www.reason.org/roundtable/globalwarming.shtml], or at Ronald Bailey's summary and follow-up here: [www.reason.com/hitandrun/2006/10/libertarians\\_de.shtml](http://www.reason.com/hitandrun/2006/10/libertarians_de.shtml).

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### Time for some chains.

SO IT'S NOW confirmed that the Government did steal the last election. But is there any remedy? Any at all?

In Thailand in such circumstances they tend to look to military action to punish such corruption. In the US there are remedies within the Constitution. Not here.

What's still to confirm is whether in fact there are any constitutional chains on government at all down here in this banana republic of the South Pacific. Darnton V Clark will confirm whether or not the few that do exist have any teeth, but you might like to set your mind to considering whether or not it's time to think about some formal constitutional safeguards to put some real chains on government.

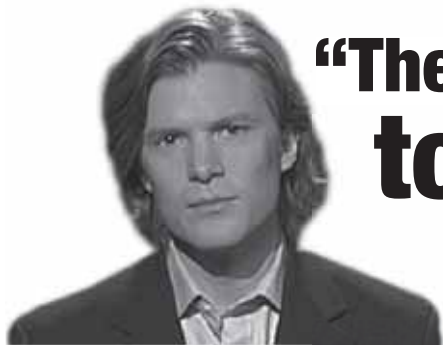
After all, if a government can steal an election and get away with it, what else can they do? It's time for some chains.

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### "...the party is dominated by libertarians."

HERE'S SOME GOOD news. ACT board member Andrew Fulford has just resigned from the party because, he says, it is being "dominated by its libertarian wing." "That libertarian faction has become the predominating power in Act," says a disgusted Fulford.

My congratulations to that libertarian wing. Just four more parties to dominate and some substantive policy changes and the job is done...



# "The problem is too little globalisation, and too little capitalism..."

- Johan Norberg, Globalisation Advocate (Part 1 of a 3 part series)

*Globalisation continues to be high on the agenda of international politics in today's world and proponents and opponents are as divided as ever. Many opponents of globalisation argue that globalisation based on capitalism leads to inequality and entrenches the differences between the haves and have-nots, undermining democracy and leading to social unrest.*

However, according to Johan Norberg, globalisation brings rewards for everyone, both rich and poor, and thus classical liberal ideas underlying globalisation, such as free markets, private property rights and limited government should be encouraged rather than limited.

'The Devil's Advocate,' a Scandinavian free-market radio show, travelled to Stockholm to discuss globalisation with Swedish author and globalisation advocate Johan Norberg, and began by asking whether this still holds true in the light of evidence that wages are falling for workers in the West, and that the Washington Consensus model for capitalism has failed in many developing countries. They also discuss (in part two) the success of the Nordic welfare states and how they compare with the U.S., as well as the role of the state in the economic development of the Asian Tigers.

Finally (in part three), they discuss Johan Norberg's vision of *The Good Society*: What is the proper role for government, and what should be left to markets and individuals? We will also discuss whether a development towards a classical liberal democracy, based on the rule of law and strictly limited government is realistic in an era where even (we might say especially) right-wing governments are at ease with the notion of a big state.

**TDA (The Devil's Advocate): Johan Norberg, thank you very much for coming here today. It's awfully nice to come and talk to you in Stockholm.**

**JN (Johan Norberg):** Thank you.

**TDA: In today's world, the wealth is very unevenly distributed. Many people live in poverty or die from hunger and diseases that could be cured with a few dollars. The traditional**

**answer to these problems would be more redistribution of wealth and more help from the developed world to the poor. But instead, you argue for more capitalism and for the benign effects of globalisation in the world. If you were to very shortly summarise the most important reasons, what would they be?**

**JN:** Well, very shortly I would say it's correct that the wealth of the world is very unevenly distributed. You can see that around the world, but we also can see very clearly that the reason why it's unevenly distributed is that we have an uneven distribution of capitalism as well, and of globalisation. Some places have had capitalism and free trade for two hundred years and they have eradicated hunger, increased life expectancy, eradicated poverty, and are incredibly wealthy. The parts that haven't had freedom, capitalism or free trade for such a long time are in those grave circumstances still.

So I would like to change that whole perspective on the issue. The question is not "Why is there poverty in the world?" The question is "Why is there wealth in the world?", because two hundred years ago we were all incredibly poor. What we have seen is that some places have been able to do something about that and that's when they've been given those opportunities and freedoms that globalisation brings.

**TDA: So, the answer is really more capitalism everywhere?**

**JN:** The problem in the world today is too little globalisation, too little capitalism. We can see as well that when very poor countries that twenty years ago we thought were hopeless, where we thought nothing would ever happen—for example China, India, Bangladesh, Vietnam and so on—began to liberalise their economies, open their markets and got freedom to sell their goods to our countries, they also saw rapid development

and perhaps the fastest economic growth that the world has ever seen. We've cut extreme poverty in half in twenty years and it has been led by the places that have globalised. So we need more of that, yes.

**TDA: So let's try to talk about some of the problems that come with this development. In the rich countries, according to new statistics published in the liberal newspaper *The Economist*, the workers' share of the profits is now the smallest it's been for three decades and the average real wages are flat or falling, at least in the United States. But at the same time, the profit rate has risen dramatically and you might say that distribution of wealth now mimics the way it was in the nineteenth century, with a very rich elite and a very big medium. Doesn't it demonstrate that globalisation benefits multinational corporations and small elites at the expense of the average worker?**

**JN:** I don't think so, because first of all you can say that yeah, we begin to resemble the situation with a tiny elite that is very wealthy and a large population that is not, but on completely different levels than they were one hundred years ago. Today, people who live a normal working class life have wealth, opportunities, technologies, ways of communicating and transporting themselves that the richest people didn't have one hundred years ago.

So it's not just important to look at the distribution. It's important to see: what can the money and wages give us? What kind of purchasing power do we have? And one of the things that has happened when China and India, for example, begin to sell their goods to us is that yes, we get that competition, we get more workers, perhaps we've doubled the global workforce. Of course that means that the wages for some time will not increase as rapidly in our countries, but it also means that they give us goods—clothes, furniture, computers, TV sets and so on—that only the wealthiest could afford twenty or thirty years ago, but now people can afford that on a more modest wage. So we have to look at that bigger perspective.

**TDA: But still, doesn't this pose a political problem? Earlier, we saw outsourcing of the so-called blue collar workers, factory production and so on,**

**to China. But now it's also the white collar jobs that are getting outsourced. Doesn't this pose a problem? Doesn't it create some kind of turbulence in the workforce in the developed world? People are losing their jobs and it appears to be damaging them.**

**JN:** It can pose big problems in the future. I definitely agree with that, especially as you say, when white collar jobs are facing the same competition, because those people have more access to the media, generally they are more used to being able to fight for their interests. They will perhaps be very sceptical and create some sort of backlash against globalisation if we don't handle this in the right way. I think that therefore two things are important to keep in mind.

First of all, I think that what we see right now might be a temporary adjustment to the biggest change of our productive forces that we've seen in one hundred years, with a doubling of the global workforce, almost one billion more people who produce for the global markets. Well, that means in the short run that yes, we have less capital per worker. So we will see more competition about the capital, not more competition about the workers, because we have a bigger supply of them, and then wages will be held back for some time. But it also means that if we have a good business climate, people will see the opportunities of moving into those sectors, of beginning to produce things, if the profit is that big, if the revenue for the owner, for the company is that big. And in that case, they will begin to bid up the wages again. I think that's one of the things that we see even in countries like China and India today, that there's actually a problem of finding a well educated workforce now...

**TDA: So wages are rising there as well?**

**JN:** Wages are rising very, very rapidly. In the latest edition of *The Economist*, they noticed a sign in an Indian little company saying: "Trespassers will be recruited, because we need everybody right now!"

So that's one of the things. The second thing that is important is that this is nothing new. We've always seen that when we face new competition, wages in the old systems, in the old factories, they will be held back. So the important thing for us is to stop doing some of the things that we used to do and instead enter the new sectors with better education and better technology, where we can have higher wages.

**TDA: The economical problem might not be so big, but politically it's a big challenge because if this development happens too rapidly, too many people will be threatened and feel the need to take political steps like protectionism and special benefits. We've seen this happen in the E.U. already with the special regulations on shoes from**

**Vietnam and China. How do we handle this politically?**

**JN:** Well, I think first of all politicians who try to open up these systems for more competition and allow poor countries to sell their goods to us should learn some basic economics and communication skills, because so far they haven't at all tried to argue their case. They've just said "Oh, we're forced to do this because now we belong to the World Trade Organisation and they say we have to do this. I'm sorry." In that case, well perhaps people will think that "OK, we understand why you have to do this, but we *hate* free trade and we *hate* the World Trade Organization that forces us to do it."

So, they *must* state their case and one of the things that they have to say is that sure, we can for a while try to have restrictions on the imports of shoes and textiles from Vietnam and China to save some jobs, but that will always come at the cost not just of more poverty in Vietnam and China—which means it will take longer before they are so rich that they buy from us—but also at the cost of less jobs in other sectors of *our* economy, because if we have the price on shoes and textiles at an artificially high rate, it means that we have less purchasing power for other things, for new things, perhaps from the computer industry or for the restaurant business. So we will only lose more jobs there. We don't benefit at all. We only have the same amount of jobs, but less money and more poverty in the Third World.

**TDA: That might hold true in general, but still there will be individual losers who lose their jobs. What do we do for them?**

**JN:** That will always happen in economic development, that's right. First of all, we have to explain that that *is* the case, and that's nothing that we can regulate away. The other thing that we have to do is to try to make sure that our labour markets are so flexible and our business climate is so open that we create the new opportunities and jobs. We have to focus on improving the human capital. Tony Blair said "three priorities for doing what it takes in the global economy: education, education and education", and that's very true, but at the same time, it's not the case that everybody can and wants to have a Ph.D. or be an electro-engineer or molecular biologist. So there must also be a market for others, those who aren't as productive as others, those who don't have the same education levels. Today, we just put them into early retirement systems or unemployment and shut them away. I think that's devastating to the economy, but also for them. So I think it's important for us to open up a new service sector for low-paid and low-skilled jobs, so that everybody can have access to the economy.

**TDA: We've talked a bit about the danger of a backlash in the West, the developed world. Let's try to talk about the experiences, especially in Latin America, with what has been called the Washington Consensus, which was a model for development, a ten point framework for policymaking in emerging economies, including fiscal discipline, privatisation of government enterprise, free trade, tax reform, security of property rights and also investment in education. This policy has been followed by the World Bank, the I.M.F. and governments through the nineties. You might say it's a sort of blueprint for capitalism, but at the same time the results have been very mixed in Latin America. Now there are countries going in the opposite direction, like Venezuela and Bolivia. How would the results of the Washington Consensus lead you to revise your opinions on globalisation?**

**JN:** Well it does help me to revise my opinions a *little bit* and I think it's important for everybody who participated and spoke for [the reforms] to do that in one instance, and that is to realise that those reforms that they spoke about and implemented were really top-down, macroeconomic reforms. It was, as you mentioned, about fiscal discipline, trade and those very big, large structures. That was done in most of the countries to some extent at least. But if you do that, but you have enormous inequalities as we do in Latin America, based on the feudal background, if most of the people do not have access to, for example, education, basic property rights, an opportunity to start a business without ten to fifteen different licence requirements and a lot of corruption on the way, well in that case those openings from the macroeconomic structure won't help people on the ground to really begin to use their skills, their talents to produce, to sell, to buy and trade with others. So what you get in that case is only a globalisation for the elite, for those who already have the big companies, who already have international trade or perhaps are friends with the government and so on.

**TDA: So how would you avoid going down the same road once again? What has to be done?**

**JN:** I think it's very, very important to look at the micro level, to look at the microstructures in those societies. We can see that when it comes to the rule of law, upholding property rights of small, normal people, of allowing them to start businesses and so on, Latin America is doing worse than almost all other places around the world because of a very elitist structure, the corruption in the system and so on. So that's where they have to begin to build and that's more difficult. It takes more time and there are more rigid structures that you have to fight. It's more difficult than just fixing the budget or something like that, but that is what has to be done. And in some places, it *has* been done to a bigger extent. Let's not write off Latin America as a complete failure...



**TDA: Can you give examples?**

**JN:** We have some places that have reformed like El Salvador and Panama, where we've seen good, healthy economic growth. We've seen a place like Chile, which keeps reforming, keeps prospering. It has almost abolished extreme poverty entirely...

**TDA: But even Chile now has a socialist government, so there's been some kind of backlash...**

**JN:** It's a socialist government on paper in Chile, but it's one that has actually kept reforming the basic economy, giving people the opportunities to start businesses, to have safe property rights, the rule of law and so on. They've actually kept moving up in the economic freedom indexes around the world. At the same time, they're trying to make sure that there's a more social outcome, more distribution and so on. But if that does not hurt the productive forces and the participation in globalisation, well then it might actually help that country. In some parts of Latin America, they now talk of Chile as "migrating out of the region", because corruption and poverty are now so low. I think there is so much to learn from this, whereas we see the biggest problems in the countries that moved in the other direction and never reformed or really dealt with those structures.

**TDA: But aren't you saying in reality what the Marxists have been saying all along about communism and the Soviet Union? For example: "This wasn't real communism. Real communism would be much better than this". A lot of people, at least in Latin America would say that you're saying "That wasn't real capitalism, this is real capitalism. Let's go this way". Is that not a danger?**

**JN:** It's a danger and it's a funny parallel definitely, but the difference I would say is that we have the examples. We can see that some countries liberalised and reformed a little bit, some did it to a very large extent and they did much better than the others. If the communists had been able to say "Well, OK, we've got some socialist structures in the Soviet Union and Poland and so on, but look to the even *more* socialist and regulated systems in North Korea and Albania, they are really prospering and cutting poverty"...well in that case they would have a point, but that's not really the case. They were instead the biggest disasters, the most regulated ones. I say of the partial reforms, they *worked*. They were also better than nothing. In the 1980s, Latin America was in complete crisis with hyperinflation and huge debts that were inherited from the protectionist era. The reforms that were done had to be done, and contributed to stabilising those systems and economies, but to go further, to really make them flourish and cut poverty, well for that you need even more. Then you need the micro reforms and we can point to the examples of countries who did that, like Chile, and who are now prospering.

**TDA: Let's try to make an abstraction and look at a more general level, and say maybe that economic liberalism is a meritocracy that awards people for their talents and abilities and because abilities are unevenly distributed, this system will create inequality.**

**But democracy on the other hand is egalitarian. Everybody has the same vote, no matter what their abilities are. Doesn't this create a collision of some sort? Isn't there a danger that democracy could go in and destroy the products of a liberalist economy?**

**JN:** Well, you can point out that there's a difference in attitudes between the two different systems. In a way, I would say that that's healthy because they are completely different spheres of society. Capitalism, the market, that's a place where we create, where deals are made only when two people think that they both benefit from them. It's a way of creating more value, of an invitation to people: do you want to participate and perhaps prosper, or don't you? That does need the kind of structures that we need in the government, because the government is completely different. A government is about the kinds of decisions that everybody has to be subjected to, the kinds of systems that we all have to abide to, in the end by force if people don't do it voluntarily. And that has to be kept in check by, for example, egalitarian structures like the general franchise, but I will also say division of powers, strong constitution, and things like that. So they are two very different systems in that regard and yes, definitely

they can conflict. It might be that the political sphere wants to intervene to a large extent in capitalism and that has happened again and again in so many places. And then I think that the challenge for capitalism is to show that this is the way to give more people a stake in the system and make more...

**TDA: So actually, capitalism can appear to be a way to reduce inequality, in a way? Like you say, in Latin America the remnants of the feudal system make it an extremely unequal place...**

**JN:** In a way, that's exactly how capitalism began, as a system. Liberal capitalism and free markets in the nineteenth century [were] a way to reduce and even to abolish the old privileges that existed in society, that let the government and the elite decide who is to do what, who is allowed to produce anything, and gave the aristocracy the power. Capitalism abolished that one hundred and fifty years ago in western countries, but it's still fighting with those rigid structures in poor countries, especially in [places] like Latin America. That's why I think that the micro reforms are the most important, giving normal people the property rights and the opportunity to start a business and to actually dismantle the entire elitist system.

**End of part one.** Look out for part two in the next issue, including Norberg's answer to the question: "Why do the Scandinavian welfare states work?"



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PAUL CHARMAN

# Turning Illiteracy Around:

## Reading Warrior, Graham Crawshaw

*The other kids in class get what the teacher is explaining ... you don't.*

*The other kids move on ... you stay behind.*

*The other kids have prospects ... you seem damned.*

Failing at literacy affects over one-quarter\* of New Zealanders. It brings that kind of quiet panic, a terror of not knowing what the teacher is talking about, a terror many of us have felt during the low points of our schooling.

But what if that feeling of inferiority is sustained on a daily basis? Over many years, failing at literacy builds up and can turn to dejection, self-hatred and possibly an abyss of anti-social behaviours.

As he moves round the country, literacy campaigner Graham Crawshaw is constantly regaled with reports of young New Zealanders whose reading and comprehension is abysmal. He blames this country's largely "whole language" system of teaching literacy, which has minimal use of phonics (the sounds words make) to help children decode words as they strike them.

Crawshaw is no wimp. When he mentions principals who "graduate" illiterate pupils every year, the hands-on Northland farmer derisively compares the graduation of so many illiterate pupils to a world where Fisher and Paykel could get away with delivering one-in-five of their washing machines without any electric motor inside.

But the next minute Crawshaw is asking how your kids are doing at school and recommending his upcoming book, which will concentrate on how parents can best teach literacy directly to their children.

Aged 73, he is widely read, a winner of the QSM, a strategic political lobbyist with a twinkle in his eye and a lifelong passion for education — especially educating the individuals too easily branded as hopeless.

Hundreds of kids have attended Crawshaw's Arapohue Reading Adventure Camps at Warkworth, Tauranga, and at his farm at Arapohue, Dargaville. These boy-friendly camps -- with mudslides, bonfires, bush craft and all-important literacy sessions -- can claim a dramatic turnaround in literacy age (as indicated by the Burt reading test) even after a few days at camp.

He himself he says is now getting too old to run the camps directly, but has far from given

up on the Reading Adventure Camp vision – he now looks for those to whom he can pass on the baton. As he swings a hammer and wields a skillsaw building new camp facilities, Crawshaw also spends hours writing out the procedures and details needed to keep the camps accessible and effective, and on a book to keep his dynamic philosophy out in the public domain long after he is personally out of the picture himself.

Crawshaw gets a lot of opposition for his views.

One school principal confronted him, saying: "how dare you confuse children with phonics." "I was sharply dismissed from the man's office," recounts Crawshaw, "but all I was doing was asking if he would let parents know about the Reading Adventure Camps we were running during the holidays."

However, in reply to a newspaper ad, two boys from the school came to camp and returned home able to read journals for the first time. They returned to another camp, with two other boys from their school, whose word decoding skills also received a boost. Crawshaw heard later that all four boys were moved to a school which taught phonics properly.

"Now I say 'how dare you' to any primary school principal over the last half-century who allowed *just one* pupil to leave Standard 4 (Year 6) illiterate."

Yet Crawshaw says his real quarrel is not with principals and teachers, who for the most part have not been taught adequately how to teach phonic themselves. According to him the rot began in 1950 when Peter Fraser appointed as director of education Clarence Beeby, who dismantled the phonics-based education system New Zealand had up until that point.

The effects have been as cruel as they have been far-reaching, says Crawshaw, who claims it was virtually unknown pre-1950 for a New Zealand child to leave school illiterate. Recent surveys, however, have put today's rate of "functional illiteracy"\* as high as one-third or more of young New Zealanders.

Crawshaw says that "up to thirty percent" of the inmates of New Zealand jails are illiterate,

and often says he would like to meet prisoners and apologise to them for not being taught to read. "When anyone is arrested, test their reading as well as taking their fingerprints." He would like to know if the person arrested can write a letter; what is the extent of their vocabulary; can they hold a sensible conversation; and could they read a book like *The Power of One*?

"If the answer to all these questions is negative, immediate steps should be taken to trace the primary schools attended between ages five to eight — their very critical years when literacy skills should have been established, but weren't."

Crawshaw tells of sitting outside a Northland court on court day and testing reading as people came and went. A man who stuck in his mind told him that he could not read, and pointed to a nearby primary school from where he had "graduated" some years earlier. Just then a prisoner was led up the path in handcuffs and the man told Crawshaw that he was there to support him, "and he can't read either." Crawshaw says the situation is tragic and unnecessary.

He intends to concentrate his future energies directly towards parents, to get *them* teaching their children to be fully literate. "I believe learning to read is the single most important skill anyone acquires. But everyone learns to *speak* their own language without a school in sight, just from their most important teachers, their parents."



**Paul Charman is an Auckland journalist and a colleague of literacy campaigner Graham Crawshaw. He will be writing regularly for *The Free Radical* on Graham Crawshaw's ongoing work with literacy for young New Zealanders. Send him mail at [paul.charman@snl.co.nz](mailto:paul.charman@snl.co.nz).**

*NB: The 1996 Adult Literacy in New Zealand survey of adults from 16-65 ranked reading levels from level 1 (very poor) to level 5 (very good); level 3 is regarded as being "functionally literate," ie., the minimum level required to meet the "complex demands of everyday life and work." The survey found that for prose (the "ability to understand and use information from text") a staggering 66.4 percent of Māori were below this minimum level and an equally tragic 41.6 percent of non-Māori.*

# Goskomizdat Comes To Helengrad



In the Soviet Union, *Goskomizdat* – the State Committee for Publishing Houses, Printing Plants and the Book Trade – ensured that all publications were in accordance with the official ideology and politics of the ruling party. The Soviet Union might be long gone but the desire to clamp down on those who don't obligingly echo the party line is alive and well in Wellington.

Helen Clark neatly summed up her attitude to free speech while under sustained attack during this year's pledge card funding row. She said, "Allegations of corruption are intolerable in a Western liberal democracy. One blogger brought that comment into perfect clarity when he responded on his website, "No, Miss Clark. Corruption is intolerable. When allegations of corruption are intolerable, it's no longer a Western liberal democracy."<sup>1</sup>

The recent furore over Labour's theft of public funds to pay for their 'pledge card' election propaganda has brought the Clark government's totalitarian instincts into the foreground. Without even an atom of contrition, Labour lashed out viciously at anyone who dared suggest they'd done wrong. So intolerant of criticism are they that they're now proposing some of the most expansive attacks on free speech New Zealand has ever seen.

During the pledge card campaign, Labour tried several times to stifle the debate, which was clearly not going in their favour. In August the New Zealand Herald produced a story<sup>2</sup> called "Labour's Pledge Card Spin" in which they outlined "The Spin" and "What Actually Happened". Finance Minister Michael Cullen mused aloud that afternoon that the Herald might want to "consider its position" and noted that the government was considering the paper's parent company's tax position.

One of Labour's favourite diversions during the campaign was a prolonged attack on the Exclusive Brethren church, who had run attack advertising at the last election (notably, with their own money). It came to light that some Brethren run businesses were taking advantage of employment law loopholes. The government has promised that those loopholes will be closed as punishment for the Brethren's campaigning against them.

A chilling effect is already being felt by other organisations. In October, the National Party tried to buy space at Wellington Airport

for their "Departure Gate" advertisements, humorously suggesting that it was time for Helen Clark to go. The airport refused to put up the ads, saying they were "too politically sensitive."<sup>3</sup> At the time, Wellington Airport was awaiting a government decision on an Air New Zealand-Qantas codeshare agreement, which could hit airport profits, and it's part-owner, Infratil, is trying to get an agreement to run commercial flights from Whenuapai air base near Auckland. With this government's vindictive history, putting up the opposition party's advertising is asking for trouble.

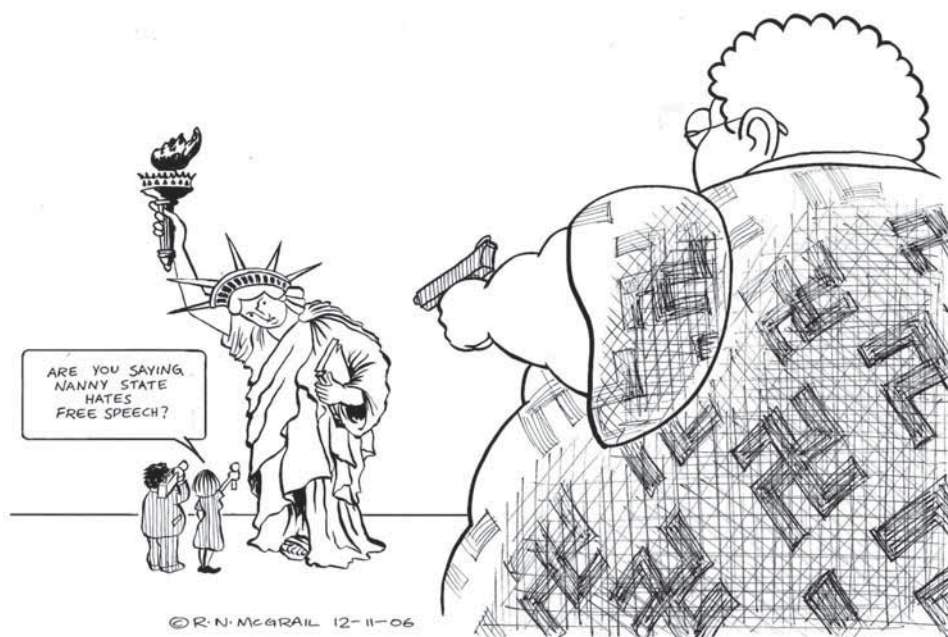
More of the same is coming. Charities were warned, also in October, that they risked losing their tax-exempt status if they indulge in too much political activity.<sup>4</sup> All charities will have to be registered from mid-2008 and then the ministerially-appointed board of the Charities Commission will decide who gets to keep their status. The temptation for charities to censor themselves to avoid being financially

punished will be strong. Charities that engage primarily in political activism, from across the political spectrum, like Sensible Sentencing and the Child Poverty Action Group were understandably outraged.

While attempting to chill dissent by exercising its power in other domains, Labour is also planning a more direct assault on free speech with its plans to further regulate election campaigning. They have proposed a three-fold package to tighten their grip on power. Under the euphemism of "campaign finance reform" they plan to introduce state funding of political parties, crack down on anonymous donations to political parties, and – worst of all – forbid third-party campaigning during an election.

In characteristic dystopian manner, the Clark government has looked to muffle criticism of its own corruption by dressing up attacks on dissenting opinion as anti-corruption measures. As Pulitzer Prize-winning author and columnist George F. Will put it in this summer's *Cato's Letter*:<sup>5</sup>

"There is no greater threat to liberty in [the United States] than the fourth kind of politics, the politics of speech rationing. It is commonly called campaign finance reform, but it is nothing of the sort. It is simply the assertion of the government of a new, audacious right: the right to determine the timing, content, and amount of political advocacy about the government. It is the most astonishing slow-





motion – although it is gaining speed – repeal of the First Amendment.”

And so it is here, but without the protection of a constitution to guard free speech.

The United States has the best developed free speech jurisprudence in the world but there have been inroads made into its constitutionally protected freedoms. In the context of election funding, there has been a systematic whittling down of free expression since Watergate, ostensibly in order to combat corruption – the same excuse being used in New Zealand.

Public financing of presidential election campaigns has been upheld by the Supreme Court of the United States because, they claim, it fosters First Amendment objectives

by enlarging and helping public discussion and participation in the electoral process. The Federal Election Campaign Act allows for some private donations to be matched from public funds.

Aside from the clear libertarian objections to taking someone's money compulsorily and handing it to a political opponent, the major free speech concern is that public funding of election campaigns may violate the neutrality principle. The neutrality principle holds that the government must have a neutral point of view whenever it either subsidises or restricts speech.

Labour's proposal for New Zealand political parties is that they are funded from the state purse based on their performance at the last

election. This clearly reinforces incumbency and artificially amplifies the (already louder) voice of the largest parties to the detriment of the smaller parties. This is especially true when, as in the 2005 New Zealand election, the race is close and voters who would usually support smaller parties shifted support to one of the two big parties to try and push whichever they perceive as the lesser of two evils over the line.

We already have a variation on this situation whereby the Broadcasting Act makes it illegal for political parties to buy television or radio advertising except with public money from a fund allocated by the Electoral Commission. These rules were brought in, in preparation for the change to proportional representation, to smother new upstart parties so that they

... continued on p.14

## “...an atmosphere where criticising the government is becoming hazardous.”

The list of attacks on free speech by the Clark Government is a long one, and those listed here just scratch the surface of incidents which, taken together, reveal their increasingly visceral hatred of the concept:

- for the first time in 103 years, a crown-owned company fined for "contempt of parliament";
- a Select Committee chairmen tearing up letters from Committee members who raise serious concerns;
- convicting a man for sedition for protesting the passing of the Foreshore & Seabed Act;
- the 'crime' of "bringing Parliament into disrepute," still on the books;
- TVNZ's Board being hauled before Parliament's Privileges Committee during the Ian Fraser affair;
- Commerce Commission prosecution of Air New Zealand for highlighting the high cost of government levies to travellers in their ticket prices;
- Attacking those who criticise the Clark Government of corruption --
- an attack by Helen Clark on the *Dominion Post* and *The Press* for printing the Mohammed cartoons;
- a threat by Michael Cullen to land the *Herald* with "a very large tax bill" if criticism of the Clark Government didn't cease;
- an attack by Helen Clark on Fran O'Sullivan for her criticism of what Fran called "ramming through legislation under urgency to retrospectively legalise the unlawful raid on parliamentary funds";
- "Taking away the Exclusive Brethren's employment law loophole because they spent \$1.2 million campaigning against the Greens and the Clark Government";
- praising loudly "the measures the British Labour Government has imposed to curb press freedoms";
- moving to "toughen up the Press Council" when it comes to dealing with a local media that is just doing its job;
- new restrictions either announced or imminent on liquor, pharmaceuticals, tobacco and fast food advertising;

- bullying of the Auditor General over the last few months for criticism of the Govt;
- the Electricity Commissioner removed from office because, says the former Commissioner, "I stood up to the government as an independent regulator should";
- long and prolonged attacks on a religious sect for daring to criticise the Government;
- a "clamp down on the tax privileges of charitable trusts that cross an undeclared line into political advocacy";
- moving to prevent third-party criticism of Government during an election;
- moving to ban anonymous donations to political parties;
- moving to institute state-funding of political parties (these last three, taken together, being a form of speech-rationing);
- attack on tax-free status of charities that criticise the Government;

As Bill English said on Morning Report (yes, even Bill can get things right occasionally), this is "an atmosphere where criticising the government can

be hazardous."

And it is in this highly-charged atmosphere -- one in which free speech is rapidly becoming a privilege instead of a right -- that the decision of Wellington Airport to refuse to display this billboard below has been taken. "Too politically sensitive," the airport management apparently said when presented with the ad.

In the current "atmosphere where criticising the government can be hazardous," you really have to commend the bravery of the other two airports which *have* chosen to run with the billboard. Look out for attacks very soon on the management and running of Auckland and Christchurch airports.

Perhaps the last word on this should go to local blogger Vigesimal Pundit: "Allegations of corruption are intolerable in a Western liberal democracy," says Helen Clark. "No, Miss Clark. Corruption is intolerable. When allegations of corruption are intolerable, it's no longer a Western liberal democracy."

Paintergate

Corngate

Doonegate

Speedgate

Pledgegate

Departure gate



**National**

Proudly paid for by supporters of the National Party with their own money.

didn't go taking too much attention away from the traditional parties.

To promote free speech and a more diverse political conversation we should be abolishing the broadcasting restrictions, not extending the restrictive regime to other forms of electoral activity.

The American experience is also relevant to Labour's second proposal, the limiting of anonymous campaign donations. The Supreme Court upheld disclosure requirements, saying that donating money was more akin to "conduct" than "speech" and that it was legitimate to require disclosure as a protection against corruption.

Clearly the government should be allowed to legislate against bribery but this judgment fails to account for the fact that almost all donations are made with honest intent. It fails the "strict scrutiny" test which, in free speech jurisprudence, requires that a restriction on speech, even if it is incidental, be narrowly tailored to its purpose (here, preventing corruption) and using the least restrictive means to achieve its goal. A blanket disclosure requirement affects vastly more innocent people than it does guilty and as such is bad law.

In New Zealand, Labour has made murky suggestions about anonymous donors buying policy from the National Party but has failed to produce any evidence, credible or otherwise. Far more likely, is that the policy came first and the donors who wish to see that policy enacted came forward afterwards. Labour has used its own unsubstantiated rumours to launch an attack on anonymous donations.

While disclosure of donors could provide some minor protection against corruption, it is far more likely that the proposed law's purpose is to chill dissent. New Zealand is a small country and the government occupies nearly half the economy. Most people have business dealings with the government in one way or another. The Clark government is known to behave vindictively against dissenters and so it's understandable that people would want to keep their donations to the opposition anonymous. Until Labour cleans up its own behaviour and attitudes, we would be naive to think that their call to restrict anonymous donations has anything to do with preventing corruption. It would be far more in character for them to be attempting to punish dissenters.

The third prong of Labour's assault is on third-party campaigning. This is an area where the US Supreme Court got it right. They struck down any expenditure limits on campaign spending whether by candidates themselves or by other interested parties. They rightly concluded that political speech was so important that no restriction on its purchase could be allowed by the Constitution.

Labour seems to have concluded that political speech is so important that no one else should be allowed to have any. Speaking about third party campaigning on National Radio in September, Labour strategist Pete Hodgson said it was likely that they'd "simply forbid it, that [we] would simply say you're not allowed to have a campaign."

The proposed ban comes in the wake of this government's disgust that the Exclusive

Brethren Church dared to campaign against them during the last election. This ban would be an absolutely outrageous attack on free speech. If it became illegal to criticise the government during an election campaign, for this is clearly the aim, surely we could no longer consider New Zealand a free country.

The Clark government is not nibbling at the edges of free speech; they are not proposing legislation with other goals that has an incidental impact on free speech; they are engaged in both direct frontal assault and deliberate flanking attacks on free speech.

All governments have a natural tendency to regulate and to censor. To maintain an open society the rules need to be deliberately tilted in favour of free expression. Political speech must be especially protected because it is in the political arena that all other freedoms must be protected.

The Clark government's assaults on free political expression must be resisted because if we fail to withstand these assaults it may be illegal to resist the next.



**Bernard Darnton is a Wellington businessman, former litigant against the Clark Government, and the leader of New Zealand's Libertarianz Party**

#### (Endnotes)

1. [www.teenagepundit.blogspot.com/2006/09/grasping.html](http://www.teenagepundit.blogspot.com/2006/09/grasping.html)
2. [www.subs.nzherald.co.nz/section/story.cfm?c\\_id=1&objectid=10396419](http://www.subs.nzherald.co.nz/section/story.cfm?c_id=1&objectid=10396419)
3. [www.stuff.co.nz/stuff/0,2106,3847398a6160,00.html](http://www.stuff.co.nz/stuff/0,2106,3847398a6160,00.html)
4. [www.stuff.co.nz/stuff/0,2106,3829759a6160,00.html](http://www.stuff.co.nz/stuff/0,2106,3829759a6160,00.html)
5. [www.cato.org/pubs/catosletter/catosletter4n3.pdf](http://www.cato.org/pubs/catosletter/catosletter4n3.pdf)

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PROF. JIM EVANS

THE STOLEN ELECTION

# In Praise Of The Auditor-General

*Professor Jim Evans replies to those who suggest the Auditor General somehow got it wrong in finding the Clark Government acted illegally in the matter of their election over-spending.*

The main focus in this discussion is the difference between someone's actions as a member of Parliament and their actions as a candidate -- it blows away much of the fog that the Clark government has generated over this issue. "Let me return briefly to the retrospective legislation," says the author. "If any Member of Parliament or party disagreed with the Auditor-General's report it was open to them to test the issue in the courts." Notes would-be litigant Bernard Darnton: "Indeed, they were invited to!"

The article authored by Rex that appeared at Public Address.Net titled "Auditing the Auditor-General" is typical of various attempts that have been made in recent weeks to obfuscate the issues surrounding the Auditor-General's report on advertising expenditure by political parties in the three months before the last general election. Now that Parliament has passed retrospective legislation to validate the expenditure that the Auditor-General held unlawful, this obfuscation is particularly dangerous, since it may make that legislation seem justified.

In this article I will try to remove some of the confusion surrounding the report. I will start with the relevant law and then discuss some of the arguments made by Rex and others.

The law starts with the Appropriation Acts of 2004 and 2005, by which Parliament appropriated funds (in each case a little over \$14m) to be spent on "Party and Member Support", within a broader allocation for "Vote Parliamentary Service".

A long-standing constitutional principle is that the Crown or an Office of Parliament must not spend public money except as authorized by an Act of Parliament. The Public Finance Act 1989 states this. It also provides that the authority to incur expenses under an appropriation is limited to the scope of the appropriation and must not be used for other purposes.

It is therefore important to determine the scope of these appropriations. Some

assistance is provided by the more detailed description of them in the relevant Budget estimates. Although these were not part of the Acts, they provide an indication of the purpose of the appropriations. In the 2005 Budget estimates, the appropriation was made to each party "to support its Leader's office, research operations, Whips' office and members' parliamentary operations". Another important indication of the purpose of the appropriations comes from the Parliamentary Services Act 2000. This had as one of its purposes "to establish mechanisms for providing services and funding entitlements for parliamentary purposes". It does this partly by imposing a continuing duty on the Parliamentary Services Commission "to administer, in accordance with directions

***A long-standing constitutional principle is that the Crown or an Office of Parliament must not spend public money except as authorised by an Act of Parliament. The Public Finance Act 1989 states this.***

given by the Speaker, the payment of funding entitlements for parliamentary purposes".

Both members and officers of Parliament have always assumed that the appropriations for "Party and Member Support" were to be administered under this provision. So, clearly, the appropriations were understood as being for "parliamentary purposes".

This Act also required the Speaker to give written directions to the Commission annually on the nature of the services to be provided. Across the period covered by the Auditor-General's review, the Speaker's directions allowed expenditure on "communication services" including "signage and advertising". But they excluded the use of funds:

For producing or distributing promotional or electioneering material by mail or other means of communication for the purpose of supporting the election of any person or the casting of a party vote for any political party.

The directions are also important because they defined "parliamentary business":

The undertaking of any task or function that a member could reasonably be expected to carry out in his or her capacity as a Member of Parliament and that complements the business of the House of Representatives.

This, then, was the business for which MP's could incur expenditure.

To sum up, the Auditor-General potentially had two questions to consider for each item of expenditure he reviewed: (1) "Was it for 'parliamentary purposes'?" and (2) "Was it electioneering material produced or distributed to support the election of any person or the casting of a party vote?"

However, because he was concerned only with communications he in fact considered only the second question, since that was sufficient to settle the issues in front of him.

He says in his report, "I took a common-sense approach based on what I considered a reasonable member of the public would think from looking at the advertisement as a whole, in its full context." He judged that each of the items he identified as "unlawful expenditure" was for producing or distributing "electioneering material".

I do not know the character of each item, but like most other households in the community ours received the Pledge Card from Helen Clark about a week before the election. I think it is beyond serious argument that this was electioneering material distributed for the purpose of supporting the election of any person (i.e. in each constituency, the local Labour candidate) as well as the casting of a party vote for a political party.

Rex, writing at PublicAddress.net argues that the term "electioneering" should be understood to apply only to communications that explicitly



ask people to vote for a candidate or a party. He relies on the opinion given to the Speaker by Hodder and Davies, from Chapman Tripp.

They argue that there is a need for a "bright line" test to separate legitimate and illegitimate expenditure, and that this is the only workable test available. They disparage the test

***The view the Auditor-General took of the law was right. It requires a distinction between the work of a Member of Parliament as a member of parliament and his activity as a candidate. Properly understood, that is neither an impossible distinction to make, nor one that has absurd consequences...***

suggested in the opinion of the Solicitor-General, upon which the Auditor-General relied, which argues that electioneering material is any material that attempts to persuade a voter to vote for a person or a party, whether or not it says "Vote for X", "Vote for the Y Party", or similar.

Hodder and Davies are no doubt right that their test would be easier to apply than that proposed by the Solicitor-General. However, I do not agree that it would be a better test. The problem with it is that it trivializes the constraint. Any competent Member of Parliament could frame a communication designed to persuade voters to vote for a candidate or party without explicitly asking the voter to vote that way. The Pledge Card is a good example.

Like the Solicitor-General and the Auditor-General, I think it is important to keep alive the difference between the activities of a member of Parliament as a Member of Parliament and the activities of a Member as a candidate (which I shall take as shorthand for as a candidate or prospective candidate or as an advocate for the election of a party). The first are properly fundable out of public funds, but the second are not.

But, even if Hodder and Davies test would be a better test, that is irrelevant. It simply was not the test in operation at the time of the expenditure. The actual test used the words "electioneering material" and something that displays an intention to persuade people to vote for a person or a party is electioneering material. (That is also the view that courts have taken in cases on excess election expenditure.)

Rex makes a great deal of two points. The first is that other similar expenditure had not been challenged in the past. The Pledge Card was a particularly blatant case, but I think Rex is partly right about this. The boundaries of parliamentary purposes have been progressively pushed by MP's and

parties for some time back so as to include advertisements or communications that are essentially for electioneering purposes. As Rex suggests, a similar pushing of boundaries may have taken place for some other expenditure, such as meetings held solely to discuss an election campaign.

Expenditure of this second type is in a different category to advertising, since the explicit exclusion of electioneering does not apply to it, but if it is not for "parliamentary purposes" then it is not authorized by the appropriation. But all any of this shows is that it was past time that someone took a stand. The Auditor-General did so, and in a careful and measured way.

His report says that in June of 2005 he reported to the House of Representatives a range of concerns he had about how parliamentary advertising was managed, drawing attention to the need for MP's and parliamentary parties to take care when advertising in the pre-election period. Worried about some of the expenditure in this period, he sought legal advice from the Solicitor-General and then proceeded to a careful review of the expenditure on advertising in

the three months before the general election, being scrupulously careful to be impartial.

That seems to me exactly the course of action we should expect from a public servant in his position. So what is "difficult to stomach" is not the Auditor-General's decision, but Rex's unfair criticism of him.

The second point made by Rex is that the Auditor-General's definition of "electioneering" would include vastly too much. It would include all sorts of activity going way beyond advertising, such as travel to meetings purely for planning an election campaign or the employment of staff to help with a campaign.

In fact, the Auditor-General did not define "electioneering", for the rule on electioneering applied only to communications, not generally. He defined "electioneering material", which, he says: "is something that is intended to persuade a voter to favour a candidate or party in an election, and is not limited to material that expressly solicits votes".

The Auditor-General had given warning only about advertising. As his report shows, even investigating that required a great deal of work to ensure fairness. A wider enquiry would have involved a wholly different undertaking.

Nevertheless, on the principles applied by the Auditor-General, things other than communicating done by an MP as a candidate are not covered by the appropriations and are therefore unlawful. Let us then consider the scope of work for "parliamentary purposes". We can start by noticing the obvious point



that MP's will often intend their competent performance as a member to encourage people to vote for them or their party. Plainly, that should not render expenditure that is properly incurred in the performance of their role as an MP unlawful. But simply because competent work as an MP may be one way of securing votes it does not follow that everything done to secure votes is work as an MP. That point implies, of course, that we can draw a line between work as an MP and work as a candidate.

So what, then, is the role of an MP?

Very broadly, it is participating in the work of Parliament. The core work of Parliament is to keep a check on the Government, including the bureaucracy, to approve the expenditure of public money, to review the law and to make legislation. No doubt that is not a complete list. Nowadays, keeping the public informed about proposals, reviewing issues of public concern and giving people an opportunity to be heard are rightly thought to have value because they can improve Parliament's performance of its core activities (although they can also do that).

My point is that while the scope of work as an MP may occasionally be controversial (as many concepts used in the law may be) we share enough common understandings about the role of Parliament to be able to agree on most occasions about what counts as something done by an MP for a "parliamentary purpose" and to know what is relevant to arguing about the remaining cases. In their opinion to the Speaker, Hodder and

the work of Parliament. Activity as a candidate is of this type.

Would a strict approach to the boundaries of expenditure for "parliamentary purposes" include vastly too much?

Rex takes a very broad interpretation of the word "persuade" in the Auditor-General's definition of "electioneering material". He treats any communication that may be intended to make it more likely that a voter will vote for the MP or her party as intending to *persuade* voters. He then applies that idea to all forms of expenditure. That is how he is able to suggest that the Auditor-General's interpretation would require refunding "possibly more than a hundred million dollars".

***Not only did the Auditor-General get the law right, he acted with sense and courage in a difficult situation.***

Perhaps "persuade" is capable of bearing that meaning in some contexts, but in the context of the Auditor-General's report it does not. The Auditor-General plainly understands "persuade" to require an active attempt to persuade voters to vote in a particular way. For example, he does not preclude MP's or parties from efforts to keep an electorate informed about public issues or of their views on them.

One more point will have troubled the reader. What is the position if something is done partly for one purpose and partly for another? The Solicitor-General's opinion gives the

those that are not.

I have been asked what all this implies for the Green Party's monthly newsletter or payments to a campaign specialist. It will depend on the detail, but *prima facie* I am inclined to think the newsletter may be OK, so long as it merely keeps the public informed of public issues and of the Party's views on them. Payments out of public funds to a campaign specialist to run an election campaign seem highly dubious.

Let me sum up. I think the view the Auditor-General took of the law was right. It requires a distinction between the work of a Member of Parliament as a member of parliament and his activity as a candidate. Properly understood, that is neither an impossible distinction to

make, nor one that has absurd consequences. It is no more difficult than many distinctions that lawyers and others have to make in applying the law.

It seems to me better to have a law that maintains that distinction than to abandon it simply because its application may occasionally be controversial. However, whether or not that is so, the law at the time of the expenditure reviewed by the Auditor-General required that distinction.

Not only did the Auditor-General get the law right, he acted with sense and courage in a difficult situation.

***It seems to me better to have a law that maintains that distinction than to abandon it simply because its application may occasionally be controversial. However, whether or not that is so, the law at the time of the expenditure reviewed by the Auditor-General required that distinction.***

Davies seek to expand the notion of things done by an MP for a parliamentary purpose to include all lawful means of seeking votes, so long as one does not explicitly say "Please vote for me" or similar.

Their argument is that a robust political process serves to create a better parliament. That may be true. But it does not follow that everything done by MP's that is part of a robust political process is part of the work of Parliament. Like other members of the public (for example, constituency members of a party), MP's may engage in activity that contributes to a robust political process without thereby engaging in

example of a monthly newsletter that informs constituents about matters of parliamentary business but also contains electioneering material. The Solicitor-General took the view that at least in the case of this example the wrongful purpose would make the whole act unlawful.

I think that is right when the same act serves both purposes; but in other cases a division of the expenditure may be appropriate. The point is tricky, but my tentative view on the example is that the whole cost of distributing should be recoverable, since all of it serves the wrongful purpose. But the cost of publication might be divided between the bits that are lawful and

Let me return briefly to the retrospective legislation. If any Member of Parliament or party disagreed with the Auditor-General's report it was open to them to test the issue in the courts. That the Labour Party promoted, and other parties supported, retrospective legislation to validate expenditure the Auditor-General had held unlawful was appalling.

The Auditor-General's Report can be found here: The Solicitor-General's Opinion is available as Appendix 2 to that report. The opinion of Jack Hodder and Briony Davies is Appendix 3 (at page 14ff) to the Speaker's Report on the Report of the Auditor-General.



**Jim Evans is Emeritus Professor of Law at Auckland University. This article first appeared at the website PublicAddress.Net**



# One Pledge Card

## ... Slightly Used

*In case you missed it, there were recently two Labour Party Pledge Cards being sold on Trade Me, one by the Labour Party to raise funds to repay stolen money pay back retrospectively validated democracy funding, the other by Bernard Darnton to raise funds to take them to court over their stolen money.*

*The sour-lipped Labour Party auction received two bids, seven unanswered questions, 1500 hits and just \$30 (only \$824,970 to go crowed The Dominion); Darnton meanwhile received over eighty bids, hundreds of questions, 32,000 hits and \$700. I think there's a point there, don't you?*

*What follows is the write up from the auction itself, and a pick of the wittier questions and answers on the auction page:*

Mint condition original 2005 Labour Party pledge card, nicely framed - just like the New Zealand taxpayer. Never to be repeated (hopefully). This item is one in a million. Well, one OF a million. You've already paid for it once, why not pay for it again? Proceeds to help fund the Darnton v Clark lawsuit.

Do you happen to have any more cards???  
I've love to play snap with them.....  
**Sorry. Only the Red Queen is available.**

Look red just clashes with EVERYTHING. Do you have anything in a civilised blue?

**I couldn't find much. Neither could the Auditor-General.**

Damn. Some people I know tried green... turned out it was just a paint job and it was red underneath.

**You have to be careful. It can be quite deceptive. Even the blues can often just be a light red.**

How do I know you are genuine and not a Labour MP doing some creative fundraising?  
**Because Labour MPs don't do creative fundraising. They just pick taxpayers' pockets.**

Can you show the other side of the card? I think she has her fingers crossed  
**You're right but it's not clear whether she's got her fingers crossed so she doesn't have to keep her promises or**

**fingers crossed that she gets away with rorting the leader's fund.**

What is the likelihood of a paper cut from the card being fatal?

**I believe the effects of the card have largely been blunted now. If the pledge card proves fatal to anyone it will probably be Labour.**

Does the pledge card come with alternative catch phrases? "My compendious conspiracy" or "I am contrite and compellable" or simply "My conniption".

**No. Helen Clark is infallible and only one slogan is acceptable. Everyone must say it in unison.**

Do I earn Flybuys when I use the card?

**No. Labour doesn't need to earn your loyalty. Your loyalty is demanded.**

Will you consider delivery of the card by high-speed motorcade?

**I would, but my driver's in jail.**

Is it a quality frame?

**No. It's worthless and transparent, much like the pledges it contains.**

Isn't this sort of thing prohibited somewhere in the rules?

**Yes. The relevant rules are the Public Finance Act, the Constitution Act and**





**the Bill of Rights.**

I guess this is the free market in action.  
**That's right. It's the invisible hand giving Labour a slapping.**

Do the pledges work? I have heard this described by people as electioneering  
**The only people who have described this as electioneering are the Chief Electoral Officer, Wellington District CIB, the former Solicitor-General, the Auditor-General, and Pete Hodgson.**

I would consider placing a higher bid, but considering I'm taxed 42% of my income, there is a court order for another 20% to pay off my traffic fines and WINZ are demanding another 20% to refund overpayments, I'm a little strapped for cash.

**You need to get fired from your job, have eight children, and acquire some not-too-specific illness that causes malingering. You'll be rolling in cash in no time.**

Does the picture come with any rating...I'm thinking it might scare my children?

**As a responsible parent it's your job to keep offensive material like political propaganda away from your children. Although that does raise the question of where you send them to school...**

Where in my house do you think I should hang it?

**I would recommend putting it in the kitchen just above the sink. The when you see all that water gurgling down the drain you can remember the five months a year that you work to pay your taxes.**

As this could be potentially embarrassing to our dear leader if released in public - is it okay

if I burn this "artwork" after purchasing it (if I am the successful bidder)?

**The bids are getting pretty riotous. If you blow your cash on the top bid you might not be able to afford the carbon credits you need to burn it.**

What is the significance of the blurred waving arms in the background. Looks to me like the adulations of adoring socialists, but I might [??] be wrong?

**An easy mistake to make but it's actually the writhing of agonised taxpayers undergoing walletectomies without anaesthetic.**

This card surely can't be worth that much - I inserted one like it at my ATM and it come up Declined - insufficient funds!

**You obviously tried to use the wrong account. Next time try using it to access someone else's money.**

Someone has performed several small miracles in Photoshop on the photo on that card. Helen's years seem to have simply disappeared. Of course, the government has always been good at making things disappear. Money, for instance, integrity and honesty as well of course.

**But, to be fair, the government also makes lots of things appear as well - pointless departments, red tape, regulations, inflation, ...**

Can I have the card now. I'm pretty sure I've already paid for it.

**Everybody's already paid for it. Much like health care, if you actually want it you have to pay twice.**

Measurements please? I'm thinking of a perfect spot in the loo to assist with those constipation issues. I may need to blow it up a bit to get the desired effect though - what

do you think?

**The card is 8.3 x 5.2 cm. That's \$10,334 per square centimetre.**

Will Peter Jackson make this into a movie? Then it can be serialized adn vie for top Labour Supporters viewing such as *Coro Street!*

**If he was going to make a story about Labour's pledge card fiasco what would be call it? Bad Taste? Meet the Feebles? Braindead?**

Why are you not showing us the "back-side" of the card you're selling - is there something hidden behind our Dear Leader that we're not supposed to see?

**On the contrary, seeing the back of Helen is something I'm very keen on.**

Is that really Helen??? I want the name of her plastic surgeon...

**I believe he's a Doctor Michael Cullen. He's very good at making things look like they're not. For example, if you had an ugly bulge in your wallet he could get rid of it in no time.**

In a previous answer, you mentioned you would throw in a free taniwha. I was wondering if you would list it separately, preferably with a buy now price. Or perhaps, you would trade for a leprechaun?

**I don't really need a leprechaun and I'm having second thoughts about giving away the taniwha too. I hear Transit pays quite a good price for them.**

Don't be too alarmed people that trader "bamsenz" loves Helen. If you saw the stuff she has been buying on Trade Me you would understand.

**Lots of people love Helen. It's called Stockholm Syndrome.**

Love Helen? Stockholm syndrome? Extreme bad taste I'd say. How could you love her? She is so ugly. Yuck

**Lots of things about this government are ugly but they're still hanging on to some of their support. I guess that's the joy of having half the population on the payroll.**

Do you think Helen would make a good UN secretary general?

**A superior attitude, vast quantities of money wasted on pointless (or destructive) projects, and a whiff of corruption? I can't think of anyone better.**

Is it true that this is the cover of Chairman Helen's Little Red Book?

**Yes. At Christmas they'll be launching a children's version in conjunction with A.A. Milne called "A World of Pooh".**





# Third Way Meets Neo-Con In The Authoritarian Middle

*Many people have expressed surprise at the alliance of George W. Bush and Tony Blair, men respectively of the right and the left but who share an obviously genuine friendship. The answer to the apparent paradox is to be found in their respective philosophies. The so-called 'philosophies' of the left's 'Third Way' and the right's Neo-Conservatism' to which these two subscribe share more than their promoters might like to concede.*

In fact, I would suggest that in all essentials the 'Third Way' is just the mirror image of 'Neo-Conservatism.' It is no accident that George Bush and Tony Blair have become allies; the understanding they so clearly share is born of a common way of seeing the political landscape, and it has lessons for us here in New Zealand.

Let me explain. These two political schools of the right and the left have until recently both dominated their respective political 'markets,' and they've done so largely by making themselves 'pragmatic on principle': that is, they accept what they view as the 'political realities' of the present ideological and political geography of a country; they concede that capitalism produces rather more than any other alternative yet devised; and they've chosen to shackle the levers of power and the engine of capitalism simply to deliver votes.

That in a nutshell is the 'big idea' behind the ruling ideologies of both the Neocons and the Third Way zealots.

Far from being big ideas, both are little more than strategies for gaining and holding power for their 'side,' but in placing strategy over principles both leave largely bare the question of what they are gaining power for -- the result is that for both schools the pursuit of politics becomes power for power's sake - and we know (and have seen in the NZ Parliament recently) what the pursuit of power tends to do to those who pursue it absolutely. It's not at all pretty, and not all a natural environment in which freedom and liberty can flourish.

Fortuitously, recent posts on the local blogosphere make the comparison between the two relatively transparent. Prof. Brad Thompson's superb analysis of American conservatism gives the necessary keys to understanding the so-called philosophy of Neo-Conservatism; and now and in an apologia to the local left posted yesterday, Labour strategist Jordan Carter

summarises for the "further left" the Third Way strategy followed by Labour here since 1993.

## Third Way

If we look first at that "Third Way strategy" as summarised by Jordan: "The key components of that locally have been," he says,

- Emphasis on the connection between social justice and economic development
- Moderate political positioning, in touch with voters not activists
- Pragmatic policy lines in terms of public spending and the market/community boundary
- An avoidance of 'reform' as opposed to consolidation in most areas of policy

- Incremental change and routing around, rather than challenging, opposition to particular policies

As I suggested above, this is hardly a 'big idea' in terms of political philosophy - this is strategy not philosophy, and if I may translate from the language of wonkery above into how it has worked in practice here, the strategy has been this:

- Shackle capitalist means for socialist ends -- that is, use the engine of capitalism to produce, and the maw of politics to redistribute
- Accept the political landscape (as Blair did in keeping the Thatcher reforms, and Clark has in keeping the Richardson/Douglas reforms) and seek instead to capture and massage and persuade the unthinking and the easily persuaded
- Take ownership of the 'commanding heights' of state welfare (health, education, welfare), and use welfare distribution as a tool of politics: that is, make sure welfare is politically targeted (remember for example how South Auckland came in for Labour last September?) and that new welfare programmes are identified with Labour (Welfare for Working Families anyone?)
- Keep former New Labour activists close and compliant (Hello Jim), and the harder left rabble quiet by whatever means necessary, including both 'buy-in' and buying off.



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as different ends of the political spectrum, but they both meet up in the authoritarian middle. Continuing the summary of the Neocons

Neocons agree with the underlying moral principles of the socialists; they disagree merely over the best means to achieve their shared ends. As do all good socialists, neocons hold that welfare should be regarded as a right because it is grounded in people's "needs"—and, as Kristol explains, for the neocons, "needs" are synonymous with rights...

So how does a conservative welfare state work? And how does it differ from a liberal welfare state? Behind all the rhetoric, the shabby secret is that there is very little difference except how and by whom the readies are doled out. Both liberals and Neocons opposed Clinton's reforms of the welfare state. Both liberals and neocons

***Never mind the poverty and the dependence, feel the power! "We won, you lost, eat that!" The aim of the 'Third Way' strategy is clear enough: it is power. Power for power's sake -- and all policy is geared to that aim: policy as the handmaiden of power lust.***

promise cradle to grave nannying. The Neocons, who (like Roger Douglas) talk about socialist ends through capitalist means simply insist that the all-powerful state should provide, but people should be allowed some "choice." The state will continue to put its hand in your pocket, increasingly so say neocons, but "the people choose their own "private" social security accounts; they choose their own "private" health and child-care providers; and parents receive vouchers and choose which schools their children will attend."

The choices, of course, are not the wide-open choices of a free market; rather, the people are permitted to choose from among a handful of pre-authorized providers. The neocons call this scheme a free-market reform of the welfare state.

Socialist ends through capitalist means, you see (or at least "conservative" means, capitalism not being the process so described). And as far as the neocons' "big idea" goes, that's it. George Bernard Shaw observed years ago that a government that robs Peter to pay Paul can always rely on the support of Paul. The neocons rob Peter, rob Paul, and channel that money to the providers pre-approved by the ruling party (who can expect to show their gratitude in the appropriate way), clipping the ticket on the

way on behalf of the paternalistic state.

So the Neocon strategy of gaining and keeping power differs in practice only marginally from the strategy of the Third Way; both seek to politicise the delivery of welfare, and in doing so both seek to enlarge and expand the nannying state and put it at the service of buying votes.

In practice, then, Neocons and Third Way strategists are soul-mates. George, meet Tony. Tony, meet George. (Jordan, how do you feel?)

## The Vision Thing

But as I've suggested above there is a problem with the strategies of both Neocons and Third Way zealots like Jordan's beloved Labour party, and it is best summarised by Brad Thompson in talking about the neocons:

The most remarkable issue about the neocons' notion of a "governing philosophy" is that it is a strategy for governing without philosophy. The neocons unabashedly describe themselves as pragmatists; they eschew principles in favor of a mode of

thinking—and they scorn thinking about what is moral in favor of thinking about what "works." For over twenty-five years, they have fought an ideological war against ideology.

And at the end of that 'war' -- and just like Labour -- all they are left with is power, and little real idea of what to do with it. And here's the key thing, and it is this: *the 'vision thing' is left for someone else to determine,*

Never mind "the vision thing" -- about which George Bush Sr. agonised -- give yourself over instead to absolute rule, and let the other side seek out new visions. That's the neocon ticket. The three most important rules for absolute rule: Compromise, compromise and compromise. The fourth rule: if visions arise that are going to happen anyway, then just roll over and make sure you take the credit... *This* is what it means to "think politically."

And therein here's the hope for local politics. As long as Third Way and Neocon strategists eschew ideas and the 'vision thing,' then ideas and vision become (or should become) the province of their ideological opposition.

The question is, are they up to it?



***This article originally appeared at Peter's Blog, PC.Blogspot.com***

- Blur public-private boundaries, and make both public and private companies either politically or financially dependent on the party in power

The aim of course is not reform *per se*, except to the extent that reform might attract votes. The measure of success for such a strategy is not the success of the programmes and policies introduced (as demonstrated in the almost complete lack of interest shown by Labour in plummeting literacy and numeracy, increasing (if now-hidden) hospital waiting lists, and the almost complete disinterest in recent poverty surveys showing increasing poverty), instead the real measure of success to such a strategist can be best measured *by the number of votes such a strategy attracts*. As Jordan boasts:

[The 'Third Way' strategy] has been a very successful strategy for Labour. The party has rebuilt from a very low share of the vote of 28% in 1996, to three consecutive election wins around 40%. The message of moderation, and of investment in public services instead of cutting taxes, has been an electoral winner.

Never mind the poverty and dependence, feel the power! "We won, you lost, eat that!" The aim of the 'Third Way' strategy is clear enough: it is power. Power for power's sake. The pursuit of power, and the holding of power once gained -- and all policy is geared to that aim, policy as the hand-maiden of power-lust.

## Neocons

How does this differ from Neo-Conservatism? Hardly at all. Professor Brad Thompson summarises the advice given by Irving Kristol, the father of the Neo-Conservatism:

Kristol's advice to Republicans is: Stop taking your principles so seriously (as if that were ever a problem). The successful statesman, he argues, is chameleon-like in his ability to redefine his principles in the light of changing circumstances. Don't concern yourselves with principles; concern yourselves with acquiring and keeping power.

In other words, make policy the hand-maiden of power-lust. Third Way leftists and Neocon rightists might start at what they see





# Why Tax Cuts Are Good For Growth

Tax cuts are good for two basic reasons: First because tax cuts are good for growth. Second, *because it's your bloody money!*

Phil Rennie at the Center for Independent Studies argues the first point here.

## Executive Summary

\*Economic growth involves a number of factors, which are often difficult to isolate. Tax is no silver bullet on its own, but research shows it can have a significant positive impact on economic growth.

\*Tax causes people to make different economic decisions than they otherwise would – such as whether to start work, work longer hours, acquire new skills or expand their business.

\*These changes in behaviour can be measured and are known as “deadweight losses”. This is the amount of money that is lost from the economy, on top of what the government actually collects in revenue. Studies show that taxing labour costs the economy at least \$1:20 for every \$1 raised.

\*In New Zealand's case, the large amount of extra tax paid since 2000 means that at least \$4 billion of potential wealth has been sacrificed (at the most conservative estimate).

\*Productivity is a key issue for economic growth. Lower tax can help by giving firms more leeway to invest in capital, training and research and development. It would also encourage risk-taking and entrepreneurship by making such activities more rewarding.

\*Getting people into the workforce is another key to economic growth, but New Zealand has some of the worst incentives for people moving off benefits into work – particularly for sole parents. Tax combined with benefit abatement means that many people face an effective marginal tax rate of 91%.

\*Governments around the world use tax as a competitive tool to attract investment and skilled workers. Over the past decade New Zealand is alone in going against the OECD trend for lowering taxes.

\*Flatter and lower tax rates are better for growth than tax concessions, because they reduce distortions and allow the market to function better.

\*Substantial tax cuts are affordable through the Budget surplus and controlling future expenditure. The cost of tax cuts is likely to have been over-estimated.

## Introduction

Many voters support tax cuts because it means more money in the pocket. However tax can also have a substantial impact on economic growth, which means more jobs, opportunities and a higher standard of living for all New Zealanders.

Growth is a big issue for New Zealand. Since the 1950s our standard of living has slipped compared to other countries, and the major reforms of the 1980s and 1990s have only really stopped the decline rather than gained us any ground. Thanks to higher growth rates, incomes in Australia are now a third higher on average than in New Zealand. 21,000 Kiwis now cross the Tasman permanently every year.

It is worth noting that Australia is a lower taxing country, with the government taking 31.6% of GDP. In New Zealand 34.9% of all wealth created is confiscated by the government and transferred to the public sector.<sup>1</sup> Inevitably this level of taxation will have an impact on economic growth.

This is not to say that lower tax is a guarantor of growth, or the only requirement. So many different things affect the economy that it is near impossible to prove causality. However, research, theory and common sense tell us that tax will have a major impact. The level of tax, and the different kinds of tax employed will create different incentives and therefore affect behaviour and outputs.

Governments know that economic incentives matter. That is why they tax cigarettes and fine speeding drivers – to discourage those kinds of behaviours. Taxing work, employment and business success will surely have the same impact.

There are also strong moral arguments for lower taxes, in that people have the right to keep more of what they earn for themselves and their families. However this paper focuses solely on how reducing New Zealand's tax burden can help economic growth and create a more prosperous nation.

In particular, this paper argues that lower and flatter taxes (both personal and corporate) are the best vehicle for maximising growth. The rest of this paper explains why and how.

## The ingredients for growth

There is a reasonable consensus in New Zealand over the two main ingredients for economic growth: productivity and labour participation.<sup>2</sup>

More people in the workforce means more wealth created, more tax paid and less welfare expenditure. On this front New Zealand has done well in recent years, although there is still room for improvement (a following section explains this in more detail). A lower tax rate can help by making it more rewarding for people to enter the workforce, work longer hours and at greater intensity.

The impact is similar for productivity. New Zealanders work about the average amount of hours by world standards, but our productivity – the value created for those hours – has been lagging behind other countries.<sup>3</sup> In effect, we have to work harder to produce the same amount of wealth other countries can produce in a shorter time.

Lower taxes can help by making it more rewarding to invest in activities that boost productivity, such as:

- Capital (e.g. new machinery and equipment)
- Research and Development (New Zealand is below the OECD average for private sector investment in R&D)
- Human capital (developing more skilled and productive workers, through training and education).

## The deadweight cost of tax

The imposition of tax causes people to make different decisions than they otherwise would, such as whether to invest in new skills or training, to start a new company, how many hours to work, or even whether to enter the workforce. The value of this lost output is called “deadweight losses”, caused by people switching from higher valued to lower valued economic activities. It is the amount of money that is lost from the economy, in excess of what the government collects in revenue.

New Zealand Herald economics editor Brian Fallow uses this example:

“For example, tax beer more than wine and people may end up drinking more wine and less beer than they would if their choices were not distorted by tax. Tax the income from labour and you affect how people divide their time between work and leisure.”<sup>4</sup>

The same applies to business decisions. Higher tax rates reduce the potential return from risk-taking and entrepreneurship, which means that many potential successful businesses

have never started up or expanded.

Therefore the cost of collecting tax is not always 1:1; it will often have a higher cost to society and the economy. Reducing the level of tax will reduce these deadweight costs.

A range of studies have attempted to estimate the exact level of losses both in New Zealand and around the world. In 1994 a Treasury-commissioned study calculated that the deadweight loss from taxing labour and consumption was \$1.20 per \$1 raised.<sup>5</sup> Winton Bates updated this estimate in 2001 and concluded that it was closer to \$1.50.<sup>6</sup> A cost-benefit guide used by the Treasury for new spending recommends a default cost of \$1.20, "in the absence of an alternative evidence based value."<sup>7</sup>

Since 2000 the amount of tax paid by New Zealanders has increased by 62%, from \$32 billion to \$52 billion.<sup>8</sup> If we use the conservative deadweight estimate of 1.20, then that is **\$4 billion** in potential wealth that has been sacrificed at the altar of taxation.

### Encouraging people to work

A large amount of the deadweight loss caused by tax comes through the labour market. The elasticity of labour is important - that is, how much impact do taxes have on people's decision to enter the workforce and/or to work more hours? Clearly, the more people there are working the wealthier New Zealand will be.

Much of the research shows that changes in net wages have little impact on labour participation for males, but for women it is a different story. Female labour force participation, and the hours worked, is much more responsive to changes in net income.<sup>9</sup>

Many potential workers are discouraged from entering the labour market because of harsh effective marginal tax rates (EMTRs). With each additional dollar earned, workers pay tax and have their benefit reduced so that often they are hardly any better off. This problem has been worsened by the Working for Families package.

As part of the package, the 'Inwork payment' replaces the Child Tax Credit and has the deliberate goal of making full-time work more attractive. It is an excellent objective, but like most government tinkering, it creates problems elsewhere in the system. EMTRs are now much higher for many working families, and in particular for beneficiaries moving into part-time work.

For example, moving from the unemployment benefit or domestic purposes benefit (DPB) into part time work (earning up to \$20,000 a year) now incurs an EMTR of 91%.<sup>10</sup> When reductions in the accommodation supplement and childcare subsidies are taken into account, it is possible that some families will actually be *worse* off if they receive a pay rise or work extra hours.<sup>11</sup> It means that for many single parents it is hardly worth the effort to start working part-time.

The problem is the same, although not as

extreme, for two parent families. With one partner earning the average wage of \$40,000, the second partner will face EMTRs of between 35% and 55% as they begin earning up to \$40,000.<sup>12</sup>

This is the fundamental problem with a progressive tax and welfare system: the more tightly targeted it is, the greater disincentive it creates to work harder. Lower and flatter taxes are not the sole answer, but they can improve the situation by making work more rewarding and removing these disincentives to success.

In total, 350,000 families are now eligible for Family Assistance and as such will face higher EMTRs. Economist Gareth Morgan laments the impact that these disincentives will have - "With an economy that has desperately low productivity growth this standard of policy contribution is simply digging the hole deeper."<sup>13</sup>

Tax rates also have an impact on people at the other end of the scale - high-income earners, such as the self-employed, who have more flexibility and control over the hours they work. Their taxable income (which reflects not only hours worked but the intensity and productivity) tends to be responsive to changes in tax, in that lower tax results in more income reported. This demonstrates the high economic cost of taxing the most productive individuals.<sup>14</sup>

Raising the top rate of personal tax to 39% has exacerbated this problem. And thanks to 'bracket creep', even a single worker on the average fulltime wage (\$43,000) now faces a marginal tax rate of 33% in the dollar. These marginal rates - the rate of tax paid on the next dollar earned - are the most influential on behaviour, and New Zealand has high rates for nearly every group in society. This is why the Treasury urged the government to reduce marginal tax rates last year:

"In an economy like New Zealand's - with high participation rates and mobile labour and capital - these dynamic effects of high marginal tax rates on productivity are likely to have the greatest impact on growth."<sup>15</sup>

*Isn't New Zealand's labour market already at full capacity?*

New Zealand has an unemployment rate of 3.6% as of August 2006, the second lowest in the OECD. The number of people on the unemployment benefit has dropped by over two-thirds since 2001<sup>16</sup>, and the job participation rate is at an all-time high of 68.8%.<sup>17</sup> Does this mean there are no more people to enter the workforce, and that changing incentives won't make a difference?

There are plenty of signs this isn't the case. For a start, numbers on the DPB - which has the worst disincentives to work - are still high at 101,000, and this has barely changed in five years.<sup>18</sup>

There has also been a large increase in numbers on the sickness benefit (up 10,000) and invalids benefit (up 17,000), with concerns raised over how legitimate many of these

transferrals are.<sup>19</sup> Overall, one in 12 working-age New Zealanders receives an income-tested benefit.<sup>20</sup>

There are also signs that a large number of people are considering work but without real urgency, such as the semi-retired or second-earners. This is suggested by the large discrepancy between the numbers of people who say they are seeking work (86,000 according to the Household Labour Force Survey)<sup>21</sup> and those actually receiving the unemployment benefit (under 40,000).<sup>22</sup> Many people will not be eligible for the benefit because of their assets, their partner's earnings, or because they don't feel they need the benefit.

Even the New Zealand Council of Trade Unions has recognised this, noting "this still means there is room for active labour market policies to assist more people into work...the key labour market issue right now is how to attract workers."<sup>23</sup>

Finally, it is worth emphasising that the deadweight losses described above don't come solely from people entering the workforce, but also the number of hours worked and the work intensity. This is best measured by the taxable income, and recent studies show it has a strong relationship to changes in tax.<sup>24</sup>

### International competitiveness

As well as the local influence tax has on economic growth, it is also important in attracting skilled workers and businesses into New Zealand. Skilled labour and capital are increasingly mobile, and there is increasing competition amongst countries to recruit this talent.

This is important because New Zealand is a highly taxed country on a world scale. The government's tax take for 2003 was 34.9% of GDP, higher than the weighted OECD average of 31%. It is also higher than most of our major trading partners and regional neighbours, including Australia, which takes 31.6% of GDP in tax.<sup>25</sup>

*Do businesses move and invest because of tax?*

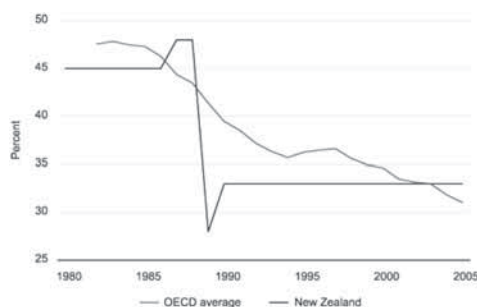
Companies will look at a range of factors when deciding where and how to invest, including:

- the regulatory environment; is there a lot of red tape to deal with?
- a skilled workforce; can they find the right workers?
- access to markets (Ireland had an advantage here as a gateway to the EU);
- cost; of setting up and employing people, which is affected by tax.

It is impossible to quantify the exact impact tax has amongst the range of other factors. Often it is not the dominant factor, but it is one area the government has direct control over.

The importance of corporate tax for competitiveness has been recognised by the government in its Business Tax Review, which notes that "A company tax rate higher than those of our trading and investment partners puts pressure on the New Zealand tax system because it creates incentives to stream profits to countries that have lower tax rates."<sup>26</sup> It also notes Australia's lower rate (30%) and the disincentive this creates for international firms to locate in New Zealand.

There has been a consistent downward trend in tax rates around the world over the last 15 years, for both corporate and personal rates.



### NZ vs. the world: corporate tax rate

Source: The Treasury<sup>28</sup>

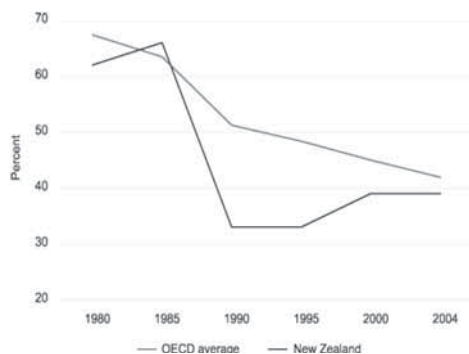
New Zealand is one of the few countries to buck the trend, and this has been recognised as a key pressure by the IRD: "A key concern is whether we will be able to continue to collect as much company tax as we do at present if we do not lower the rate of company tax."<sup>27</sup>

In 1990 New Zealand's corporate rate of 33% was well below the OECD average of 40%. The global average is now 28.3% and continuing to track down.

Accounting firm KPMG noted the importance of tax in its 2004 and 2006 global survey of corporate tax rates:

"What we are now experiencing is an intensity in global tax competition for internationally mobile capital. In turn, this is leading to investment analysis becoming increasingly sensitive to taxation.

"KPMG has some corporate clients who complain of losing work to foreign jurisdictions because the high New Zealand tax cost makes their tenders uncompetitive."<sup>29</sup>



### Top Marginal personal tax rates

Source: The Treasury<sup>32</sup>

### The importance of personal tax

The global trend for personal tax rates is also downward. New Zealand's top rate of 39% is still relatively low by world standards, but it cuts in at just 1.4 times the average wage, one of the lowest thresholds in the world.<sup>30</sup> Thanks to bracket creep, a worker on the average wage now pays a marginal tax rate of 33% compared to 21% a decade ago.<sup>31</sup>

There are a range of reasons why individuals move countries and many of them are intangible, such as weather, family, friends and the challenge of starting a new life.

Money is clearly a major factor though, and most expats earn higher than the average New Zealand income.<sup>33</sup> In particular, our nearest neighbour Australia has an average income over a third higher than New Zealand.<sup>34</sup> Last year 20,400 New Zealanders emigrated across the Tasman.<sup>35</sup>

Trying to isolate exactly how much of an influence tax has on migration decisions is impossible. However an IMF study from 2002 is one of the few to try and put some numbers around this area. It concluded that as much as 7 to 30 percent of the cost of tax cuts could be offset by reducing the cost of migration:

"Emigration induced by the tax and social security system involves true economic waste. In an economy with highly mobile labour, the welfare cost [to NZ] of migration should be taken into consideration when reforming tax and social security systems. In particular, a high income tax burden could have strongly negative effects on GDP and the welfare of the nation."<sup>36</sup>

Research by the Australian Chamber of Commerce and Industry (ACCI), suggests that while individuals don't necessarily leave Australia because of tax, it is a factor in deciding whether to return.<sup>37</sup>

Business leaders, tax experts, immigration consultants, recruitment specialists and politicians have all publicly acknowledged that tax is an effective tool for attracting migration.<sup>38</sup>

Even the government itself has acknowledged the pulling power of lower taxes through various initiatives. For example, a taxation bill introduced last year had the purpose of "Assisting the recruitment of top talent by providing a temporary tax exemption on the foreign income of new migrants..."<sup>39</sup>

### What kinds of tax cuts are best for growth?

This is a very important question; in fact some research has claimed that the *makeup* of taxation is just as important to growth as the *level* of taxation.<sup>40</sup>

The government's recent Business Tax Review floated the possibility of tax concessions for these activities, in particular for exports and research and development. The reasoning is that targeted measures will have more "productivity bang for the buck" than a general cut.

The previous paper in this series (*How to fix a leaky tax system*) examined this argument and explained why targeted tax concessions are a poor choice. Concessions encourage tax avoidance, and force higher than necessary taxes onto other industries. They are risky in that they assume the government has better knowledge and judgment than the market. And because they deliberately distort economic behaviours they will inevitably have higher deadweight costs.

Economic research has noted the impact distortionary taxes (such as income tax) have on economic growth, as compared to non-distortionary taxes (such as broad-based consumption taxes).<sup>41</sup> The Treasury has also described a broad-based, low-rate (BB-LR) system as "a foundational principle for a taxation system which seeks to support economic growth."

"BB-LR taxation helps to support economic growth by minimising distortions arising from the harmful impact of tax on incentives and relative prices that may adversely distort behaviour and the allocation of resources."

"From a purely growth perspective without taking into account other welfare implications, moving to a flat tax rate is likely to have the greatest impact on economic growth as it conforms most closely to the BB-LR principle."<sup>42</sup>

### Does tax actually make a difference?

*"The claim that cutting taxes leads to higher economic growth is simply not true."*

-Hon Dr Michael Cullen, Minister of Finance

Despite all this theory, do taxes actually make a difference in the real world? Is there empirical evidence to show that reducing the level of tax is linked to higher growth?

Dr Cullen is right in that tax cuts are not a magic solution or a guarantee of growth. The economy is a complicated beast and there are many different influences that could overshadow the effects of tax cuts. Therefore it is almost impossible to isolate the effect of just one input, however important it might be, and to prove causality, and the direction of causality.

However, as the quality of econometric research becomes more rigorous the relationship between the level of tax and economic growth is becoming clearer. Some of the main studies include:

\*Barro (1990) for the OECD concluded that when the government is very small, public spending on key assets such as infrastructure, a proper legal system and basic education has a positive impact on growth. However, once the size of government reaches a certain level it depresses growth as more and more resources are diverted from the productive private sector.<sup>43</sup>

\*Robson (2005) surveys a wide range of literature and finds a strong correlation between



lower tax and economic growth. From 1980 to 2000, in economies where substantial tax cuts took place, per capita economic growth rates were almost double those enjoyed by economies where no substantial cuts took place.<sup>44</sup>

\*Two reports by the OECD have estimated the cost to be even higher; they associate a one percentage increase in tax to GDP associated with a 0.6% to 0.7% reduction in per capita income.<sup>45</sup>

\*A recent paper by Lee and Gordon (2005) suggests a strong negative relationship between the company tax rate and economic growth. It estimates that a 10% cut in corporate tax will raise the annual growth rate by one to two percentage points.<sup>46</sup>

The trend is obvious around the world today. The fastest growing countries are the USA, Australia and the Asian nations, which are reducing tax, while the high taxing European nations (France, Italy, Germany and in Scandinavia) are stagnant.

The government's own economic advisors in the Treasury have regularly urged the Finance Minister to lower taxes for growth, to no avail:

"The design of tax policies can have a significant impact on economic growth. Tax policy is a major tool that can assist in promoting economic growth... the most recent evidence suggests that, while sound, reform of the tax regime could better support economic growth."

In July this year the government finally acknowledged the role tax can play, after years of denying it has any significant impact. The Business Tax Review is something of a turning point, in that the government acknowledges and outlines how tax cuts (to the corporate rate only, at this stage) can help economic growth.

### Can we afford it?

New Zealand is a highly taxed country. Deep company tax cuts (and cuts to personal income tax) can be afforded if the government has the political willpower.

In nominal terms, the government collects 62% more tax than it did in 2000. This year's budget has a surplus of over \$11 billion and a cash surplus of \$3 billion.<sup>47</sup>

Even using the conservative cash surplus of \$3 billion would allow for significant cuts. For example, the top, middle and corporate tax rates could all be dropped to 30% and the middle rate could be lowered to 18% all for \$3.15 billion, according to Treasury's estimates.<sup>48</sup> All this could be done without even touching current spending or debt repayment.

Future budgets have an annual \$1.9 billion provision for unallocated spending. This money could also be used for tax reduction.

Controlling the increase in government spending would allow for even more substantial tax cuts. A combined report released earlier this year by Federated Farmers, Business New Zealand and the Business Roundtable outlined an achievable five-year plan of how to lower spending and taxes, to achieve a top personal and corporate rate of 28%.<sup>49</sup>

Finally, it is worth remembering that all the estimates of how much tax cuts would cost are static, in that they don't take account of the extra growth and revenue that will generate as a result. This is not to say that tax cuts will be self-funding, but that most methods overestimate the true cost.

This is especially true for New Zealand where there is a high level of tax evasion and avoidance.<sup>50</sup> Making taxes lower and flatter will bring many tax evaders out of the closet.

## Conclusion

The movement for lower taxes is not an ideological exercise, or a way for the rich to make more money. It is a key factor in lifting our living standards and creating more opportunities for all New Zealanders.

Taxes are necessary to run a civilized society, but there needs to be more honesty around the costs that taxation imposes. The disincentives it creates to work, the deadweight costs it imposes and the affect it has on our international competitiveness all need to be acknowledged.

The government has repeatedly said it wants economic transformation, higher growth and to reach the top half of the OECD. Until the issue of taxation is addressed, and in a coherent manner, then it is unlikely much progress will be made.



### (Endnotes)

- <sup>1</sup> See Phil Rennie, *Are New Zealanders paying too much tax?* Issue Analysis 71, (Sydney: Centre for Independent Studies, May 2006).
- <sup>2</sup> See *New Zealand Economic Growth: An Analysis of Performance and Policy*, New Zealand Treasury April 2004; *Productivity Perspectives*, Business New Zealand, 19<sup>th</sup> December 2005, and the Council of Trade Unions' website: <http://union.org.nz/workplaceproductivity.html>. In 2004 the government established the Workplace Productivity Working Group, including representatives from Business New Zealand, trade unions, the public and private sectors, and academia. See also the OECD's view: Jean-Philippe Cotis, OECD Chief Economist, *Boosting incomes and jobs: The OECD strategy*, speech delivered on 18<sup>th</sup> September 2006 (<http://www.oecd.org/dataoecd/8/47/37452674.pdf>).
- <sup>3</sup> See *Productivity Perspectives*, Business New Zealand, 19<sup>th</sup> December 2005, for how New Zealand has historically lagged. New Zealanders work longer hours than Europeans but fewer than Australians or Americans: see <http://www.dol.govt.nz/futureofwork/workplace-normalhours.asp>.
- <sup>4</sup> "Company tax a deadweight issue that splits the party", *New Zealand Herald* 8<sup>th</sup> July 2002
- <sup>5</sup> W. E. Diewert and D. A. Lawrence *The Marginal Costs of Taxation in New Zealand*, (Wellington: Business Roundtable, 1994)
- <sup>6</sup> Winton Bates *How much government?: The effects of High Government Spending on Economic Performance*, (Wellington: New Zealand Business Roundtable, 2001).
- <sup>7</sup> *Cost Benefit Analysis Primer*, New Zealand Treasury (Wellington December 2005) <http://www.treasury.govt.nz/costbenefitanalysis/>
- <sup>8</sup> Financial statements of the Government of New Zealand for the year ended 30 June 2006, October 11<sup>th</sup> 2006 pg 25 <http://www.treasury.govt.nz/financialstatements/year/jun06/cfsyjun06.pdf>
- <sup>9</sup> See Jean-Philippe Cotis, OECD Chief Economist, *Boosting incomes and jobs: The OECD strategy*, speech delivered on 18<sup>th</sup> September 2006 (<http://www.oecd.org/dataoecd/8/47/37452674.pdf>), page 4: "Our research shows that high labour taxes on married women keep them out of the labour market." Also see Sinclair Davidson *Are There Any Good Arguments Against Cutting Income Taxes?* (Sydney: Centre for Independent Studies 2005) which examines the arguments around the income and substitution effects, and the impact tax has on hours worked.
- <sup>10</sup> *Proposed Increase to Family Assistance: Implications for Family Incomes and Work Incentives*, Briefing paper from the Ministry of Social Development, 2<sup>nd</sup> November 2005 pg 18.

<sup>11</sup> See economist Gareth Morgan's example "A nation of bludgers", 1<sup>st</sup> December 2005 [http://nbn.informetrics.co.nz/a-nation-of-bludgers\\_1039.html](http://nbn.informetrics.co.nz/a-nation-of-bludgers_1039.html)

<sup>12</sup> *Proposed Increase to Family Assistance: Implications for Family Incomes and Work Incentives*, Briefing paper from the Ministry of Social Development, 2<sup>nd</sup> November 2005 Appendix B pg 20.

<sup>13</sup> "A nation of bludgers", 1<sup>st</sup> December 2005 [http://nbn.informetrics.co.nz/a-nation-of-bludgers\\_1039.html](http://nbn.informetrics.co.nz/a-nation-of-bludgers_1039.html)

<sup>14</sup> See Alex Robson, *The Costs of Taxation* pg 7, and Sinclair Davidson *Are There Any Good Arguments Against Cutting Tax?* (Sydney: Centre for Independent Studies, August 2005) which both analyse the affect tax rates have on taxable income of the wealthy. Also see the work of Nobel Prize winner Edward C Prescott who argues that tax rates explain the difference in hours worked (and prosperity) between the USA and Europe.

<sup>15</sup> *Treasury Briefing to the Incoming Government 2005 - Sustaining Growth* (Wellington: November 2005), pg 18

<sup>16</sup> Ministry of Social Development benefit factsheet June 2006

<sup>17</sup> Statistics New Zealand, Household Labour Force Survey (HLFS), August 10<sup>th</sup> 2006

<sup>18</sup> MSD benefit factsheet June 2006

<sup>19</sup> The number of people on sickness and invalids benefits has increased by 50% since 1999. In 2004 the chairman of the Auckland GP and Independent Practitioners Association Council, Doug Baird, and chairman of the NZ Medical Association's general practitioner council, Peter Foley, raised concerns about the numbers of patients demanding to transfer from the unemployment benefit to the sickness or invalids benefit. See "Benefit scam - doctors accuse Winz", *New Zealand Herald* 26<sup>th</sup> July 2004.

<sup>20</sup> There are 280,000 people receiving an income tested benefit (MSD factsheet) and 3.2 million people aged between 18 and 64 (HLFS June 2006).

<sup>21</sup> Statistics New Zealand, HLFS March 2006

<sup>22</sup> Ministry of Social Development benefit factsheet June 2006

<sup>23</sup> Council of Trade Unions, "Unemployment 2nd Lowest in OECD - But More Still to Be Done says CTU", press release August 10<sup>th</sup> 2006

<sup>24</sup> See Robson *The Costs of Taxation*

<sup>25</sup> Rennie, *Are New Zealanders Paying too much Tax?* pg 3

<sup>26</sup> IRD *Business Tax Review: A Discussion Document* (July 2006) Pg 3

<sup>27</sup> Inland Revenue Department (IRD) *Briefing for the Incoming Minister of Revenue* (Wellington: September 2005) pg 31

<sup>28</sup> *Treasury Briefing to the Incoming Government 2005 - Sustaining Growth*, pg 29

<sup>29</sup> KPMG press release "Corporate tax rate downward trend continues" March 2004

<sup>30</sup> The weighted average threshold for the OECD is 5.6 times the average wage: See Rennie, *Are New Zealanders Paying too much Tax?*

<sup>31</sup> As above

<sup>32</sup> *Treasury Briefing to the Incoming Government 2005 - Sustaining Growth* pg 29

<sup>33</sup> An online survey by the Kiwi Expat Association found that less than half of the respondents gave economic reasons for going overseas. Almost a third of respondents aged between 25 and 44 earned more than \$NZ100,000, compared with about 3% in the New Zealand population as a whole. See "Half ex-pat Kiwis homesick", <http://tvnz.co.nz/view/page/425823/743231>.

<sup>34</sup> Statistics NZ, *New Zealand in the OECD* (Wellington: 2005) pg 24 <http://www.stats.govt.nz/NR/rdonlyres/5090A93F-4D58-4D5E-BB27-9F55C001474D/0/GDPPerCapita.pdf>

<sup>35</sup> Statistics New Zealand *External Migration* (Wellington: August 2006) <http://www.stats.govt.nz/products-and-services/hot-off-the-press/external-migration/external-migration-aug06-hotp.htm?page=para001Master>

<sup>36</sup> IMF Working Paper "Implications of Migration on Income and Welfare of Nationals", (December 2002) <http://www.imf.org/external/pubs/ft/wp/2002/wp02215.pdf>

<sup>37</sup> Australian Chamber of Commerce and Industry *Australia Needs Personal Income Tax Reform* (Canberra: December 2005)

<sup>38</sup> See Business New Zealand comments in "Australia dangles bigger carrot", *Dominion Post* 11<sup>th</sup> May 2006; Government Tax Review 2001, *Issues Paper* pg 17: comments from Jason Walker of Hays recruiting on Radio NZ May 10<sup>th</sup>, 2006: "Come on over, Costello tells Kiwi taxpayers" *Dominion Post* 20<sup>th</sup> May 2006

<sup>39</sup> Taxation (Depreciation, Payment Dates Alignment, FBT and Miscellaneous Provisions) Bill 2005

<sup>40</sup> See Arthur Grimes *Economic Growth and the Size and Structure of Government: Implications for New Zealand* (Motu and University of Waikato: July 2003), and John Whitehead (Secretary to the Treasury), "New Zealand's Economic Growth: A Near and A Far View", June 2004 <http://www.treasury.govt.nz/speeches/nzae/#4>

<sup>41</sup> Robert Barro "Government Spending in a Simple Model of Exogenous Growth", *Journal of Political Economy* 1990 Vol 98 no. 5, and "Reforming Income Tax", OECD Policy Brief March 2006, pg 4 <http://www.oecd.org/dataoecd/43/21/36346567.pdf>

<sup>42</sup> Treasury, *New Zealand Economic Growth: An Analysis of Performance and Policy*, Wellington April 2004 <http://www.treasury.govt.nz/release/economicgrowth/nzeg-app-apr04.pdf>

<sup>43</sup> Robert Barro "Government Spending in a Simple Model of Exogenous Growth", *Journal of Political Economy* Vol 98 no. 5 1990

<sup>44</sup> Alex Robson *Taxation, Individual Incentives and Economic Growth*, (Paris: Institute for Research on Economic and Fiscal Issues) 2005

<sup>45</sup> OECD, *The Policy Agenda for Growth: An Overview of the Sources of Economic Growth in OECD Countries*, 2003, and Bassanini, Scarpetta and Hemmings, "Economic Growth: The Role of Policies and Institutions", Panel Data Evidence from OECD Countries, OECD working paper 2001.

<sup>46</sup> Young Lee and Roger Gordon "Tax Structure and Economic Growth", *Journal of Public Economics*, 89, 1027 - 1043 (2005)

<sup>47</sup> Financial statements of the Government of New Zealand for the year ended 30 June 2006, October 11<sup>th</sup> 2006 pg 25 <http://www.treasury.govt.nz/financialstatements/year/jun06/cfsyjun06.pdf>

<sup>48</sup> Treasury's Ready Reckoner, <http://www.treasury.govt.nz/readyreckoner/reckoner.asp>.

<sup>49</sup> The report is available here: <http://www.scoop.co.nz/stories/BU0604/S00096.htm>

<sup>50</sup> See Phil Rennie *How to fix a leaky tax system*, Issue Analysis 74 (Sydney: Centre for Independent Studies, September 2006)

# "By The Pricking Of My Thumbs,

*Man-hating environmentalists exist. Sadly. Not all environmentalists are man-haters, but there is a strong and dark strand of misanthropy at the heart of too much of it.*

The key difference between the man-haters and more rational nature-lovers lies in our relationship to nature. The man-haters generally believe that preserving nature is, by itself, of inherently greater value than any other activity. Rational nature-lovers however understand that human beings cannot live by adapting themselves to nature, but by adapting nature to ourselves. Put nature first, and humans inexorably come second – and the man-haters are all too happy with that. To paraphrase Monty Python:

*Every tree is sacred,  
Every bird is great,  
If a dune is built on,  
Greens get quite irate.*

*Every bush is wanted,  
Every swamp is good,  
Every bug is needed,  
In your neighbourhood.*

Are there really environmentalists that don't put humans first, I hear you ask, *that put trees, bugs, rocks and mud puddles ahead of human beings?* Well, yes there are. There are too many who put man a poor second at best. Tree, bugs, rocks and mud puddles have value, they say, "intrinsic value," but human beings do not. Put more succinctly, as 'Earth First! Journal' editor John Davis once did: *"Human beings, as a species, have no more value than slugs."* That was not intended by Davis as a throwaway remark. He meant it.

TFR says that the anti-concept of "intrinsic values" itself needs rejecting, and a new ethic of environmentalism enjoined, one in which *human beings are put first.*

"Intrinsic values" should be rejected as an anti-concept since it wipes out the idea of real values. Values *cannot* be intrinsic -- what you're saying when you posit an intrinsic value is actually to say 'I value this.' Put it another way: The question of Value always implies a *valuer*. Hence, value implies the question: 'Valuable to whom, and for what.' Such values may be either objective or subjective, but they ain't intrinsic. It is us who bestows value. Why?

Because "value" is a uniquely human concept -- the whole question of value only has importance for a human valuer since there's no point in producing ethics for other species -- they ain't gonna listen to you. As PJ O'Rourke said, you can keep telling the lion it's wrong, but he'll still rip the guts right out of Bambi.

So it's not to say that "human life is somehow ... superior to other forms of life" -- although we are that *to each of us* -- but that the whole question of value only has relevance to human life. Now, it seems manifestly clear that mainstream environmentalism does not always recognise mankind's right of survival, does not put human beings first (indeed, quite the opposite), and values the so-called "intrinsic values" of wild nature and natural processes over the human

values of human wealth and happiness. Say so-called "deep ecologists," "Humans are important primarily in their capacity to provide stewardship for the eco-system." The appropriate response is: "Why?" Why are we *primarily* important because we get to sweep the rain forests, rake the beaches, and feed the wildlife? *Is that why we're here?*

"Yes," say deep ecologists. If you want examples of mainstream ecologists who subscribe to this "deep ecology" mindset, I could mention how mainstream environmentalists opposed the fighting of the fires that tore apart Yellowstone Park -- these fires were "natural" and so sacrosanct; I could mention the opposition by environmentalists to the harvesting of the Pacific yew from 1989 to 1997 in a bid to develop paclitaxel (Taxol), a revolutionary anti-cancer drug; or the local Green Party's opposition to Ruakura's research to find a cure for multiple sclerosis; or the worldwide opposition to the production of Golden Rice, which can help with third-world anaemia, blindness and death.

Or I could point out that mainstream environmentalists were happy to continue with the DDT ban, even as evidence mounted that DDT was not toxic to birds as claimed, and despite the ban being responsible for the deaths by malaria of up to one-million people every year due to malaria.

**Or I could just offer you these views below from environmentalists within the mainstream, and that make clear that positions I've mentioned above are not surprising, given the view within mainstream environmentalism that human beings come second, at best.**

- *Honorable representatives of the great saurians of older creation, may you long enjoy your lilies and rushes, and be blessed now and then with a mouthful of terror-stricken man by way of a dainty.*  
- A benediction to alligators by John Muir, founder of the Sierra Club, quoted with approval as "a good epigram" by environmentalist Bill McKibben in 'The End of Nature' (New York: Random House, 1989) pg. 176
- *We have wished...for a disaster or for a social change to come and bomb us back into the stone age...*  
- Environmentalist Stewart Brand in 'The Whole Earth Catalog' [Stewart might recently have seen the light, if his recent comments are anything to go by, that that "Over the next ten years ... the mainstream of the environmental movement will reverse its opinion and activism in four major areas: population growth, urbanization, genetically engineered organisms, and nuclear power."]
- *You think Hiroshima was bad, let me tell you, mister, Hiroshima wasn't bad enough!*  
- Faye Dunaway as the voice of "Mother Earth/Gaia" in the 1991 WTBS series 'Voice of the Planet'
- *Given the total, absolute, and final disappearance of Homo Sapiens, then, not only would the Earth's Community of Life continue to exist but ... the ending of the human epoch on Earth would most likely be greeted with a hearty 'Good riddance!'*  
- Paul W. Taylor, ethics professor at City University, NYC, in 'Respect for Nature' (Princeton Univ Press, 1989) pg. 115
- *If you'll give the idea a chance ... you might agree that the extinction of Homo Sapiens would mean survival for millions if not billions of other Earth-dwelling species.*  
- The 'Voluntary Extinction Movement,' quoted by Daniel Seligman in 'Down With People,' in 'Fortune' magazine, September 23, 1991
- *The extinction of the human species may not only be inevitable, but a good thing...*  
- Editorial in 'The Economist,' December 28, 1988
- *A cancer is an uncontrolled multiplication of cells; the population explosion is an uncontrolled multiplication of people ... We must shift our efforts from treatment of the symptoms to the cutting out of the cancer... We must have population control ... by compulsion if voluntary methods fail.*  
- Paul Ehrlich, 'The Population Bomb' (Ballantine Books 1968) pg. xi, pg. 166
- *...Man is no more important than any other species ... It may well take our extinction to set things straight.*  
- David Foreman, 'Earth First!' spokesman, quoted by M. John Fayhee in 'Backpacker' magazine, September 1988, pg. 22
- *I see no solution to our ruination of Earth except for a drastic reduction of the human population.*  
- David Foreman, 'Earth First!,' quoted by Gregg Easterbrook in The New Republic, April 30, 1990, pg. 18
- *If radical environmentalists were to invent a disease to bring human populations back to sanity, it would probably be something like AIDS.*  
- from a good old Earth First! periodical, quoted in 'Access to Energy,' Vol.17 No.4, December 1989
- *As radical environmentalists, we can see AIDS not as a problem but a necessary solution.*  
- 'Earth First!' periodical, quoted in 'Planet Stricken' by Alan Pell Crawford and Art Levine, Vogue magazine, September 1989, pg. 710
- *I founded Friends of the Earth to make the Sierra Club look reasonable. Then I founded the Earth Island Institute to make Friends of the Earth look reasonable. Earth First! now makes us look reasonable. We're still waiting for someone to come along and make Earth First! look reasonable.*  
- "Mainstream" environmentalist David Brower, quoted by Virginia Postrel in 'Reason' magazine, April 1990, pg. 24
- *Human happiness, and certainly human fecundity, are not as important as a wild and healthy planet. We are not interested in the utility of a particular species, or free-flowing river, or ecosystem to mankind. They have intrinsic value, more value - to me - than another human body, or a billion of them... Until such time as Homo Sapiens should decide to rejoin nature, some of us can only hope for the right virus to come along.*  
- David M. Graber, National Park Service biologist, in a review of Bill McKibben's 'The End of Nature,' in the Los Angeles Times Book Review, October 22, 1989, pg. 9
- *Childbearing [should be] a punishable crime against society...all potential parents [should be] required to use contraceptive chemicals, the government issuing antidotes to citizens chosen for childbearing.*



# Something Wicked This Way Comes..."

- Herr David Brower, founder of Friends of the Earth, quoted in 'The Coercive Utopians' by Rael Jean Isaac and Erich Isaac (1985 Regnery Gateway Inc.)

- *I got the impression that instead of going out to shoot birds, I should go out and shoot the kids who shoot birds.*  
- Paul Watson, a founder of 'Greenpeace,' quoted in 'Access to Energy' Vol.17 No.4, December 1989
- *We, in the Green movement, aspire to a cultural model in which the killing of a forest will be considered more contemptible and more criminal than the sale of 6-year old children to Asian brothels.*  
- Carl Amery of the Green Party, quoted in 'Mensch & Energie,' April 1983
- *A reporter asked Dr. Wurster whether or not the ban on the use of DDT would not encourage the use of the very toxic materials, Parathion, Azedrin and Methylparathion, the organo-phosphates, [and] nerve gas derivatives. And he said 'Probably'. The reporter then asked him if these organo-phosphates did not have a long record of killing people. And Dr. Wurster, reflecting the views of a number of other scientists, said 'So what? People are the cause of all the problems; we have too many of them; we need to get rid of some of them; and this is as good a way as any.'*  
- Victor J. Yannacone, Jr., lawyer and co-founder of the Environmental Defense Fund, on EDF co-founder Dr. Charles Wurster, at a May 20, 1970 speech at the Union League Club in New York City. Published in the Congressional Record as Serial No.92-A of Hearings on Federal Pesticide Control Act of 1971, pg.266-267
- *Shit happens. They were in the croc's territory.*  
- A commenter at 'Not PC' in response to the death of two human beings by crocodile attack.
- *The right to have children should be a marketable commodity, bought and traded by individuals but absolutely limited by the state.*  
—Kenneth Boulding, populariser of the "Spaceship Earth" concept (as quoted by William Tucker in *Progress and Privilege*, 1982)
- *Free Enterprise really means rich people get richer. They have the freedom to exploit and psychologically rape their fellow human beings in the process... Capitalism is destroying the earth.*  
—Helen Caldicott, Union of Concerned Scientists
- *We must make this an insecure and inhospitable place for capitalists and their projects... We must reclaim the roads and plowed land, halt dam construction, tear down existing dams, free shackled rivers and return to wilderness millions of tens of millions of acres of presently settled land.*  
—David Foreman, Earth First!
- *Everything we have developed over the last 100 years should be destroyed.*  
—Pentti Linkola, Finnish Eco-fascist
- *"[World War III would be] a happy occasion for the planet.... If there were a button I could press, I would sacrifice myself without hesitating, if it meant millions of people would die."*  
—Pentti Linkola, Finnish Eco-fascist
- *If you ask me, it'd be a little short of disastrous*

*for us to discover a source of clean, cheap, abundant energy because of what we would do with it. We ought to be looking for energy sources that are adequate for our needs, but that won't give us the excesses of concentrated energy with which we could do mischief to the earth or to each other.*  
—Amory Lovins in 'The Mother Earth-Plowboy' Interview, Nov/Dec 1977, p.22

- *The only real good technology is no technology at all. Technology is taxation without representation, imposed by our elitist species (man) upon the rest of the natural world.*  
—John Shuttleworth, founder of 'Mother Earth News' magazine
- *What we've got to do in energy conservation is try to ride the global warming issue. Even if the theory of global warming is wrong, to have approached global warming as if it is real means energy conservation, so we will be doing the right thing anyway in terms of economic policy and environmental policy.*  
—Timothy Wirth, former U.S. Senator (D-Colorado), adviser to Al Gore, and head of Ted Turner's United Nations Foundation, quoted in *Science Under Siege* by Michael Fumento
- *I suspect that eradicating smallpox was wrong. It played an important part in balancing ecosystems.*  
—John Davis, editor of Earth First! Journal
- *Human beings, as a species, have no more value than slugs.*  
—John Davis, editor of Earth First! Journal
- *We advocate biodiversity for biodiversity's sake. It may take our extinction to set things straight.*  
—David Foreman, Earth First!
- *Phasing out the human race will solve every problem on earth, social and environmental.*  
—Dave Foreman, Founder of Earth First!
- *If radical environmentalists were to invent a disease to bring human populations back to sanity, it would probably be something like AIDS.*  
—Earth First! Newsletter
- *The collective needs of non-human species must take precedence over the needs and desires of humans.*  
—Dr. Reed F. Noss, The Wildlands Project
- *If I were reincarnated, I would wish to be returned to Earth as a killer virus to lower human population levels.*  
—Prince Phillip, World Wildlife Fund, speaking to the UN in 1990.
- *Every time you turn on an electric light, you are making another brainless baby.*  
—Helen Caldicott, Union of Concerned Scientists
- *To feed a starving child is to exacerbate the world population problem.*  
—author Lamont Cole, quoted by Elizabeth Whelan in her book *Toxic Terror*
- *The only hope for the world is to make sure there is not another United States: We can't let other countries have the same number of cars, the amount of industrialization, we have in the U.S. We have to stop this Third World countries right where they are. And it is important to the rest of the world to make sure that they don't suffer economically by virtue of our stopping them.*  
—Michael Oppenheimer, Environmental Defense Fund
- *Cannibalism is a "radical but realistic*

*solution to the problem of overpopulation."*  
—Author, biologist, and International Whaling Commissioner Lyall Watson, *The Financial Times*, 15 July 1995

**And then of course there are the just plain dumb quotes: The environmentalists who make the mistake or predicting disaster, rather than just wishing for it. Here's just a small selection:**

- *Britain's industrial growth will come to a halt because its coal reserves are running out "... it is useless the think of substituting any other kind of fuel for coal... some day our coal seams [may] be found emptied to the bottom, and swept clean like a coal-cellar. Our fires and furnaces ... suddenly extinguished, and cold and darkness ... left to reign over a depopulated country.*  
--Economist William Stanley Jevons, writing in 1865
- *Demographers agree almost unanimously on the following grim timetable: by 1975 widespread famines will begin in India; these will spread by 1990 to include all of India, Pakistan, China and the Near East, Africa. By the year 2000, or conceivably sooner, South and Central America will exist under famine conditions....By the year 2000, thirty years from now, the entire world, with the exception of Western Europe, North America, and Australia, will be in famine.*  
--Peter Gunter, a professor at North Texas State University. Spring 1970 issue of 'The Living Wilderness.'
- *...some scientists estimate that the world's known supplies of oil, tin, copper, and aluminium will be used up within your lifetime.*  
--1990s school textbook *The United States and Its People*, quoted by Ronald Bailey in testimony to US House Subcommittee on Energy and Mineral Resources, Feb 4, 2004
- *The period of global food security is over. As the demand for food continues to press against supply, inevitably real food prices will rise. The question no longer seems to be whether they will rise, but how much.*  
--Worldwatch Institute founder Lester Brown, 1981
- *The world's farmers can no longer be counted on to feed the projected additions to the world's population.*  
-- Worldwatch Institute founder Lester Brown, State of the World Report, 1994
- *The continued rapid cooling of the earth since WWII is in accord with the increase in global air pollution associated with industrialization, mechanization, urbanization and exploding population.*  
—Reid Bryson, "Global Ecology: Readings towards a rational strategy for Man", (1971)
- *The battle to feed 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. Population control is the only answer.*  
—Paul Ehrlich, in *The Population Bomb* (Ballantine Books 1968)
- *I would take even money that England will not exist in the year 2000.*  
—Paul Ehrlich (in 1969)
- *In ten years all important animal life in the sea will be extinct. Large areas of coastline will have to be evacuated because of the stench of dead fish.*  
—Paul Ehrlich, *Earth Day* (1970)



- Before 1985, mankind will enter a genuine age of scarcity...in which the accessible supplies of many key minerals will be facing depletion. —Paul Ehrlich in (1976)
- There are ominous signs that the earth's weather patterns have begun to change dramatically and that these changes may portend a drastic decline in food production—with serious political implications for just about every nation on earth. The drop in food production could begin quite soon... The evidence in support of these predictions has now begun to accumulate so massively that meteorologists are hard-pressed to keep up with it... This [cooling] trend will reduce agricultural productivity for the rest of the century. —Science writer Peter Gwynne writing in 'The Cooling World,' 'Newsweek' magazine, April 28, 1975
- This cooling has already killed hundreds of thousands of people. If it continues and no strong action is taken, it will cause world famine, world chaos and world war, and this could all come about before the year 2000. —Lowell Ponte in his book *The Cooling*, 1976 (which was endorsed by US Senator Claiborne Pell and current Bush adviser on global warming Stephen Schneider)
- If present trends continue, the world will be about four degrees colder for the global mean temperature in 1990, but eleven degrees colder by the year 2000. ... This is about twice

what it would take to put us in an ice age. —Kenneth E.F. Watt on air pollution and global cooling, speaking on Earth Day 1970. Watt is Editor in Chief, Encyclopedia of Human Ecology Advisory Board Member, Center for the Study of CO2 and Climate Change

- Indeed, when we wake up 20 years from now and find that the Atlantic Ocean is just outside Washington, D.C., because the polar icecaps are melting, we may look back at this pivotal election. --New York Times foreign affairs columnist Thomas Friedman, writing in NY Times, Dec 8, 2000.
- Frostban -- a harmless bacteria genetically engineered to protect plants from freezing temperatures -- "could irreversibly affect worldwide climate and precipitation patterns over a long, long period of time. -- Founder and president of the Foundation on Economic Trends, Jeremy Rifkin, 1986
- The economic impact of BIV (Bovine Immunodeficiency Virus) on the beef and dairy industries is likely to be devastating in the years to come. --Jeremy Rifkin, *Beyond Beef* 1992
- Biotech crops will "run amok"; they will create "super bugs"; they will lead to farmers using "greater quantities of herbicides." --Jeremy Rifkin, 1999 *Boston Globe*
- The use of biotechnology might "risk a fatal interruption of millions of years of evolutionary development? Might not the artificial creation of

life spell the end of the natural world?... cause irreversible damage to the biosphere, making genetic pollution an even greater threat to the planet than nuclear or petrochemical pollution?" -- Jeremy Rifkin, *The Biotech Century* 1999

- Current estimates that a flu pandemic could infect 20% of the world's population and cause 7.5 million deaths are "among the more optimistic predictions of how the next pandemic might unfold." --Osterhaus et al. *Nature* May 2005
- The next flu pandemic could kill as many as 150 million people. --Dr. David Nabarro. WHO spokesman Sept 2005.
- As many as 142 million people around the world could die if bird flu turns into a "worst case" influenza pandemic and global economic losses could run to \$4.4 trillion - the equivalent of wiping out the entire Japanese economy for a year. --Report entitled *Global Macroeconomic Consequences of Pandemic Influenza*, from the Lowy Institute in Australia. Feb 2006. "Unless we announce disasters, no one will listen."
- Sir John Houghton, responsible for producing the first three IPCC reports on global warming, writing in 1994.



## The advantage of speaking for the speechless

Too many people spend too much of their time speaking either on someone else's behalf or as a spokesman for people or things who can't speak for themselves, and they spend too much of our time telling us what we should be doing on behalf of those they claim to speak for. And in the name of those "without a voice" they often seek to silence those who do.

There is a special status in law and in our culture given to advocates who claim to speak for the voiceless. They get extra kudos, legal aid, sympathy, headlines, moral stature ... and just sometimes (and just coincidentally) they also get themselves a job for life.

Look for example at politicians who like to claim they speak for the disadvantaged, even

as they disadvantage all of us by putting their hands in our pockets -- naturally too ensuring they advantage themselves by doing so. Or politicians who say they 'speak for their people,' even as their actions serve to further impoverish the people they claim to speak for. Why don't these claims and the consequent theft and impoverishment caused receive any decent scrutiny?

Or look at high-profile activists, like for example Cindy Sheehan, who claims (or allows others to claim on her behalf) to speak for "an invigorated anti-war movement." As Rick Moran asks, where exactly are all the protesters she is supposed to have inspired? [Hat tip SH] Why do claims like this get traction, unless it is that the views of activists like Mother Sheehan reflect those who so breathlessly report their activities and opinions?

And what about those busybodies who claim to speak for "future generations," as if they somehow have a direct line to what future human beings are going to want at some unspecified time in the future. Why do they get taken so gosh-darned seriously? Who's to say that 'future generations' won't think they're all bloody idiots with an anti-human agenda who should have been silenced with a gag and a bucket of paraquat?

And how about those that claim to speak for other species, or for wild and beautiful landscapes, or for the

heritage values, spiritual values, cultural values, or moral values of the community. Why do these people get headlines and hegemony when the communities, species, trees, rocks and mud puddles they claim to speak for haven't ever given them any mandate to speak on their behalf?

How do they all get away with it, and why do we let them?

When you are speaking for the speechless, the best thing about it is that the speechless *can't* speak up for themselves to tell you when you're talking nonsense -- which is precisely why so many idiots are attracted to this kind of advocacy. Your idiocy is trumped by the fact that a) you have a mandate (or claim to), and b) you care (or claim to). When the things and people you claim to be speaking for can't contradict you, you can in short have it any way you want since what you say goes. It's your opinion that matters, and your opinion has all the moral force of those you claim to be speaking for, but without the need to convince them that you're making any sense.

So if you're speaking for the speechless, speaking for the unspeakable, speaking for those who wouldn't let you if they knew, or speaking for those who know you're an idiot but just don't give a shit, then don't pretend you're speaking for anybody who has specifically endorsed you. Tell people instead who you are really speaking for. Yourself.



Consider the trees. They have no legs to run with.



MARLO LEWIS

# A Skeptics' Guide To An 'Inconvenient Truth'

"An Inconvenient Truth," Vice President Al Gore's book and film on "The planetary emergency of global warming and what can be done about it," purports to be a non-ideological exposition of climate science and common sense morality. As this commentary shows, 'An Inconvenient Truth' is a colorfully illustrated lawyer's brief that uses science selectively and often dubiously to advance an agenda of alarm and energy rationing.

Gore calls global warming a "moral issue," but for him it is a moralizing issue—a license to castigate political adversaries and blame America first for everything from hurricanes to floods to wildfires to tick-borne disease. Somehow he sees nothing immoral in the attempt to make fossil energy scarcer and more costly in a world where 1.6 billion people still have no access to electricity and billions more are too poor to own a car.

Nearly every significant statement that former Vice President Gore makes regarding climate science and climate policy is either one sided, misleading, exaggerated, speculative, or wrong. In light of these numerous distortions, *An Inconvenient Truth* is ill-suited to serve as a guide to climate science and climate policy for the American people.

## Summary of Distortions

### One Sided

- Never acknowledges the indispensable role of fossil fuels in ending serfdom and slavery, alleviating hunger and poverty, extending human life-spans, and democratising consumer goods, literacy, leisure, and personal mobility.
- Never acknowledges the environmental, health, and economic benefits of climatic warmth and the ongoing rise in the air's CO<sub>2</sub> content.
- Never acknowledges the major role of natural variability in shrinking the Snows of Kilimanjaro and other mountain glaciers.
- Never mentions the 1976 regime shift in the Pacific Decadal Oscillation, a major cause of recent climate change in Alaska.
- Presents a graph tracking CO<sub>2</sub> levels and global temperatures during the past 650,000 years, but never mentions the most significant point: global temperatures were warmer than the present during each of the past four interglacial periods, even though CO<sub>2</sub> levels were lower.

- Never confronts a key implication of its assumption that climate is highly sensitive to CO<sub>2</sub> emissions—left to its own devices, global climate would be rapidly deteriorating into another ice age.
- Neglects to mention that, due to the growth of urban heat islands, U.S. cities and towns will continually break temperature records, with or without help from global warming.
- Neglects to mention that global warming could reduce the severity of wintertime (frontal storms) by decreasing the temperature differential between colliding air masses.
- Highlights London's construction of the Thames River flood barrier as evidence of global-warming induced sea-level rise without mentioning that London is sinking two to six times faster than global sea levels are rising.
- Ignores the large role of natural variability in Arctic climate, never mentioning that Arctic temperatures in the 1930s equaled or exceeded those of the late 20<sup>th</sup> century, and that the Arctic during the early- to mid-Holocene was significantly warmer than it is today.
- Cites the finding of a study that the number of recorded wildfires in North America has increased in recent decades but not the same study's finding that the total area burned decreased by 90% since the 1930s.
- Fosters the impression that global warming can only be good for bad things (algae, ticks) and bad for good things (polar bears, migratory birds)—nature according to a morality play.
- Cites Velicogna and Wahr (2006), who found an overall loss in Antarctic ice mass during 2002-2005, but ignores Davis et al. (2005), who found an overall ice mass gain during 1992-2003. Three years worth of data is too short to tell anything about a trend in a system as vast and complex as Antarctica.

- Cites Turner et al. (2006), who found a 0.5°C to 0.7°C per decade wintertime warming trend in the mid-troposphere above Antarctica, as measured by weather balloons, but neglects to mention that Turner et al. found much less warming—about 0.15°C/decade—at the Antarctic surface, or that NASA satellites, which also measure troposphere temperatures, show a 0.12°C/decade Antarctic cooling trend since November 1978.

- Shows a picture of a garbage-strewn refuse dump in Mexico City to illustrate the "collision between our civilization and the Earth"—as if blight and swill were the hallmarks of mankind's interaction with nature.

- Sees "success" in the recent reduction of global population growth rates, not in the fossil-energy-based civilization that has enabled mankind to increase its numbers more than six-fold since the dawn of the industrial revolution.

- Compares Haiti (deforestation) and the Dominican Republic (lush forest cover) to illustrate the impact of politics on the environment, but overlooks another key implication of the comparison: Poverty is the environment's number one enemy.

- Notes that "much forest destruction" and "almost 30%" of annual CO<sub>2</sub> emissions come from "the burning of brushland for subsistence agriculture and wood fires used for cooking," but never considers whether fossil energy restrictions would set back developing countries both economically and environmentally.

- Neglects to mention the circumstances that make it reasonable rather than blameworthy for America to be the biggest CO<sub>2</sub> emitter: the world's largest economy, high per capita incomes, abundant fossil energy resources, markets integrated across continental distances, and the world's most highly mobile population.

- Impugns the motives of so-called global warming skeptics but never acknowledges the special-interest motivations of those whose research grants, direct mail income, industrial policy privileges, regulatory power, prosecutorial plunder, or political careers depend on keeping the public in a state of fear about global warming.

- Castigates former White House official Phil Cooney for editing U.S. Government climate change policy documents, without ever





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considering the scientific merits of Cooney's editing.

- Waxes enthusiastic about cellulosic ethanol, a product with no commercial application despite 30 years of government-funded

research, and neglects to mention that corn-based ethanol, a product in commercial use for a century, is still more costly than regular gasoline despite oil prices exceeding \$70 a barrel.

- Misrepresents the auto companies' position in their lawsuit to overturn California's CO2 emissions law, neglecting to mention that CO2 standards are *de facto* fuel economy

## What 'Everybody Knows' About Tuvalu



*Everybody knows that the boat is leaking*  
*Everybody knows that the captain lied*  
*Everybody got this broken feeling*  
*Like their father or their dog just died...* -  
 – Leonard Cohen

What else does everybody know?

We know (via the breathless *Sunday Star Times*) that "New Zealand may be refuge as rising sea levels displace hundred of millions of people"! That Helen Clark has "called for boldness in tackling climate change"! That she boldly "credits [Al Gore's movie] *An Inconvenient Truth* with helping sharpen public opinion"! This movie, says the *Star*, "lays out evidence for the potentially devastating effects of man-made climate change" and this movie tells us that sea levels are rising, and that sea level rises are going to sink Tuvalu with ten years, and that 'climate refugees' from Tuvalu are going to flood New Zealand.

We all know it.

The BBC knows it. Oxfam knows it. Australian politicians all know it. Pacific Islands leaders know it (and they want compensation). Nick Smith, Gordon Copeland and David Parker know it. Helen Clark knows it. Al Gore knows it. And Al Gore's movie-goers all know it.

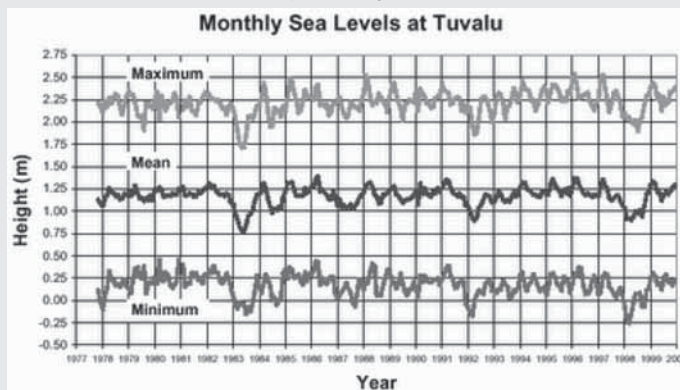
*Everybody knows that the war is over*  
*Everybody knows the good guys lost*

Everybody knows it, so it *must* be true, mustn't it?

No.

Those "hundreds of millions" of "climate refugees" are supposed to be the result of massive rises in sea level. Al Gore's film talks about sea level rises of "18 to 20 feet," partly as a result of "possible" melting of the Greenland ice sheet. The *Skeptics' Guide to An Inconvenient Truth* conveniently rebuffs these two related myths (see below).

And, guess what. Have a look at that graph below, based on data from National Tidal Facility, Adelaide, who confirm that "there has been no significant rise in sea level in Tuvalu over the past 22 years."



As John Daly reported a few years back, The reported 'plight' of the Tuvaluans is not about sea level rise at all - it's about over-population. With such a high population density, the fresh water table on the atolls is subject to rapid depletion, especially in dry years. In addition, the development which would follow from such a high density will bring the inevitable coastal erosion, a problem which the Tuvalu government falsely blames on climate change and sea level rise. Tide gauge data from all around the South Pacific shows the same pattern as the one at Funafuti - no sea level rise. It is, and always was, a bogus claim, with few in the outside world bothering to check the accuracy of the claim.

Compensation? In their dreams.

From the 'Skeptics' Guide to *An Inconvenient Truth*:

### Sea Level Rise.

The United Nations Intergovernmental Panel on Climate Change does not forecast sea-level rises of "18 to 20 feet." Rather, it says, "We project a sea level rise of 0.09 to 0.88 m for 1990 to 2100, with a central value of 0.48 m. The central value gives an average rate of 2.2 to 4.4 times the rate over the 20th century...It is now widely agreed that major loss of grounded ice and accelerated sea level rise are very unlikely during the 21st century." Al Gore's suggestions of much more are therefore extremely alarmist.

### Greenland Climate.

Greenland was warmer in the 1920s and 1930s than it is now. A recent study by Dr. Peter Chylek of the University of California, Riverside, addressed the question of whether man is directly responsible for recent warming: "An important question is to what extent

can the current (1995-2005) temperature increase in Greenland coastal regions be interpreted as evidence of man-induced global warming? Although there has been a considerable temperature increase during the last decade (1995 to 2005) a similar increase and at a faster rate occurred during the early part of the 20th century (1920 to 1930) when carbon dioxide or other greenhouse gases could not be a cause. The Greenland warming of 1920 to 1930 demonstrates that a high concentration of carbon dioxide and other greenhouse gases is not a necessary condition for period of warming to arise. The observed 1995-2005 temperature increase seems to be within a natural variability of Greenland climate." (Petr Chylek et al., *Geophysical Research Letters*, 13 June 2006.)





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standards and that federal law prohibits states from regulating fuel economy.

- Blames Detroit's financial troubles on the Big Three's high-volume production of SUVs, even though U.S. automakers probably would not even exist today had they been "ahead of their time" and emphasized Kyoto-friendly vehicles in the 1990s. *An Inconvenient Truth* says nothing about the biggest cause of Detroit's falling capitalization—unaffordable payments for employee benefit packages negotiated decades ago.

- Touts Denmark's wind farms without mentioning any of the well-known drawbacks of wind power: cost, intermittency, avian mortality, site depletion, and scenic degradation.

- Never addresses the obvious criticism that the Kyoto Protocol is all pain for no gain and that policies tough enough to measurably cool the planet would be a "cure" worse than the alleged disease.

- Claims a study by Robert Socolow and Stephen Pacala (S&P) shows that "affordable" technologies could reduce U.S. carbon emissions below 1970 levels, even though S&P specifically say their study does not estimate costs, and neglects to mention that S&P's study is a response to Hoffert et al. (2002), a team of 18 energy experts, who concluded that, "CO<sub>2</sub> is a combustion product vital to how civilization is powered; it cannot be regulated away."

### Misleading

- Implies that a two-page photograph of Perito Moreno Glacier in Argentina shows that the glacier is melting away, even though the glacier's terminal boundary has not changed in 90 years.

- Implies that, throughout the past 650,000 years, changes in CO<sub>2</sub> levels preceded and largely caused changes in global temperature, whereas the causality mostly runs the other way, with CO<sub>2</sub> changes trailing global temperature changes by hundreds to thousands of years.

- Belittles as ideologically motivated the painstaking and now widely-accepted methodological critiques by Canadians Steve McIntyre and Ross McKittrick of the Hockey Stick reconstruction of Northern Hemisphere climate history.

- Distracts readers from the main hurricane problem facing the United States: the ever-growing, politically-subsidized concentration of population and wealth in vulnerable coastal regions.

- Ignores the societal factors that typically overwhelm climatic factors in determining people's risk of damage or death from hurricanes, floods, drought, tornadoes, wildfires, and disease.

- Implies that the 2006 tropical cyclone season in Australia was unusually active and, thus, symptomatic of global warming. In contrast, National Oceanic and Atmospheric Administration describes the season as "near average."



**Al Gore: Misleading, one-sided, speculative, exaggerating and wrong.**

population growth and development in high risk coastal areas and cities.

- Re-labels as "major floods" (a category defined by physical magnitude) a chart of "damaging floods" (a category defined by socioeconomic and political criteria).

- Re-labels as "major wildfires" (a category defined by physical magnitude) a chart of "recorded wildfires" (a category reflecting changes in data collection and reporting, such as increases in the frequency and scope of satellite monitoring).

- Conflates the Thermohaline Circulation, a convective system primarily driven by differences in salinity and sea temperatures, with the Gulf Stream, a wind-driven system energized primarily by the Earth's spin and the lunar tides, exaggerating the risk of a big chill in Europe from a weakening of the Thermohaline Circulation.

- Presents a graph showing the number of annual closings of the Thames River tidal barriers from 1930 to the present, even though the modern barrier system was completed in 1982 and became operational in 1984. This apples-to-oranges comparison conveys the false impression that London faced no serious flood risk until recent decades.

- Blames global warming for the decline "since the 1960s" of the Emperor Penguin population in Antarctica, implying that the penguins are in peril, their numbers dwindling as the world warms. In fact, the population

declined in the 1970s and has been stable since the late 1980s.

- Implies that a study, which found that none of 928 science articles (actually abstracts) denied a CO<sub>2</sub>-global warming link, shows that Gore's apocalyptic view of global warming is the "consensus" view among scientists.

- Reports that 48 Nobel Prize-winning scientists accused Bush of distorting science, without mentioning that the scientists acted as members of a 527 group set up to promote the Kerry for President Campaign.

- Implies that the United States is an environmental laggard because China has adopted more stringent fuel economy standards, glossing over China's horrendous air quality problems.

- Confuses fuel efficiency (the amount of useful work per unit of fuel consumed) with fuel economy (miles per gallon), falsely portraying U.S. cars and trucks as inefficient compared to their European and Japanese counterparts.

### Exaggerated

- Exaggerates the certainty and hypes importance of the alleged link between global warming and the frequency and severity of tropical storms.

- Hypes the importance of the US National Oceanic and Atmospheric Administration running out of names (21 per year) for Atlantic hurricanes in 2005, and the fact that some storms continued into December. The practice of naming storms only goes back to 1953, and hurricane detection capabilities have improved dramatically since the 1950s, so the "record" number of named storms in 2005 may be an artifact of the data. Also, Atlantic hurricanes continued into December in several previous years including 1878, 1887, and 1888.

- Never explains why anyone should be alarmed about the current Arctic warming, considering that our stone-age ancestors survived (and likely benefited from) the much stronger and longer Arctic warming known as the Holocene Climate Optimum.

- Portrays the cracking of the Ward Hunt ice shelf in 2002 as a portent of doom, even though the shelf was merely a remnant of a much larger Arctic ice formation that had already lost 90% of its area during 1906-1982.

- Claims polar bears "have been drowning in significant numbers," based on a report that found four drowned polar bears in one month



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in one year, following an abrupt storm.

- Claims global warming is creating "ecological niches" for "invasive alien species," never mentioning other, more important factors such as increases in trade, tourism, and urban heat islands. For example, due to population growth, Berlin warmed twice as much during 1886-1898 as the Intergovernmental Panel on Climate Change (IPCC) estimates the entire world warmed in the 20<sup>th</sup> century.

- Blames global warming for pine beetle infestations that likely have more to do with increased forest density and plain old mismanagement.

- Portrays the collapse in 2002 of the Larson-B ice shelf—a formation the "size of Rhode Island"—as harbinger of doom. For perspective, the Larson-B was 180<sup>th</sup> the size of Texas and 1/246<sup>th</sup> the size of the West Antarctic Ice Sheet.

- Warns that the break-off of floating ice shelves like the Larson B accelerates the flow of land-based ice behind them. However, researchers found that the speedup was not observable beyond about 10 km inland, and that decelerations occurred only one year later.

- Presents a graph suggesting that China's new fuel economy standards are almost 30% more stringent than the current U.S. standards. In fact, the Chinese standards are only about 5% more stringent.

### Speculative

- Warns of impending water shortages in Asia due to global warming but does not check whether there is any correlation between global warming and Eurasian snow cover (there isn't). Also, if Tibetan glaciers melt, that should increase water availability in the coming decades.

- Claims that CO<sub>2</sub> concentrations in the Holocene never rose above 300 ppm in pre-industrial times, and that the current level (380 ppm) is "way above" the range of natural variability. Proxy data indicate that, in the early Holocene, CO<sub>2</sub> levels exceeded 330 ppm for centuries and reached 348 ppm.

- Claims that a Scripps Oceanography Institute study shows that ocean temperatures during the past 40 years are "way above the range of natural variability." Proxy data indicate that the Atlantic Ocean off the West Coast of Africa was warmer than present during the Medieval Warm Period.

- Blames global warming for the record number of typhoons hitting Japan in 2004. Local meteorological conditions, not average global temperatures, determine the trajectory of particular storms, and data going back

to 1950 show no correlation between North Pacific storm activity and global temperatures.

- Blames global warming for the record-breaking 37-inch downpour in Mumbai, India, in July 2005, even though there has been no trend in Mumbai rainfall for the month of July in 45 years.

- Blames global warming for recent floods in China's Sichuan and Shandong provinces, even though far more damaging floods struck those areas in the 19<sup>th</sup> and early 20<sup>th</sup> centuries.

- Blames global warming for the disappearance of Lake Chad, a disaster more likely stemming from a combination of regional climate variability and societal factors such as population increase and overgrazing.

- Claims global warming is drying out soils all over the world, whereas pan evaporation studies indicate that, in general, the Earth's surface is becoming wetter.

- Presents one climate model's projection of increased U.S. drought as authoritative even though another leading model forecasts increased wetness, climate model hydrology forecasts on regional scales are notoriously unreliable, and most of the United States (outside the Southwest) became wetter during 1925-2003.

- Blames global warming for the severe drought that hit the Amazon in 2005. RealClimate.Org, a web site set up to debunk global warming "skeptics," concluded that it is not possible to link the drought to global warming.

- Warns of a positive feedback whereby CO<sub>2</sub>-induced warming melts tundra, releasing more CO<sub>2</sub> locked up in frozen soils. An alternative scenario is also plausible: The range of carbon-storing vegetation expands as tundra thaws.

- Claims global warming endangers polar bears even though polar bear populations are increasing in Arctic areas where it is warming and declining in Arctic areas where it is cooling.

- Blames global warming for Alaska's "drunken trees" (trees rooted in previously frozen tundra, which sway in all directions as the ice melts), ignoring the possibly large role of the 1976 Pacific Decadal Oscillation shift.

- Blames rising CO<sub>2</sub> levels for recent declines in Arctic sea ice, ignoring the potentially large role of natural variability. *An Inconvenient Truth* never mentions that wind pattern shifts may account for much of the observed changes in sea ice, or that the Canadian Arctic Archipelago had considerably less sea ice

during the early Holocene.

- Warns that meltwater from Greenland could disrupt the Atlantic thermohaline circulation based on research indicating that a major disruption occurred 8,200 years ago when a giant ice dam burst in North America, allowing two lakes to drain rapidly into the sea. *An Inconvenient Truth* does not mention that the lakes injected more than 100,000 cubic kilometers of freshwater into the sea, whereas Greenland ice melt contributes a few hundred cubic kilometers a year.

- Claims global warming is "disrupting millions of delicately balanced ecological relationships among species" based on a study showing that, in the Netherlands, caterpillars are hatching two weeks earlier than the peak arrival season of caterpillar-eating migratory birds. AIT claims the birds' "chicks are in trouble," yet the researcher found "no demonstrable effect" on the bird population during the past 20 years.

- Warns that global warming is destroying coral reefs, even though today's main reef builders evolved and thrived during periods substantially warmer than the present.

- Warns that a doubling of pre-industrial CO<sub>2</sub> levels to 560 ppm will so acidify seawater that all optimal areas for coral reef construction will disappear by 2050. This is not plausible. Coral calcification rates have increased as ocean temperatures and CO<sub>2</sub> levels have risen, and today's main reef builders evolved and thrived during the Mesozoic Period, when atmospheric CO<sub>2</sub> levels hovered above 1,000 ppm for 150 million years and exceeded 2,000 ppm for several million years.

- Links global warming to toxic algae bloom outbreaks in the Baltic Sea that can be entirely explained by record-high phosphorus levels, record-low nitrogen-to-phosphorus levels, and local meteorological conditions.

- Asserts without evidence that global warming is causing more tick-borne disease. An Oxford University study found no relationship between climate change and tick-borne disease in Europe.

- Blames global warming for the resurgence of malaria in Kenya, even though several studies found no climate link and attribute the problem to decreased spraying of homes with DDT, anti-malarial drug resistance, and incompetent public health programs.

- Insinuates that global warming is a factor in the emergence of some 30 "new" diseases over the last three decades, but cites no supporting research or evidence.

- Blames global warming for the decline "since the 1960s" of the Emperor Penguin



# TFR Film-Goers' Guide:

## A Global Goring

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population in Antarctica based on a speculative assessment by two researchers that warm sea temperatures in the 1970s reduced the birds' main food source. An equally plausible explanation is that Antarctic ecotourism, which became popular in the 1970s, disturbed the rookeries.

- Cites the growing number of Thames River barrier closings as evidence of global warming-induced sea level rise, even though UK authorities close the barriers to keep water in as well as to keep tidal surges out.

- Warns of "significant and alarming structural changes" in the submarine base of the West Antarctic Ice Sheet, but does not tell us what those changes are or why they are "significant and alarming." The melting and retreat of the West Antarctic Ice Sheet "grounding line" has been going on since the early Holocene. At the rate of retreat observed in the late 1990s, the West Antarctic Ice Sheet should disappear in about 7,000 years.

- Warns that vertical water tunnels ("moulins") are lubricating the Greenland Ice Sheet, increasing the risk that it will "slide" into the sea. Summertime glacier flow acceleration associated with moulins is tiny. Moulins in numbers equal to or surpassing those observed today probably occurred in the first half of the 20<sup>th</sup> century, when Greenland was as warm as or warmer than the past decade, with no major loss of grounded ice.

- Presents 10 pages of before-and-after "photographs" showing what 20 feet of sea level rise would do to the world's major coastal communities. There is no credible evidence of an impending collapse of the great ice sheets. We do have fairly good data on ice mass balance changes and their effects on sea level. Zwally et al. (2005) found a combined Greenland/Antarctica ice-loss-sea-level-rise equivalent of 0.05 mm per year during 1992-2002. At that rate, it would take a full millennium to raise sea level by just 5 cm.

- Forecasts an increase in U.S. renewable energy production during 1990-2030 more than twice that projected by the U.S. Energy Information Administration.

### Wrong

- Presents as glaciologist Lonnie Thompson's reconstruction of tropical climate history a graph that is in fact the "Hockey Stick" reconstruction of Northern Hemisphere climate history.

- Claims Thompson's reconstruction of climate history proves the Medieval Warm Period was "tiny" compared to the warming observed in recent decades. It doesn't. Four of Thompson's six ice cores indicate the

Medieval Warm Period was as warm as or warmer than any recent decade.

- Calls carbon dioxide (CO<sub>2</sub>) the "most important greenhouse gas." Water vapor is the leading contributor to the greenhouse effect.

- Claims Venus is too hot and Mars too cold to support life due to differences in atmospheric CO<sub>2</sub> concentrations (they are nearly identical), rather than differences in atmospheric densities and distances from the Sun (both huge).

- Claims scientists have validated the "Hockey Stick" climate reconstruction, according to which the 1990s were likely the warmest decade of the past millennium and 1998 the warmest year. It is now widely acknowledged that the Hockey Stick was built on a flawed methodology and inappropriate data. Scientists continue to debate whether the Medieval Warm period was warmer than recent decades.

- Tacitly assumes that CO<sub>2</sub> levels are increasing at roughly 1 percent annually. The actual rate is half that.

- Tacitly assumes a linear relationship between CO<sub>2</sub> levels and global temperatures, whereas the actual CO<sub>2</sub>-warming effect is logarithmic, meaning that the next 100-ppm increase adds only half as much heat as the previous 100-ppm increase.

- Claims the rate of global warming is accelerating, whereas the rate has been constant for the past 30 years—roughly 0.17°C/decade.

- Blames global warming for Europe's killer heat wave of 2003—an event caused by an atmospheric circulation anomaly.

- Blames global warming for Hurricane Catarina, the first South Atlantic hurricane on record, which struck Brazil in 2004. Catarina formed not because the South Atlantic was unusually warm (sea temperatures were cooler than normal), but because the air was so much colder it produced the same kind of heat flux from the ocean that fuels hurricanes in warmer waters.

- Claims that 2004 set an all-time record for the number of tornadoes in the United States. Tornado frequency has not increased; rather, the detection of smaller tornadoes has increased. If we consider the tornadoes that have been detectable for many decades (F-3 or greater), there is actually a downward trend since 1950.

- Blames global warming for a "mass extinction crisis" that is not, in fact, occurring.

- Blames global warming for the rapid coast-to-coast spread of the West Nile virus. North America contains nearly all the climate types in the world—from hot, dry deserts to boreal forests, to frigid tundra—a range that dwarfs any small alteration in temperature or precipitation that may be related to atmospheric CO<sub>2</sub> levels. The virus could not have spread so far so fast, if it were climate-sensitive.

- Cites Tuvalu, Polynesia, as a place where rising sea levels force residents to evacuate their homes. In reality, sea levels at Tuvalu fell during the latter half of the 20<sup>th</sup> century and even during the 1990s, allegedly the warmest decade of the millennium.

- Claims sea level rise could be many times larger and more rapid "depending on the choices we make or do not make now" concerning global warming. Not so. The most aggressive choice America could make now would be to join Europe in implementing the Kyoto Protocol. Assuming the science underpinning Kyoto is correct, the treaty would avert only 1 cm of sea level rise by 2050 and 2.5 cm by 2100.

- Accuses Exxon Mobil of running a "disinformation campaign" designed to "reposition global warming as theory, rather than fact," even though two clicks of the mouse reveal that Exxon Mobil acknowledges global warming as a fact.

- Claims Bush hired Phil Cooney to "be in charge" of White House environmental policy. This must be a surprise to White House Council on Environmental Quality Chairman James Connaughton, who hired Cooney and was his boss at the CEO.

- Claims the European Union's emission trading system (ETS) is working "effectively." In fact, the ETS is not reducing emissions, will transfer an estimated £1.5 billion from U.K. firms to competitors in countries with weaker controls, has enabled oil companies to profit at the expense of hospitals and schools, and has been an administrative nightmare for small firms.

- Claims U.S. firms won't be able to sell American-made cars in China because Beijing has set higher fuel economy standards. This is equivalent to saying U.S. firms won't be able to sell cars in India until all U.S.-made cars are built to drive on the left side of the road.



**Marlo Lewis is a Senior Fellow at the Competitive Enterprise Institute. You can download your own copy of the full 'Skeptics' Guide to An Inconvenient Truth,' along with references, videos and a Powerpoint display that is ideal as a teaching tool, at the website of the Competitive Enterprise Institute, [www.CEI.Org](http://www.CEI.Org).**



# Some Selected Climate Events From Historical Records

*Humans have always been at the mercy of rapid climate changes through its entire existence and endured 7-8 ice ages during the last million years. Our ancestors adapted to the irregular cycles of cooling and warming, floods and droughts since the last ice age 10 000 years ago. They developed strategies for surviving harsh droughts, decades of heavy rainfall or long cold periods with failing crops.*

During the 9<sup>th</sup> and 10<sup>th</sup> centuries a warm period arrived in the north Atlantic making it possible for the Norse population along the Norwegian overpopulated coast to sail and colonize Iceland. Records indicate that in 874 the Vikings took advantage of the favourable ice conditions and permanently colonized Iceland. Earlier Iceland was always surrounded by ice therefore its name.

For a few hundred years there was a thriving colony of Norsemen and a mild and stable climate. They survived because it was possible to grow crops and grass to feed sheep. This is not possible today which is one piece of the evidences that the Medieval Warm Period was warmer than today. In the early 13<sup>th</sup> century the first signs of a climate change arrived with more ice in the waters surrounding Greenland making communication with Norway difficult and risky

The new settlers from mainland Norway were able to grow various cereals during this mild period, crops that can not be grown today. In 980 it was also feasible to sail to the southern parts of Greenland. Erik the Red, who was banned from Iceland saved his life by escaping to Greenland. After 5 years he came back and made the first real marketing stunt in history. He told his friends in overpopulated Iceland about the green lands in the west which he had named Greenland. In the year 985 Erik the Red sailed off with 25 longboats to colonize Greenland. They were hit by a severe storm near the southern tip of Greenland during which 9 ships went down with men and all. The surviving crews established the Eastern and the Western settlements. They also brought with them Christianity. Erik the Red's wife Tjodhilde built a church, which

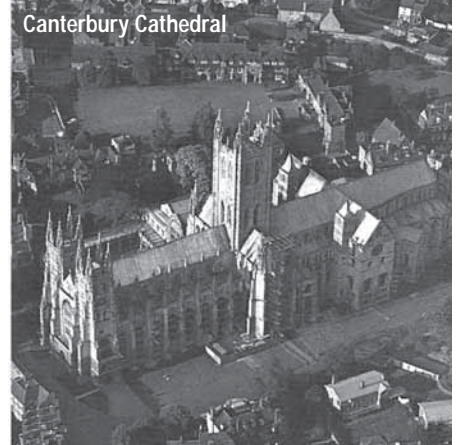
was under the protection of the Archbishop in Nidaros (Trondheim).

A hundred years later it was almost impossible to keep contact with the settlements on Greenland. When these sites were visited in the seventeenth century, the ruins and graves were found but no dead people who would have starved to death and not been buried. It is very likely that the last remaining settlers packed their ships and sailed south to the New England area and here became easy prey for the Indian tribes along these coasts. The age of the Vikings was the warmest period in over a 1000 years which can be verified in the Greenland ice cores.

## Medieval Warm Period - A blessing for the farmers

In northern Europe the Medieval Warm Period was a blessing for the rural poor farmers who supplemented their harvest with fishing and hunting. There are many examples of medieval paintings showing rich harvests. At this time it was possible to grow crops and cereals on the summits of south-eastern Scotland at Lammermuir Hills 320 m above sea level. The Kelso Abbey owned a farm in southern Scotland which had over 100 hectares under cultivation at 300m above sea level, well above today's limit for viable cultivation. Today traces of these cultivations can still be found on hills around England and Scotland.

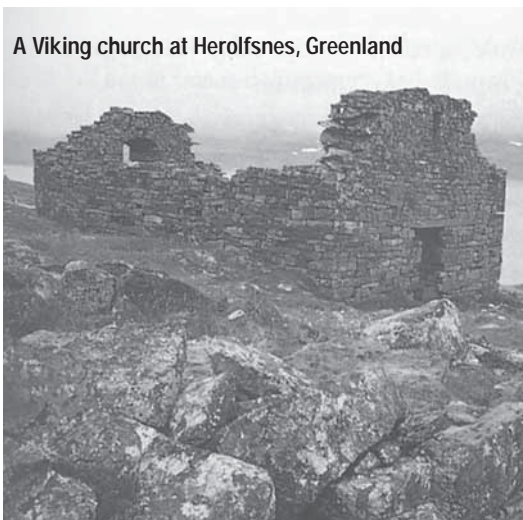
Even if it was a warm climate period there were cold spells. Fluctuating grain prices are a good barometer of changing temperatures.



Canterbury Cathedral



Notre Dame Cathedral in Paris



A Viking church at Herølsnes, Greenland



## Winemaking

Another important sign of a mild climate during Medieval Warm Period is the fact that England was a major wine producing country. Between 1100 and 1300 vineyards spread across southern and central England and as far north as Hereford. Commercial vineyards flourished 300 to 500 km north of their 20<sup>th</sup> century limits. During the height of the Medieval Warm Period the French tried to negotiate trade agreements excluding British wines from the continent.

How the climate changed year by year can be found in the vineyard archives indicating when the grapes were ready to be harvested. Between 1100 and 1300, however, night frost was unknown in the month of May.

## Cathedral building

The warm climate during the 12<sup>th</sup> and 13<sup>th</sup> century gave good harvests and not every living man had to work in the fields to secure enough food for the winter. The sudden appearance of a free workforce or unemployment perhaps causing unrest in the societies led to the start of cathedral building. This also led to golden days for architects. The Notre dame church in Paris was commissioned by Bishop Maurice de Sully in 1159.

In England Canterbury cathedral was started in 1170 and Lincoln in 1192, to mention just two. The surge in Gothic cathedral building financed by a surplus of labour and wealth was never repeated in later centuries.

## Bridgebuilding

During the Medieval Warm Period there was also a lot more rainfall in areas where there is a lot less today. Examples of this can be found in the city of Palermo on the island of Sicily. Here they built the Ponte dell'Ammivaglio bridge across the river Oreto (below) in 1113 and as can be seen in the picture there is today only a very small stream flowing under it. Another example is Pont d'Avignon in the lower Rhone area which was built between 1177 and 1185.

The Norse discovery of America, settlements in Iceland and Greenland and European conquests and the building of cathedrals all over Europe are a consequence of a global climatic phenomenon, an enduring legacy of the Medieval Warm Period.

## Copper mining in the Alps

During late prehistoric times, numerous copper mines had flourished in the Alps until advancing ice sealed them off. Late Medieval miners were able to reopen some of them when the ice retreated.

## A colder climate is approaching

The first sign of a new cold period approaching was when the northern pack ice came all the way down to the Icelandic coast and polar bears went ashore. This happened for the first time in 1203. During this first phase of an arriving colder climate very strong gales, storms and floods hit the North Sea and Atlantic coasts of Europe. These storms were not only a big problem for fishermen and

seafarers who lost their lives but the storms also transported sand over land and created large sand-dunes. The flourishing port of Kenfig near Port Talbot in south Wales had to be abandoned after a severe storm deposited a high sand-dune over the harbour. Many villages at this time had big problems with wandering dunes burying both forests and villages. On the 19<sup>th</sup> of August 1413 the small town of Forvie near Aberdeen was buried under a 30 m high sand-dune.

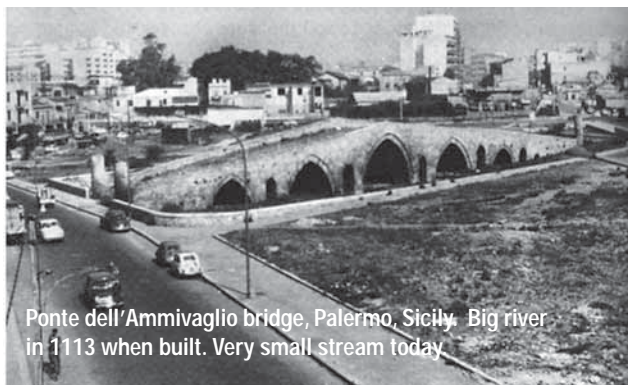
## Storms and floods

During the thirteenth century very heavy storms and floods took place. It is estimated that during the storms that took place in 1200, 1212-1219, 1237 and 1362 at least 100 000 people were killed along the North Sea coast of Germany and Holland.

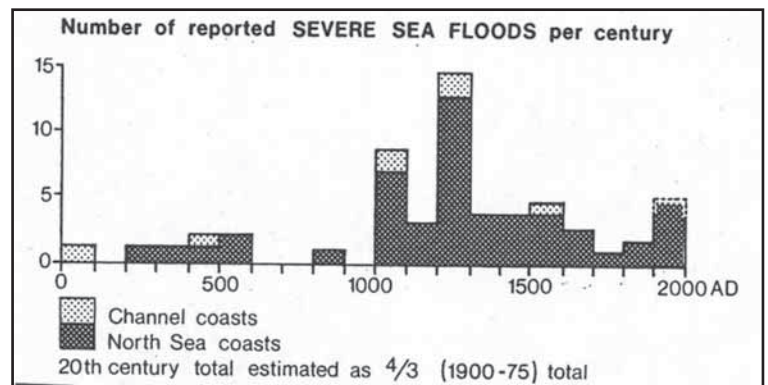
During this time the Zuider Zee in the northern part of the Netherlands was carved out from prime farmland. The last storm was named "Grote Mandrake" which means the great drowning of man.

Floods were often combined with storms at high tide and in 1240 and 1362 sixty parishes along the Danish and German North Sea coast had been swallowed by the sea. Half of all the farmland in the Schleswig-Holstein area had been destroyed by salt water.

When the Medieval Warm Period arrived the island of Helgoland off the North Sea coast of Germany had a diameter of 60 km. Due to storms in 1300, half of the island with many churches and villages disappeared into the



Ponte dell'Ammivaglio bridge, Palermo, Sicily. Big river in 1113 when built. Very small stream today



1588: "Hit by a severe storm, the Spanish Armada lost more ships due to the storm than due to battle with the British Navy."



"During the sixteenth century the little ice age was over Europe."

sea leaving an island of just 25 km diameter. Today the largest stretch of the island is only 1.5 km.

In 1315 Flanders stood more or less under water and prevented Louis X's military campaign moving. Horses sank to their saddle girths, wagons bogged down into the mud. The infantry stood knee-deep in the boggy fields. As food ran short King Louis X quickly had to retreat. The thankful Flemings wondered if the floods were a divine miracle, already then giving climate change a religious touch. 1315 was overall a bad year with cold weather and torrential rains. Thousands of hectares of cereals did not ripen and hay could not be cured properly. The following year was also a terrible year with rain and floods in central Europe. Intense gales battered the Channel and the North Sea.

Storms reported in 1421, 1446 and 1570 caused more than 400 000 fatalities.

Areas along rivers were also heavily flooded at times. Cologne was one year flooded and it was possible to row a boat over the city wall and the following year it was so dry that one could walk across the Rheine. Europeans were getting used to severe storms, floods, droughts, and cold winters.

In 1588 the British Navy was fighting the Spanish Armada off the western coast of Ireland. They were hit by a severe storm and the Spanish Armada lost more ships due to the storm than to the battle with the British Navy.

### The Little Ice Age

The inhabitants in central Europe were invaded by ice and glaciers. During the sixteenth century the little ice age was over Europe. Rivers, canals and parts of the seas froze in the winters. Farmlands endured floods and cold summers with failing harvests and famine. Europe experienced a serious food crisis 1315-1319 killing tens of thousands of

people. The same thing happened in 1714 and 1816, the year without a summer caused by the eruption of Mt Tambora. It is believed to be the most spectacular eruption of the last 15000 years. Many of the extreme winters were most likely initiated by volcanic activity when ash spread in the upper atmosphere and shaded the sunlight.

Peter Breughel the Elder's painting "Hunters in the Snow" (previous page) shows a snowy landscape with the farmers skating on a frozen canal while some men are getting ready to go out hunting. The year was 1565 which was the first great winter of the Little Ice Age (LIA). The Londoners have not forgotten when the Thames froze during the cold winters.

In 1658 the southern Baltic was ice covered which Carl X Gustav took advantage of. He let his troops march over the ice and attacked the Danes from the south. He won a quick victory and a peace treaty was signed in Roskilde, which gave Sweden the districts of Halland, Blekinge and Scania, today the southern part of Sweden. The fact that the natural southern borders of Sweden are on the Baltic sea today are due to the LIA making it possible to move the Swedish troops over the ice to the island of Fyn.

### Glaciers in the Alps

With the Little Ice Age arriving the glaciers in the alps started to grow and surge down the valleys quite rapidly. The attack of glaciers on the villages in Switzerland occurred with a speed of 20 m per year destroying homes and fields. At the time this was perceived as a calamity but today when the glaciers are withdrawing it is regarded as a disaster.

In 1589 the Allalin glacier near Visp descended so low that it blocked the Saas Valley forming a lake.

In 1595 the Gietroz glacier in the Pennine Alps pressed into the bed of the Dranse river. 70 people died when the floods submerged the

town of Martigny. In 1926 a beam in a house near Bagnes was found with the inscription "Maurice Ollier had this house built in 1595 the year Bagnes was flooded by the Gietroz glacier.

In 1599-1600 alpine glaciers pushed downwards destroying villages and farmland in the Chamonix area.

### Clouds

Hans Neuberger studied clouds shown in 6500 paintings completed between 1400 and 1967 from 41 art museums in USA and Europe. His statistical analysis revealed a slow increase in cloudiness between the beginning of the fifteenth century and mid-sixteenth century followed by a sudden jump in cloud cover with low clouds increasing sharply after 1550. After 1850 the amount of cloud cover decreased.

### Final words

I will not in this presentation discuss if the recent warming is natural or not. It is however strange that the society in common is very alarmed about the recent global warming. What is the alternative? Global cooling with failing harvests or no change at all. When in history has the climate been unchanged. It never has and will never be. People's memories seem to last not more than a normal lifetime. Cooling caused failing harvests resulting in migrations and wars for survival. The potato famine in Ireland in the 1840s killed one-million people and the failing harvest in Finland in 1866-8 killed 100,000 people (15% of the Finnish population at the time), just to mention a few examples.



**From a paper delivered to the Swedish Royal Institute of Technology International Climate Seminar 11-12 September 2006, *Global Warming-Scientific Controversies in Climate Variability*. Dr. Goldberg is associate professor at the Royal School of Technology in Stockholm.**



Norwegian 19<sup>th</sup>- century painting

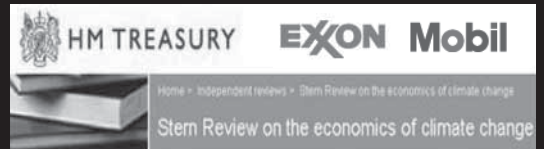


Dutch 17<sup>th</sup>-century painting



# The Stern Gang:

TFR Special Report: The Stern Report On Climate Calamity



GEORGE REISMAN

## Britain's Stern Review On Global Warming: It Could Be Environmentalism's Swan Song

*To the accompaniment of much fanfare and hoopla, the British government has released Sir Nicholas Stern's Stern Review on the Economics of Climate Change, a report that it commissioned but that it labels "independent."*

The report is a rehash of now standard environmentalist claims concerning alleged disasters that await the world if it continues with its wicked ways of fossil fuel consumption: the disappearance of islands beneath the sea, the flooding of coastal cities, more severe droughts and hurricanes, famines, disease, the displacement of tens of millions of people from their traditional homelands—it's all regurgitated in the report. A couple of times, however, the report provides a hint of something even much worse:

Under a BAU [business as usual] scenario, the stock of greenhouse gases could more than treble by the end of the century, giving at least a 50% risk of exceeding 5°C global average temperature change during the following decades. This would take humans into unknown territory. An illustration of the scale of such an increase is that we are now only around 5°C warmer than in the last ice age. (p. ix of the *Executive Summary*.)

It remains unclear whether warming could initiate a self-perpetuating effect that would

lead to a much larger temperature rise or even runaway warming . . . (p. 10 of the full report, the *Stern Review*.)

The frightening allusions to "unknown territory" and "runaway warming" come very close to conjuring up old-time religious images of hellfire and brimstone as the fate of the world if it does not take Sir Nicholas's Report to heart and repent of its ways. But Sir Nicholas never actually does make this threat. He leaves it merely to implication.

Perhaps if it were made, it would be easier for people to identify the environmentalists' fears for the empty bugaboo that they are and dismiss them. Their response would need be only that if economic progress and the enjoyment of its fruits will consume the world in flames, and thus that living like human beings means we really will all go to hell, as the preachers have always claimed, then so be it. Better to live as human beings now, while we can, than throw it away for the sake of descendants living as pre-industrial, medieval wretches later on. (But, of course, we will never have to make such a choice, for reasons that will become clear shortly.) Surprisingly, the actual negative consequences Sir Nicholas alleges that will occur from global warming are extremely tame, at least in

## Stern green taxes

The "*Stern Review on the Economics of Climate Change*" is a 700-page doorstopper commissioned by the Blair Government to have an effect on an international audience. It is a political document commissioned by politicians to justify political action -- and in Britain and here in New Zealand the 'Stern Gang' was all ready to hit the ground running with respectively "green taxes" and promises of "carrots and sticks" even before the report was released. The report takes the politicised science as read and unsurprisingly concludes with alarmist calls for government expansion. The UK's Scientific Alliance [Word Doc] "believes that Sir Nicholas's talents have been misused."

His calculations are based on the output of complex computer models, all constructed on the assumption that average global temperatures are directly linked to atmospheric levels of greenhouse gases -- in particular carbon dioxide. His estimates are doubtless correct for the scenarios presented, but we question the validity of the starting point.

As they drily note, "Not surprisingly,

his conclusions are those which the government wanted..." Philip Chaston at the UK-based Samizdata blog gloomily summarises:

The Letter from David Miliband [PDF], the appointment of the political failure Al Gore and the report by Stern are all designed to provide the intellectual ballast for continued government expansion. These taxes are politically unpalatable and would be rejected by the electorate, if levied without green cover. Therefore, climate change and catastrophism are the reasons for a 'greener than thou' ratchet effect, where politicians use Britain and our money to puff themselves up as a moral example for others.

Since the science and the scenarios are still so uncertain, climate change has been adopted as the vanguard for further taxation and a curb on British consumerism. Using the expansion of the state and taxes, rather than market mechanisms, our politicians will dampen our economic growth, steal our wealth, and wrap us in their parasitical hairshirt. The only light in this gloom is that the British electorate may reject such alarmism and the example of our political stupidity will lead India and other nations to seek technological and free-market

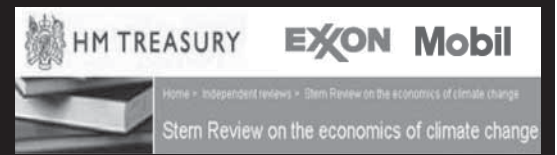
solutions that do not curb their march away from poverty.

Reaction from the UK public to the Stern Report has not been entirely positive. A BBC forum is an example, with the more popularly-rated commenters expressing views like these:

- Everyone in the country is sick to the back teeth of working just to pay ever increasing bills and taxes to this hopeless government.
- We already have a green tax on cars. Its called petrol duty. And at 80% its already more than enough.
- Typical government reaction: if you can't solve it, tax it.
- It seems to me that this government has run out of ideas, and thinks that the failures of tax and spend, can be rectified with new and infinitely more complex versions of exactly the same thing.
- More taxes???? This really is the Government's answer to everything!
- NO! Despite what the greenies would have you believe, there is NOT a consensus amongst climate scientists that humans have (or even can) affect the climate. The government is jumping on the green bandwagon because it allows them to increase taxes without taking the heat for it

# The Stern Gang:

## TFR Special Report: The Stern Report On Climate Calamity



comparison with hellfire. In his "Summary of Conclusions," he writes:

Using the results from formal economic models, the Review estimates that if we don't act, the overall costs and risks of climate change will be equivalent to losing at least 5% of global GDP each year, now and forever. If a wider range of risks and impacts is taken into account, the estimates of damage could rise to 20% of GDP or more.

Sir Nicholas's use of the words "don't act" is very misleading. What he is urging when he speaks of "action" is a mass of laws and decrees—i.e., *government* action. This government action will forcibly *prevent* hundreds of millions, indeed, billions of individual human beings from engaging in their, personal and business *private action*—that is, from acting in ways that they judge to serve their own self-interests. Thus, what he is actually urging is not action, but government action intended to stop private action.

Furthermore, he does not explain why he believes that global warming means the end of all subsequent economic progress, though that is implied in the words "now and forever." He compares the dangers of global warming to "those associated with the great wars and the economic depression of the first half of the 20th century (ibid.)," yet seems to forget the stupendous economic progress that followed them.

According to Sir Nicholas, what we must do to avoid the loss of up to 20% of annual GDP, is ultimately to reduce our carbon dioxide emissions "*more than 80% below the absolute level of current annual emissions.*" (p. xi of the *Executive Summary*. My italics.) Lest one think that such drastic reduction lies only in the very remote future, Sir Nicholas also declares,

By 2050, global emissions would need to be around 25% below current levels. These cuts will have to be made in the context of a world economy in 2050 that may be 3 - 4 times larger than today - so emissions per unit of GDP would need to be just one quarter of current levels by 2050. (Ibid.)

In appraising Sir Nicholas's views, it should be kept in mind that our ability to produce, now and for many years to come, vitally depends on the use of fossil fuels. These fuels are the source of most of our electric power and thus of our ability to use machinery. They propel our trucks, trains, ships, and planes. And, of course, their use entails the emission of carbon dioxide. Thus, it would seem that Sir Nicholas's means of preventing even a 20% loss of GDP would entail a far greater loss of GDP than 20%. It follows that if it is output that concerns us, we would be better off simply accepting global warming, if that is what is in store, than attempting to avoid it in the way Sir Nicholas prescribes. We will

certainly not produce 3-4 times the output in 2050 with 25% less carbon dioxide emission. Far more likely, if such a reduction is forced upon us, we will produce substantially less output, despite the probable existence of a substantially larger population by then.

Sir Nicholas appears to be as naïve in his estimate of the cost of replacing today's technologies of fuel and power as he is in estimating the effect of their loss. Without evidence of any kind, he claims that while the cost of "inaction" is as much as 20% of annual global GDP, "the costs of action – reducing greenhouse gas emissions to avoid the worst impacts of climate change – can be limited to around 1% of global GDP each year."

Thus his program is designed to appear as really quite a bargain: the world's governments will appropriate an additional mere 1% of global GDP each year in order to prevent their citizens from wantonly destroying as much as 20% of annual global GDP by foolishly pursuing their own self-interests. And it turns out that, in Sir Nicholas's view, even this 1% is far more than is required by the governments for the actual development of new technologies. In his chapter titled "Accelerating Technological Innovation," he writes that "Global public energy R&D funding should double, to around \$20 billion, for the development of a diverse portfolio of technologies." (p. 347 of the *Stern Review*.) Twenty billion dollars are a mere *one-twentieth* of one percent of the world's current annual GDP of roughly \$40 trillion. That's supposed to be all that it takes to develop the technologies that will enable the world to eventually reduce carbon emissions by 80% from today's levels.

How easy and simple it is all supposed to be, if only we will do as we are told, and get started doing so right away. All we have to do is sit back and leave the direction of our lives in the hands of the government. It will solve the problem of changing the global technology of energy production with the same success that the Soviets and the British Laborites pursued their respective varieties of socialism and with the same success that our own government has conducted its wars on poverty, drugs, and terror, and in Vietnam and Iraq. Did I say, "success"?

Sir Nicholas's *Review* is characterized by an apparent belief in a kind of magical power of words to create and control reality. Thus, the actual fact, as reported in *The New York Times*, is that "About one large coal-burning plant is being commissioned a week, mostly in China." In the same report, *The Times* points out that "A typical new coal-fired power plant, [is] one of the largest sources of emissions, [and] is expected to operate for many decades." Totally ignoring these facts, Sir Nicholas believes he has said something meaningful and significant when he writes,

Developing countries are already taking significant action to decouple their economic growth from the growth in greenhouse gas emissions. For example, China has adopted very ambitious domestic goals to reduce energy used for each unit of GDP by 20% from 2006-2010 and to promote the use of renewable energy. India has created an Integrated Energy Policy for the same period that includes measures to expand access to cleaner energy for poor people and to increase energy efficiency." (p. xxiv of *Executive Summary*.)

To say the least, this represents the use of mere statements of intent concerning action in the future in an effort to override the diametrically opposite character of China's and India's actual actions in the present, and in the foreseeable future as well if these countries are to achieve further substantial economic development.

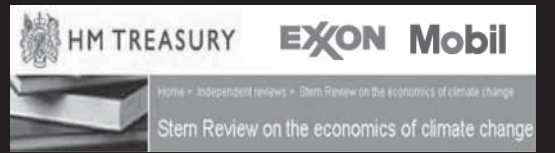
Another illustration of the attempt to employ words as though their use could control reality, occurs in Sir Nicholas's discussion of "learning and economies of scale" in connection with low-carbon technologies. He notes that "The cost of technologies tends to fall over time, because of learning and economies of scale," and appears to conclude from this that low-carbon technologies can therefore eventually be as efficient as the high-carbon technologies they are supposed to replace when the latter are forcibly curtailed. He writes, "There have been major advances in the efficiency of fossil-fuel use; similar progress can also be expected for low-carbon technologies as the state of knowledge progresses." (*Stern Review*, p. 225.) It apparently does not occur to him that there may be some necessary order of sequence involved and that the use of high-carbon technologies is the necessary foundation for the possible later adoption of low-carbon technologies.

Presumably, he does not believe that in the period 1750-1950, industrialization could have proceeded on the foundation of low-carbon technologies. For example, before such technology as that of atomic power could be developed, generations of industrial progress had to take place on a foundation of fossil fuels. And this was equally true for the technology of wind turbines and solar power. The ability to produce the materials, components, and equipment required by these low-carbon technologies rests on the existence of previously established highly developed carbon-based technologies. Further substantial economic development on the same foundation is required for the further development of low-carbon technologies.

Wherever the use of high-carbon technology is cheaper than that of low-carbon technology, forcibly curtailing its use implies the forcible reduction of the physical volume of production

# The Stern Gang:

TFR Special Report: The Stern Report On Climate Calamity



in the economic system, including its ability to produce further capital goods. Thus, forcibly curtailing the use of carbon-based technology cuts the ground from beneath the development of future low-carbon technology. It aborts the development of the necessary industrial base. (For elaboration of these points, see my *Capitalism*, pp. 178-179, 212, 622-642.)

Sir Nicholas's and the rest of the environmental movement's hostility to carbon technology, is ultimately contrary to purpose not only insofar as it prevents the development of the low-carbon technologies they claim to favor, but also in that it simultaneously, and more fundamentally, operates to *deprive the world of the ability to counteract destructive climate change, such as global warming.*

Whether or not they are aware of it, in attempting to combat alleged global warming, Sir Nicholas, and the rest of the environmentalists, are urging a policy of deliberate counteractive global climate change by the world's governments. They want the world's governments to change the world's climate from the path that they believe it is otherwise destined to take. They want the world's governments to make the earth's climate cooler than they believe it will otherwise be as the next two centuries or more unfold. But their policy of climate control is the most stupid one imaginable. It's more stupid than a modern-day equivalent of a savage's attempting to control nature by the sacrifice of his goat.

The reason it's more stupid, much more stupid, is that the goat that they want to sacrifice is most of modern industrial civilization—the part that depends on the 80% of the carbon emissions they want to eliminate, and which will not be replaced through any magical power of words to create and control reality, however much they may believe in that power. It is precisely modern industrial civilization and its further expansion and intensification that is

mankind's means of coping with all aspects of nature, including, if it should ever actually be necessary, the ability to control the earth's climate, whether to cool it down or to warm it up.

If mankind ever really finds it necessary to control the earth's climate, whether to prevent global warming or, as is in fact probably more likely, a new ice age, its ability to do so will depend on the power of its economic system. An economic system with the ability to provide such things as massive lasers, fleets of rocket ships carrying cargoes of various chemicals, equipment, and materials for deployment in outer space, with the ability to create major chemical reactions here on earth too, if necessary—such an economic system will have far more ability to make possible any necessary change in the earth's climate. That is the kind of economic system we could reasonably expect to have in coming generations, if it is not prevented from coming into existence by policies hostile to economic progress, notably those urged by Sir Nicholas and the environmental movement.

What Sir Nicholas and the rest of the environmental movement offer is merely the destruction of much of our existing means of coping with nature and the aborting of the development of new and additional means. To the extent that their program is enacted, it will serve to prevent effectively dealing with global warming if that should ever actually be necessary.

A major word of caution is necessary here. The above discussion implies that the use of modern technology to control climate is infinitely more reasonable than the virtually insane policy of attempting to control climate by means of destroying modern technology. The word of caution is that in the hands of government, a policy of climate control based on the use of modern technology could be almost as dangerous as the policy of

government climate control by means of the destruction of modern technology.

In fact, a possible outcome of today's intellectual chaos on the subjects of environment and government is a combination of major destruction of our economic system resulting from policies based on hostility to carbon technology *and* climate damage caused by governmental efforts to control climate through the use of modern technology. It's not impossible that what we might end up with is an economic system largely destroyed by environmentalist policies plus the start of a new ice age resulting from government efforts to counteract global warming through the use of technologically inspired counter measures.

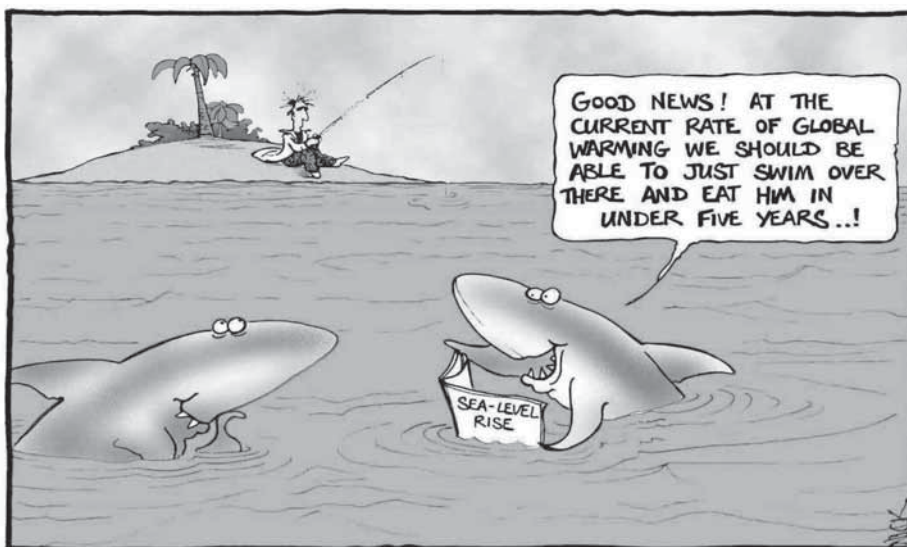
The only safe response to global warming, if that in fact is what is unfolding, or to global freezing, when that develops, as it inevitably will, is the maximum degree of individual freedom. (For elaboration and proof of this proposition, see *Capitalism*, pp. 88-90.)

Any serious consideration of the proposals made in the *Stern Review* for radically reducing carbon technology and the accompanying calls for immediacy in enacting them makes clear in a further way how utterly impractical the environmentalist program for controlling global warming actually is. The fundamental impracticality of the program, of course, lies in its utterly destructive character. But in addition to that, the fact that people are not prepared easily or quickly to make a massive sacrifice of their self-interests dooms the enactment of the program. Even if, in utter contradiction of the truth, the program were sound, it would simply not be possible to enact it in time to satisfy the environmentalists that the level of carbon buildup they fear will not occur. In other words, the world is quickly moving past the window of opportunity for enacting the environmentalists' program for controlling global warming. (Concerning this point, see pp. xi-xii of the *Executive Summary*, especially Figure 3 on p. xii.) The implication is that either they will have to find another issue or different means for addressing the issue.

The only different means, however, are technological in character. Environmentalism thus stands a very strong chance of ultimately reverting to the more traditional socialism of massive government construction and engineering projects. Its future may well lie with what is coming to be called "geo-engineering." We shall see.



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# Not Fit For Office

*A report commissioned by Tony Blair's government warns that the end is nigh and said that Europeans should not eat food from faraway places like New Zealand, if they want to save the planet.*

Prime Minister Helen Clark told the NBR this debate "was promising because it meant climate change was no longer remote or theoretical and people were beginning to see there were implications for New Zealand."

Miss Clark had earlier suggested New Zealand should aspire to becoming "carbon neutral", whereby all carbon emissions are offset by measures such as tree planting. How this is to be achieved, or when, was not made clear; Miss Clark did not go into details. We do not know if the Holy Grail of "carbon neutrality" is to be achieved through wholesale de-industrialisation, closing down pastoral activity or both. No matter, the slogan sounds great.

The government has not even managed to hold emissions at 1990 levels, as mandated by the Kyoto agreement. In fact, they have actually increased by 20%. We are to be punished for such profligacy by donating upwards of \$1 billion of 'carbon indulgences' to the thugs running the plutocracy in Moscow.

The Kyoto project was never more than an attempt by Europeans to stymie the development of competing economic blocs. That may be why the US Senate voted unanimously against it (a 95-0 vote), when Al Gore was still in office. At the time, Gore

said the protocol would not be acted upon in the Senate until there was participation by the developing nations. That was before Mr Gore took up a new career making documentaries.

There was a time when the governments in New Zealand saw it as their duty to protect markets for our exports. Regardless of whether we had coalitions of accountants, farmers and lawyers (National) or school teachers, trade union advocates and political science lecturers (Labour) the first priority was the same: keep those European markets open. The current crop, however, seems to be more interested in saving the planet. Contrast this with the Australian government's position.

People who go around saying that the end is nigh and we should atone for the sin of having won the Cold War are the modern-day village idiots. Every village has one, but in New Zealand we elect them to the village council. The costs are too high. Future New Zealanders will be impoverished at the altar of the planet-saviour zealots.

We say that those people are simply not fit for office.

**Daniel Silva is the head of the New Zealand Importers Institute**

## PRESS RELEASE: UK SCIENTIFIC ALLIANCE: Too Stern a view of climate change

Sir Nicholas Stern has published his review of the economic implications of modelled climate change. Not surprisingly, his conclusions are those which the government wanted: high levels of expenditure now will prevent much greater economic damage arising from the projected influence of Mankind on the global climate.

The Scientific Alliance believes that Sir Nicholas's talents have been misused. His calculations are based on the output of complex computer models, all constructed on the assumption that average global temperatures are directly linked to atmospheric levels of greenhouse gases – in particular carbon dioxide. His estimates are doubtless correct for the scenarios presented, but we question the validity of the starting point.

Martin Livermore, director of the Alliance, said "Evidence is building that climate is not driven primarily by human use of fossil fuels, as most people have been led to believe. There have been significant temperature changes during the last millennium, well before industrialisation, and the major influence of fluctuations in cosmic rays from the Sun have been under-represented in the work of the IPCC<sup>1</sup>. The billions which this review says it is necessary to spend are likely to have little positive effect, and could be put to much better use in helping the world's poorest people to create better lives for themselves."

Despite rising levels of carbon dioxide, 1998 remains the warmest year on record. Although hurricane Katrina caused catastrophic damage in 2005, it was not an especially intense storm, and 2006 has been a particularly quiet hurricane season. While the Western Antarctic ice shelf is breaking up, more snow is falling over a much greater area in Eastern Antarctica. Climate changes all the time, and humans undoubtedly have some influence, but to believe that drastic reductions in our use of fossil fuels will necessarily have any real effect on a climate system which we don't understand is to distract our attention from the current needs of the majority of the world's population.

According to Martin Livermore, "Gordon Brown's recruitment of Al Gore as an advisor – perhaps the world's leading propagandist for a one-sided and alarmist view of Mankind's role in climate trends – shows how much a single analysis of the evidence currently dominates policy. The government still has time to bring cooler heads into the debate, look at the evidence in a more balanced context and develop policies which can make a difference to people's lives in the here and now."





BOB CARTER

# The Stern Climate Review - Last Hurrah Of The Warmaholics

*The Stern warning could join Paul Ehrlich's The Population Bomb and the Club of Rome's Limits to Growth in the pantheon of big banana scares that proved to be unfounded*

Nicholas Stern is a distinguished economist. Climate change is a complex, uncertain and contentious scientific issue. Have you spotted the problem with the Stern review yet?

An accomplished cost-benefit analysis of climate change would require two things: a clear, quantitative understanding of the natural climate system and a dispassionate, accurate consideration of all the costs and benefits of warming as well as cooling.

Unfortunately, the Stern review is not a cost-benefit but a risk analysis, and of warming only.

This adroit shuffle of the pea under the thimble perhaps explains why Stern's flawed and partial account of our possible climate future stresses costs, ignores benefits, and fails to consider the all too likely eventuality of future cooling.

Even more unfortunate for Stern than his restricted brief is that there is no established theory of climate. Stern therefore has to rely on the advice of others in providing the summary of climate science that occupies the first 21 pages of his review. Though he cites a range of scientific literature, his summary strongly reflects the unsatisfactory consensus view of the UN's Intergovernmental Panel on Climate Change (IPCC).

The advice to policy-makers that governments periodically receive from the IPCC contains political rather than scientific advice. In concert with this, over the past 10 years the IPCC has moved from being primarily a reviewer of the science evidence to being an advocate for the alarmist case for global warming.

Perhaps the most important scientific point made in the Stern review is the statement that "the accuracy of climate predictions is limited by computer power".

Nonetheless, the review's risk analysis assumes that the computer models used are able to predict the future path of global climate for policy purposes. They cannot.

Worse, even if the models did have global predictive skill, that would only be a tiny first step towards policy advice, because the global average temperature or sea-level rise that the models calculate are conceptual statistics, not physical realities.

Estimating accurate costs and benefits for future environmental change requires not just knowledge of changing global averages but accurate, site-specific predictions for all parts of the planet.

For example, from 1965 to 1998, measured sea level rose slightly in Townsville and fell slightly in Cairns. Presuming that these trends continue, there is obviously the need for different coastal management plans for the two regions. Now repeat that thought exercise for future changes in temperature, precipitation and sea level worldwide. To make actual and accurate predictions for this is, of course, impossible.

Stern has surely accepted his IPCC-centric science advice in good faith, yet that turns out to be his fatal mistake. Because there is copious evidence that the advice is untrustworthy. For instance, participants at a recent international climate conference in Stockholm were told that the hockey-stick depiction of temperature over the last 1000 years, an IPCC favourite, has been discredited; that pre-industrial atmospheric carbon dioxide levels were higher, and fluctuated more, than is indicated by the averaged ice core measurements; that global temperature has not increased since 1998, despite continuing increases in carbon dioxide; that the Arctic region is no warmer now than it was in the 1930s; and that climate models are too uncertain to be used as predictive policy tools.

These considerations undercut the core IPCC arguments for dangerous human-caused warming, as contained in its 2001 assessment report. Yet early drafts of the forthcoming fourth assessment report reveal that IPCC thinking does not consider these deep uncertainties, and neither does Stern.

The opinion of Bjorn Lomborg, writing in yesterday's Wall Street Journal, suggests that it is not just Stern's science that is flawed. Lomborg accuses Stern of cherry-picking statistics to fit the argument, such as massaging future warming cost estimates from the generally accepted 0 per cent of gross domestic product now to 3 per cent in 2100 to figures as high as "20 per cent now and forever".

It seems that the economics of the Stern review is as shaky as the science, given that Lomborg concludes that "its fear-mongering arguments have been sensationalised, which is ultimately only likely to make the world worse off".

The Stern review has been presented as a rigorous treatment of climate change and its economic effects. In reality, however, the review is a political document whose relation to the truth is about the same as that of the notorious British report on Iraq's weapons of mass destruction.

The Stern agenda in Britain is to enable Labour to compete for eco-votes with an increasingly green-oriented Tory party. A wider agenda is the imposition of carbon levies for goods and services provided from outside Europe, thereby penalising more efficient competitors elsewhere. The European Union has form on this, and has previously tried to use DDT and genetic engineering of food as bogies to justify trade barriers.

Among a range of possible carbon morality taxes, Stern considers the application of a food-miles levy on produce subjected to lengthy air transport. Subsequent media coverage has concentrated on earlier estimates that flying 1kg of kiwifruit from New Zealand to Europe generates 5kg of carbon dioxide. With delicious irony, it turns out that virtually all NZ kiwifruit are transported by ship, yet arrive in Britain at a price that undercuts local supplies. No wonder a levy is needed.

Australian grape growers are doubtless already resigned to having an extra "noble carbon" levy imposed on their products, to the advantage of their French competitors. For that matter, why not a ballet miles surcharge on tickets at Covent Garden when the Australian Ballet next visits London? And given that most British dildos probably come from overseas, perhaps UK citizens will soon have dildo miles, too.

The Stern review is not about climate change but about economic, technological and trade advantage. Its perpetrators seek power through climate scaremongering. The review's release was carefully timed to closely precede this month's US congressional elections and the Nairobi climate conference. Beyond these events, we can expect another burst of alarmist hallelujahs to accompany the launch of IPCC's assessment report in February.

Though it will be lionised for a while yet, the Stern review is destined to join Paul Ehrlich's The Population Bomb and think tank the Club of Rome's manifesto, Limits to Growth, in the pantheon of big banana scares that proved to be unfounded. It is part of the last hurrah for those warmaholics who inhabit a world of virtual climate reality that exists only inside flawed computer models.

Meanwhile, the empirical data stressed by climate rationalists will ultimately prevail over the predictions of the unvalidated computer models. Perhaps then we will be able to attend to the real climate policy problem, which is to prepare response plans for extreme weather events, and for climate warnings as well as coolings, in the same way we prepare to cope with all other natural hazards.



**Bob Carter is a geologist and founding member of the Australian Environment Foundation.**



# The Buzzword For The Next Political Year Is 'Sustainability'

DOMINION, 30 October

*In her keynote address to more than 650 delegates and observers at the party's annual conference in Rotorua... Miss Clark said it was time to be bold on climate change.*

*"People realise you can't continue to deliver the economic and social gains that we all have traditionally ... that the way of life we have is unsustainable." Sustainability would be a core value of 21st century social democracy, she predicted.*

*"Why shouldn't New Zealand aim to be the first country which is truly sustainable - not by sacrificing our living standards, but by being smart and determined?" She floated the possibility of becoming "carbon neutral", which would be a major step on from merely curbing greenhouse gas emissions. "We can now move to develop more renewable energy, biofuels, public transport alternatives, and minimise, if not eliminate, waste to landfills."*

*Miss Clark said measures would include a mix of "carrot and stick"...*

their anti-development, anti-industry, anti-technology philosophy. The environmentalists want to pretend that strangling industrial civilization would not consign the world to a permanent hell of poverty, starvation and mass death. They want to evade the monstrous consequences of their ideas.

Thus, they tell us that there is something called "sustainability," a magic mechanism that will help the Third World achieve prosperity -- even as the environmentalists restrict the only known conditions for prosperity: free trade and industrialization. The way to achieve this contradiction, or at least to achieve the illusion of it, is the central idea of the Johannesburg conference: the demand that industrialized nations pay out massive aid subsidies, putting Third World countries on the dole rather than helping them develop their own economic production. It is an attempt to give the Third World some of the results of industrial development without actual industry or development.

But even the promise of aid is a lie, because Western money can do no good when the greens have outlawed all elements of industrial development. For example, there is much talk in Johannesburg about using Western aid to prevent famine, to halt the spread of disease and to provide Third World countries with clean water and sanitation. But it is the environmentalists who have campaigned against the construction of hydroelectric dams, a major source of electric power and clean water. It is environmentalists who have tried to block the use of genetically modified crops, which are more resistant to drought and disease. And it was environmentalists who stopped the use of DDT, allowing the resurgence of malaria, which once again kills millions in the Third World each year.

These campaigns are proof of the greens' real motives. They want to stop development and keep the Third World in a state of poverty - while they work to bring the same ideal of poverty to industrialized nations...

Michael Shaw and Ed Hudgins call "sustainable development" Sovietization, and they highlight a number of serious philosophical problems with the notion:

The U.N.'s concept of Sustainable Development is antithetical to individual freedom and economic liberty. It is, philosophically speaking, unsustainable. Development in this context refers to the use of naturally occurring materials such

The buzzword for the next political year will be 'sustainability.' Be aware that both National and the Clark Government have now trumpeted that your freedom and your future prosperity are to be sacrificed on the altar of 'sustainability' -- National are doing so in the name of political strategy; Clark in pursuit of another political diversion, but the few carrots and the many sticks are the same. So what the fuck does it mean, this flatulent buzzword? It's no good looking to your dictionary for help:

**Sustain** v.t., to bear the weight of, to hold up, to keep from falling...

Not much help there. No, sustainability is more about keeping people *down* than it is about keeping anything up.

'Sustainability' first became fashionable with the UN's Bruntland Report of 1987, which provided a recipe for authoritarians to take control of their nations' economies -- this report by the way was produced on the back of scare stories from Rachel Carson about DDT (which proved to be both wrong and destructive), from Paul Erlich on the population explosion (which proved to be embarrassingly

wrong), and from the Club of Rome on how the world is running out of resources (which myth Julian Simon almost "single-handedly routed"). All were wrong, spectacularly wrong, but their spectres still haunt the world through the 'sustainability' detritus of this report.

The Bruntland Report defined sustainable development as development that "meets the needs of the present generation without compromising the ability of future generations to meet their own needs."

This nostrum was adopted by the Agenda 21 circus in Rio early in the '90s, by schools and universities around the world, and was reaffirmed by the World Sustainability Summit in Johannesburg as recently as 2002. As the Ayn Rand Institute's Robert Tracinski pointed out at the time, the confusion seen at the 2002 Summit was precisely the result of taking "sustainable development" seriously -- with all of the contradictions inherent in the notion.

For environmentalists, the campaign for "sustainable development" is not motivated by a legitimate desire for development. Instead, it is an attempt to put a respectable face on



as land, forests, rivers, water, and the like. The notion of Sustainable Development assumes that if not managed by some collective body, these materials will be destroyed by individual owners. The United Nations Habitat Conference Report in 1976 stated: "Private land ownership is also a principal instrument of accumulation and concentration of wealth and therefore contributes to social injustice...Public control of land use is therefore indispensable."

The idea plays on the notion that "natural resources" resources are limited, say Shaw and Hudgins, yet as they point out "there is no such thing as a natural resource ... only matter and energy that we human beings with our remarkable minds are able to make use of for our survival and well-being."

Oil, for example, a century and a half ago, was not a resource to a farmer who found it seeping out of his land; it made the land worthless for growing crops or grazing farm animals. Only when men discovered how to use it to heat homes, run electrical generators, and propel planes and automobiles did it become a resource. Since from a human perspective there is no limit to the potentially usable matter and energy in the universe, there is no problem of running out of resources. The only problem is which resources will be developed and at what cost.

There is nascent technology, for example, to generate energy via ocean waves or to use orbiting collectors that would convert and beam energy to Earth via microwaves or lasers.

And University of Arizona, Tucson, Professor John Lewis has done serious work on the technology and economics of mining asteroids for minerals.

Sustainable Development is supposed to meet "the needs of the present without compromising the ability of future generations to meet their own needs." This definition is collectivist to the core. Not only does it ignore individual owners of assets, it in effect bestows title to those assets to an unborn future collective—not even future individuals who might inherit titles to property—but to "future generations." Agenda 21's definition of Sustainable Development was lifted from the 1977 Constitution of the Soviet Union.

In addition, this conception assumes that one can judge at any given time whether some use of an asset will be sustainable in the future. But such knowledge is virtually unobtainable. Estimates a century ago that America would soon lose its forests—a renewable resource -- were wrong; we have more woodlands today than at that

time. Predictions at that time that America would run out of oil in a few decades also proved spurious. Consider the folly if our ancestors had determined to save whale oil for lighting a few homes during the twentieth century.

But more fundamental is the fact that we cannot know how technology will affect the sustainable use of any given asset in the future. A snapshot is not a movie.

***We're supposed to "conserve resources for future generations," but if 'resources' are conserved for future generations then when in fact will the resources be used? Which future generation will be allowed to access them? When? This is a sacrifice of the present to a future that never arrives.***

America's history shows material progress over past centuries by any measure. If we had asked at any given time whether the use of an asset was sustainable without knowledge of future technologies that are simply unknowable before they are created, no doubt most development and progress would not have occurred.

This brings up another flaw in the definition of Sustainable Development. It is likely that future generations will live better than present ones if governments do not sabotage economic growth through takings, taxes, and regulations. If anything, the present generation makes itself a victim by forgoing the use of resources for the sake of future ones. The present generation bequeaths to the future a wealth of capital and knowledge. That means future generations will not need to reinvent the wheel. [...]

These problems with Sustainable Development show that at best it is a subjective, collectivist muddle and its application inevitably will destroy private control of property and with it freedom itself.

'Sustainability' is not about wealth production, rational analysis or the use of science or technology for advancement of human welfare. Quite the opposite: at root it is about *sacrifice*, paying penance for our prosperity and our freedom, and like all forms of sacrifice or of altruism, it's more about the present-day sacrifice than it is about future results (if any).

As Bjorn Lomborg points out for example, rational analysis of authoritarian reactions to projected environmental problems see the solutions as more expensive and more damaging than the so-called problems. As he says, "Just because there is a problem doesn't mean that we have to solve it, if the cure is going to be more expensive than the original ailment." That of course doesn't stop much irrationality.

We're supposed to conserve 'resources' for future generations, for example, but if 'resources' are 'conserved for future generations,' when in fact will the resources be used? *Which* future generation will be allowed to access them? *When?* This is a sacrifice of the present to a future that never arrives. If 'resources' may no longer be used, can they really be called a 'resource'? It is the human mind that has turned trees, rocks and mud puddles of yesterday into

the resources of today; it is the human mind that is the ultimate resource -- and just like all the other resources, *it is not running out*, although with economies and industry being shackled it is the mind being applied to production that is itself being shackled.

But will our grandchildren really thank us tomorrow for not applying our minds and our energy to production today? Will they really thank us tomorrow for not having built today the roads, dams, abattoirs, oil refineries, industrial and chemical plants, canals, sewerage systems, pulp and paper mills, railways and mines that we present generations have enjoyed as a gift from our own predecessors? Will they think we've been sensible? Or bloody idiots with an anti-human agenda who should have been silenced with a gag and a bucket of parquat.

But in the end it's not sense that attracts politicians is it, it's power, and the reason for the more-than-decade-long popularity of the 'sustainability' nostrum is that it delivers power to those who are hungry for it: to politicians and their minions. It is nothing other than a pseudo-concept giving planners, bureaucrats, politicians and minor functionaries power over your property and your industry and the use of your mind to create new wealth and new resources. And it does this in a way peculiarly suited to politicians -- by delivering them a constituency that can't talk back. If 'resources' (i.e., your property) must be protected for 'future generations,' and in the absence of future generations to speak for themselves, then the idea of 'sustainability' nostrum empowers *someone* to speak on their behalf. That someone of course is a politician.

How ironic: a constituency from tomorrow that can't answer back, used to shackle the constituency of today that can. What could be more ingenious? And what could be more suitable to sell politically.

Are *you* buying it?





# Scoring The Green Party Greenhouse Policies

*Our Free Radical Green-Watcher scores the 'six-pack' of Green proposals for legislative change to help 'fix' global warming.*

Some in the Green Party are willing to learn beyond the "assumed truths." Others suggest that anyone with a car with an engine bigger than 1.3 litres is "evil." It is the latter group who write their global warming policies.

The green movement has been particularly passionate about the energy and transport sectors, perhaps because the visible impact of both sectors is so pervasive, and so essential to the life of an industrial nation. Their moralistic sermonising has the message, "If you don't do what we say, then you're destroying *our* planet," and they point out that *you* can't be trusted to make rational decisions about your behaviour, so it's up to people like Sue Kedgley who can.

The enhanced greenhouse effect comes as a godsend to those ecologists with an authoritarian bent. Following the publicity over the Stern Report in the UK, the NZ Greens were keen to join the Stern Gang of political doomsayers, swiftly drafting a 'six-pack' of Bills to reduce the "New Zealand contribution" to the enhanced greenhouse effect. The Bills represent what Lockwood Smith once said of the Greens: that a party that was so concerned *about* the planet spent so little time actually *on* the planet.

Below I summarise the merits of each Bill (or lack thereof) and score them out of 5 for their likely impact on climate change, and also for their impact on the economy (with 5 being highly positive, and -5 being disastrous).

**1. The Climate Change (Government Vehicle Procurement) Bill** is window-dressing. This Bill would require SOEs and certain Crown entities to purchase or lease only vehicles of 1800cc or less, and only those in the "top 10% in fuel efficiency in their size class." This would mean Helen Clark should be driven to the airport in a Ford Focus rather than an LTD. Silly and ineffective? Sure, but I won't get too heated about the government requiring itself to buy smaller cars, as long as it doesn't require it of anyone else. However you don't need a new law to do this – just make it part of the performance agreements between Ministers and their departments. As long as it saves money (difficult to say as it may increase the price of smaller cars due to the increase in demand) I won't shed a tear if Cabinet Ministers have to be driven in smaller cars.

*SCORE: 0.1 out of 5 for climate change impact, and maybe another 0.1 out of 5 for the economy (it could save taxpayers a few cents each).*

**2. The Climate Change (NZ Superannuation Fund) Bill** would require the managers of the New Zealand Superannuation Fund to "consider climate change" and "the broader environmental impact" of the companies in which they invest. Now "consider" is a fairly weak threshold, so it is hard to say whether this will really change anything or if it will risk reducing returns and the ability of the fund to pay for national superannuation in the future – presumably not that important to the Greens (making money out of climate change would be "evil" no doubt). However, the Green Party's grasp of economics is adolescent at best and the trade-off between retirement income and the tiny marginal effect this bill will have on greenhouse gas emissions is not something that is raised. The purpose of the Bill is to "send signals to companies to clean up their acts and encourage investment in businesses that help prevent climate change" – as if the NZSF investment will make a decisive difference. So, I don't support using the NZSF as a tool for changing business – it is a tool for helping preserve national superannuation, and if it was privatised (the investment split and granted to all NZers as a personal investment account they could keep, add to, or sell) then I doubt most taxpayers would be pleased to be forced to invest in businesses based on environmental impact.

*SCORE: 0/5 for climate change impacts, and 0/5 for the economy (assuming that "consider" means altering investments on the margins, but not investing in poorer returns than otherwise).*

**3. The Climate Change (Electricity Fixed Charge) Bill** would regulate electricity retailers to prohibit fixed charges, the theory being that fixed charges discourage energy conservation, because if consumers faced all charges based on usage, then very low users would pay very little (encouraging low use). This quite simply is not fair. There are common costs in electricity distribution that vary little according to how much or how little electricity you use. These costs include maintaining everything from Transpower's network to the local distribution lines. So under the Green

Party Bill, a resident at Waimarama Beach would pay the full costs of maintaining and replacing the lines to that area compared to the bach owner who, only staying at the bach a couple of times a year, pays very little in electricity (but at the moment does pay for the cost of maintaining the connection). This is even though the bach owner expects to have a power connection 24/7/365 that he could use at any time he visits it. Those fixed costs should not be born on the basis of usage, because they do not vary with usage. The Greens think you're more likely to turn your TV off standby if you can get your bill down to near zero by being frugal. Essentially, this Bill doesn't stand up to economic scrutiny. This Bill will do nothing to reduce greenhouse gas emissions, but will encourage more rarely used properties to be connected to electricity subsidised by high electricity users.

*SCORE: 0/5 for climate change impacts and -1/5 for the economy (transferring wealth from regular electricity consumers to occasional users).*

**4. The Climate Change (Airline Emissions) Bill** would require airlines operating in NZ to cap, by 2012, their total greenhouse gas emissions in New Zealand to the level they are in 2007. It would also require them to "take measures" to decrease their net emissions to 1990 levels. In other words, between now and 2012, the number of flights will have to have reduced (partly offset by ongoing fuel efficiency gains). Now there will be fuel efficiencies from new aircraft, no doubt. This is something being driven intensely by airlines worldwide and aircraft and engine manufacturers have been achieving such gains for decades. This Bill would mean that airlines flying occasionally (e.g. Aerolineas Argentinas) may meet this requirement by maintaining current schedules with more fuel-efficient aircraft. It will give an advantage to new airlines (indeed you can see "new" airlines being set up by existing ones to get around this). By contrast NZ-based airlines would all face a hammering. For starters, the routes with the highest emissions (long haul routes) would suffer enormously – Air New Zealand's recent doubling of services to London (by adding a service via Hong Kong) would probably have to reverse. It would be the death knell for any international expansion plans by the airline.

As Air New Zealand would need to concentrate its future efforts not on growth, but instead on maximising what routes it services, routes would be culled and fares

increased (after all, no other airline could increase flights so competitive pressure is reduced). Domestically, services to some provincial towns may be at risk because many are marginal now (and especially given the big increase in domestic flights since 1990 as Air NZ went to low-cost low-fare operations, generating more business). Of course this ignores whether or not it is a breach of the International Convention on Civil Aviation by imposing such a requirement on overseas airlines.

The big effect is on the economy: provincial towns would be more isolated, and more people would drive instead of fly (hardly any will go by train!). All in all there would be less travel, particularly to and from other countries. Time-sensitive export cargos that go by air would be significantly effected, as the price of international air cargo would rise, reducing international competitiveness. In addition, international tourism would be on a virtually nil-growth path. With airlines unable to increase flights, their only hope to grow business is either shifting to larger planes flying less often (such as the delayed Airbus A380) or changing the tourist effort from mass tourism to upmarket (making money from more business-class passengers that pay much more than economy class, but with fewer seats). So, if you're in the tourist sector the glory days would be over, and don't expect New Zealand to tap into the growing tourist markets from China and India – the flights would be too expensive or simply couldn't exist, without cutting others.

*SCORE: So the Greens would put aviation in a virtual time warp, with modest aircraft efficiency gains providing little respite. The climate change impact? Well, given that growth in Chinese aviation will outstrip reductions in New Zealand flights in less than a year, you might be able to say a 1/5 if you count it for less than that period. Economic impact? How about -4/5. Thousands of jobs in tourism and exports are put at risk, Air New Zealand's viability is seriously compromised and provincial New Zealand will suffer from less air links.*

5. Having put the aviation sector into a time warp, the Greens get onto their favourite fetish: The religion of "cars and trucks bad, trains and coastal shipping (locally owned) good" "cycling and walking better, bus good but not as good as trains".

The road transport sector already pays around \$2 billion a year in taxes (fuel tax, road user charges and motor vehicle licence fees) which, at the moment, direct or indirectly, pay mostly for road maintenance and construction, with about 15% left over for public transport, cycling and pedestrian facilities, a broadly user pays system. The Greens don't like this – user pays doesn't seem to make a lot of

sense to them. So, instead of letting road users pay for, well, roads, the Greens have proposed the **Climate Change (Public Transport Funding) Bill** to stipulate that two thirds of the National Land Transport Fund (NLTF) be allocated to public transport, walking and cycling, rail, coastal shipping and travel demand management. In other words, *this Bill would increase the amount spent on those modes of travel by 400%!* Instead of paying for what you use, the Greens would spend money on modes that also emit carbon dioxide, just in a more collective friendly "Green" way.

The first effect is inflationary, on subsidies. Rail and bus operators would hike up the subsidies they demand as they desperately try to lay their hands on trains, buses, ships and staff. Of course, since the Greens are inherently Marxist, they will happily support a good portion of the subsidies being sucked out of the system to pay for these cost increases.

Secondly, you might ask what the effect of all of this actually might be. Now, it would be fair to say that expenditure on walking and cycling (which basically means footpaths, cycle lanes and marketing these modes) will do next to nothing to encourage people to walk or bike when they currently don't. In fact, as the intent would be to significantly subsidise the main competition (public transport) or even run it free, this is far more likely to attract people from walking and cycling, as frequent cheap public transport is more attractive than walking and cycling for most people, unless they treat walking and cycling as recreation. So it is a form of chasing your own tail. The extra public transport is likely to have a modest effect on driving. I say modest because unless public transport does these three things it simply can't compete with driving:

- a) provides a nearly door-to-door alternative (or with free secure car parking);
- b) is as fast as driving or better;
- c) is at a high enough frequency that missing a bus or train doesn't add a significant delay to travel.

Almost everywhere, and even taking traffic congestion into account, public transport is an inferior option for most people. All of the wishing in the world doesn't change, for example, that only 13% of all Auckland's employment is in the Central Business District where all the rail lines head for – and once you deduct those not within a cooee of a railway station at home (as Helen Clark once said), you are down to perhaps 10% of Auckland commuters, *at best*, who might have some sort of rail option. On top of that, and based on the government's own data<sup>1</sup>, for buses to be an improvement on car use (in terms of emissions) each bus has to attract at least

18 people out of their cars. Now given that the majority of bus users would never have driven in the first place (they either have no car or access to one, or the cost of parking means they wouldn't bother), it is a hard ask to attract 18 car drivers onto each bus.

However, the biggest problem is that the Greens have neglected what this redirection of funds would mean. 41% of Land Transport New Zealand funding at the moment goes on road maintenance. Resealing, pothole filling, replacing broken signs, weeding and the like. So reducing this to less than 33% (once you remove administration) means maintenance is cut by over a quarter. This means highways start to get rougher, more potholed and you'll need more fuel to drive on rougher roads, and there will be more accidents. Buses and bikes will suffer too but, hey, "roads are bad," aren't they man?

It also means no road construction. None. That doesn't just mean no motorways, it means no safety realignments and no fear tidying up intersections, in other words none of those hundreds of small projects that help improve the conditions for road transport.

You see, the Greens have this fanciful notion that leaving traffic stuck in congestion is good for the environment, that any dollar spent on upgrading a road is bad for the environment. On top of that, if the Greens ARE successful in their goal of shifting large numbers of people from cars and freight from trucks, there will be LESS money to spend on alternative modes, because there will be less road taxes collected.

*Score: So, climate change effect of this? -1/5 (deterioration in roading infrastructure, unnecessary underutilised extra public transport). Economic effect? -2/5 (as road transport becomes increasingly less efficient and money is wasted on subsidising inefficient modes of transport).*

6. Not happy with spending your road taxes subsidising how other people move, the most ridiculous Bill of the six-pack could well be the **Climate Change (Rail Electrification) Bill**. This "sets targets for electrification of different parts of the rail network and requires the rail operator to use biodiesel on those parts of the network which are not electrified by 2012".

The first question is "who is going to pay for this"? If the rail operator has to, I suspect Toll Holdings will go to the Government and say "we're out" because the cost of electrifying the extent of the rail network listed in the Bill is exorbitant. It cost \$350 million in 1986 dollars to electrify the central part of the main trunk line; in today's dollars we would be talking \$700 million. The amount of kms proposed for electrification are about treble that, so the cost would be about \$2.1 billion, remembering



that it isn't just about overhead wires, but also new locomotives, complete replacement of signalling and telecommunications systems, and supply of high voltage power to sometimes remote parts of the network. It isn't cheap. You also need to lower tunnel floors to allow space for overhead wires. Then you have the new biodiesel locomotives. Now to be fair, Toll does need to replace most of the current fleet of locomotives over the next ten years, but it will pay a premium to buy electric and biodiesel locomotives over simply new diesels. So either Toll pays (doubt it, given the rail business is currently worth \$600 million in total according to the current share price) or you the taxpayer are forced to pay. You would be forced to pay presumably to ensure that the average rail freight customer gets cheap transport (coal, forestry, dairy and containerised exports).

However, what does this multi billion "investment" get you? Well, the Greens are keen to selectively quote the results of a study commissioned for the Government a few years ago called *Surface Transport Costs and Charges* which looked at the full costs of road and rail transport and what road and rail transport users paid towards those costs. It includes externalities, which, setting aside the debate about how "real" these costs are

(and the positive externalities often ignored) included "climate change emissions", meaning CO2. The study looked at what CO2 emissions came from road and rail, and multiplied that by what was estimated as being a top-end level of what would be paid in an international carbon trading system. In other words, the cost was what "New Zealand" would lose or have to pay in carbon credits to maintain the current level of transport use. *The total 'carbon cost' for current rail transport was figured at just \$5 million.*

*In other words, the proposed \$2-3 billion investment in "greening" the railway would only generate a "benefit" of \$5 million a year. In real life this is what we call stupid.*

Ah, but what if rail attracted freight from the road? Well yes, wow, what if it carried double the current amount – by their own figures this would save a whopping \$10 million a year in 'carbon costs'!! So instead of putting \$2.1 billion in the bank and getting over \$100 million in interest, the Greens would literally pour it down the drain to get, at a very optimistic best, one tenth of this. Calling this dopey would overestimate just how little sense this proposal actually contains.

*SCORE: Effect on climate change? 0/5 (the*

*emissions during construction would offset the savings). Effect on the economy? -3/5 (as Toll pulls out or you get taxed to pay for it, and it generates a net economic loss).*

\*\*\*\*\*

SO THERE YOU HAVE IT - even if you do believe that man-made climate change needs to be combated, the Greens present you with Bills to:

- Shrink the NZ tourist industry;
- Shrink the NZ export sector dependent on air cargo;
- Significantly increase the price of air travel;
- Make roads rougher, less safe, unimproved and more pot-holed;
- Spend \$3.5 billion on rail to get a gain at best of just \$10 million a year; and
- Achieve a net zero benefit for the planet.

**TOTAL SCORE OUT OF A POSSIBLE 60:**

**A very shabby -9.8.**

**COMMENT FROM THE MARKER:**

**Must do better.**



**(Footnotes)**

<sup>1</sup> Surface Transport Costs and Charges, Main Report, Table 3.4A, p 64.



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# Selling Disaster: The Four Horsemen Of Modern Apocalypse

*"The whole aim of practical politics is to keep the populace alarmed - and hence clamorous to be led to safety - by menacing it with an endless series of hobgoblins, all of them imaginary."*

-H.L. Mencken

There's money and power and headlines aplenty in scaremongering (and much less and many fewer in good news), but how often is the scaremongering accurate? And does it matter? Disaster sells. It sells politically, and it makes a fair return through the cash register as well. But do the facts matter when we're scaring ourselves to death, or is it okay to lie in order to "wake people up" to calamity?

For the benefit of those readers either not paying attention or under thirty-five (insert obvious jokes here), let's have a look at three hugely influential granddaddies of modern environmental scaremongering: these three *invented* the "sky-is-falling" "something-must-be-done" technique peddled so effectively as a political tool in recent times. Doom and gloom, we're all going to die, the four horsemen of the apocalypse -- these three books launched that whole alarming trend in public relations and political activism; between them they raised pessimism to an art form, and "there-ought-to-be-a-law-against-it" whinging to a central part of contemporary political debate.

Rachel Carson's *Silent Spring* (1962) began the popularisation of environmental disaster for political ends. She claimed that DDT, used for malaria control, is killing birds, harmful to humans, and should be banned forthwith. People bought the book in droves. DDT was banned in 1972. The result of the ban was that millions died because of a resurgence in the disease that was formerly being controlled by judicious application of the chemical Carson called a killer. *It* wasn't. Her book was.

Paul Ehrlich wrote the 1968 best-seller *The Population Bomb*. Like Thomas Malthus two

centuries before him, Ehrlich used shoddy arithmetic to predict a worldwide explosion of population that would see "future generations" stepping on each other's feet all day every day just to survive, and used scary rhetoric about this nonsense to fire up the activists. Fired up they were, and scary indeed were his predictions:

- Not just millions but "hundreds of millions" would die from "a coming overpopulation crisis in the 1970s," he said, and by 1980 life expectancy in the United States would be just forty-two years.
- "If I were a gambler, I would take even money that England will not exist in the year 2000."
- "The battle to feed all of humanity is over. In the 1970s and 1980s hundreds of millions of people will starve to death in spite of any crash programs embarked upon now. At this late date nothing can prevent a substantial increase in the world death rate..."

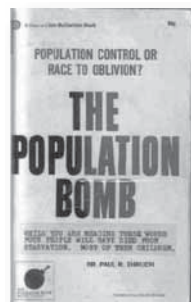
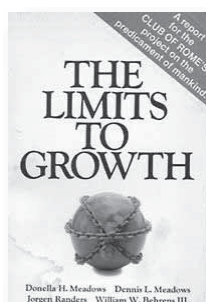
Nothing except perhaps good sense, hard work and entrepreneurial activity -- and of course the facts. As PJ O'Rourke notes, "Crowded as the country is, is overcrowding even its main problem? Hong Kong and Singapore both have greater population densities (14.315 and 12.347 per square mile, respectively) than Bangladesh, and they're called success stories. The same goes for Monaco. In fact, the whole Riviera is packed in August, and neither Malthus nor Ehrlich have complained about the topless beaches of St. Tropez." None of Ehrlich's predictions have come to

pass -- unless of course you do count the overcrowding of the topless beaches of St. Tropez in mid-summer -- but these were not predictions, he now says, they were "scenarios." Despite his abysmal failure as a prognosticator however, the sad old hippy is still tripping over wind chimes and bothering the adults. On the release of Bjorn Lomborg's book *Skeptical Environmentalist: Measuring the Real State of the World*, Ehrlich ranted, "If Lomborg had done some arithmetic, he could have . . . spared us a book as thick as a brick and almost as intelligent." And if Ehrlich had spared us his comment, he might have spared us forming for ourselves the fairly obvious conclusion about himself...

But perhaps Ehrlich was still just pissed off because Lomborg's hero Julian Simon had famously embarrassed him in their 1980 bet on the price of a chosen basket of resources. Ehrlich bet \$10,000 and his reputation as an alarmist that the price would go through the roof as resources ran out; Simon bet the opposite. Simon won.

Which leads us on nicely to another failed pack of alarmists and their own contribution to sensationalist history, *The Limits to Growth* (1972). Like Ehrlich, the Club of Rome had also read Thomas Malthus and had re-used his static arithmetics in the cause of alarmism. You name it, they said, and we're running out of it. "There will . . . be a desperate [arable] land shortage before the year 2000"; we would run short of gold by 1979, they said, of silver and mercury by 1983, of tin by 1985, of zinc by 1988, of petroleum by 1990, and of natural gas by 1992. Um ...

What they got wrong of course was not just their arithmetic, but their whole understanding of the role of price signals and entrepreneurialism -- indeed of the capitalist economy as a *dynamic* rather than a *static* engine of production. The capitalist engine



**CAPTION: Four books; four huge mistakes; four decades of doom, gloom and outright make-believe.**



of creation is a supple beast when left free and unshackled, allowing human minds to read price signals and opportunities, and to adapt their own resources to suit. The results are astonishing. As Ronald Bailey observed in 2001,

*Since the 1970s, the weight of the average car has fallen by 25 percent. Food cans are 50 per cent lighter than they were 50 years ago. A flexible plastic pouch that replaces a steel can reduces the packaging weight by 93 percent. Plastic soda bottles are 30 percent lighter than they were in the 1970s -- which were already much lighter than the glass ones that preceded them. Similarly, plastic grocery bags are 50 percent thinner than they were 20 years ago and lighter than the paper bags they replaced. The invention of the steel frame building did away with structures that needed heavy thick walls to support their own weight.*

*Functionality is increasing throughout the economy as well—as computers get smaller and faster, air conditioners, refrigerators, furnaces, and all manner of appliances become more efficient and longer-lasting.*

*. . . [C]orn yields per acre in the United States have more than tripled since 1950. Improving crop productivity is based entirely on technological improvements such as fertilizer, pesticides, and better seeds.*

He also notes,

*A copper wire can transmit 24 voice channels or about 1.5 megabytes of information per second. Far thinner and lighter optical fiber can transmit more than 32,000 voice channels and more than 2.5 gigabytes of information per second. The first American communications satellite, Telstar 1, was launched in 1962 and could handle 600 telephone calls simultaneously. Modern Intelsat satellites can handle 120,000 calls and 3 TV channels at the same time.*

So much then for the three granddaddies of today's scaremongering. Everything about them was wrong, tragically wrong in the case of Carson, but the spectre of their various apocalypses still haunt debate today.

Bidding now to join this prestigious club is a new candidate on the scene, a fourth horseman predicting global apocalypse if Something Isn't Done Now. The already famous Stern Report on Climate Catastrophe is a "bombshell study" was greeted even before its release by a whole Stern Gang of waiting politicians -- it reports We Face Depression If We Don't Act Now! Worse, much worse, Than Even the Great Depression of the 30s! Calamity, catastrophe and 20% of our wealth stripped from our pockets if We Don't Do Something Now! Right Now!!

Guess what? Says Bjorn Lomborg of that headline-grabbing figure:

*This figure, 20%, was the number that rocketed around the world, although it is simply a much-massaged reworking of the standard 3% GDP cost in 2100—a figure accepted among most economists to be a reasonable estimate.*

In a series of ingenious steps, the modest 3% figure for a century hence if nothing is done now has been "tricked" and finessed and inflated with more imaginary "scenarios" -- Stern, says Lomborg, is "inventing, in effect, a "worst-case scenario" even worse than any others on the table" -- in order to grab headlines and to scream disaster. (And that's just one problem with Stern's report, as Lomborg and others have been pointing out since its release.)

Inventing catastrophe for political effect. What could be more ingenious.

"It's okay to lie," say activists, if you're doing it in the name of a good cause. Is it? Say those same activists: "Bush lied; people died." If it's wrong for Bush to lie, as they claim he has, then why doesn't that work both ways? A founder of Greenpeace Patrick Moore split recently over exactly this issue. "Beginning in the mid-1980s," he says, "Greenpeace, and much of the environmental movement, made a sharp turn to the political left and began adopting extreme agendas that abandoned science and logic in favor of emotion and sensationalism..."

Environmentalism has turned into anti-globalization and anti-industry. Activists have abandoned science in favour of sensationalism. Their zero-tolerance, fear-mongering campaigns would ultimately prevent a cure for Vitamin A deficiency blindness, increase pesticide use, increase heart disease, deplete wild salmon stocks, raise the cost and reduce

the safety of health care, raise construction costs, deprive developing nations of clean electricity, stop renewable wind energy, block a solution to global warming, and contribute to deforestation. How sick is that?

Answer: Very bloody sick. Scaremongering sells -- but you don't have to buy it. And neither should you sell it on anyone else's behalf.

**POSTSCRIPT:** George Reisman's in an end-of-days mood too, but one of a rather different character to the apocalyptic four. He argues that the Stern Review on Global Warming could be environmentalism's swan song.

He raises a crucial point about the "action" called for in the report, a similar problem to Erlich's and the Club of Rome's own nightmare "scenarios": Stern simply fails to understand that a capitalist economy is a dynamic, not a static entity. Stern declares that disaster and hellfire and that depressive 20% drop in wealth production will be the inevitable consequences of "not acting," but as Reisman points out,

*Sir Nicholas's use of the words "don't act" is very misleading. What he is urging when he speaks of "action" is a mass of laws and decrees—i.e., government action. This government action will forcibly prevent hundreds of millions, indeed, billions of individual human beings from engaging in their, personal and business private action—that is, from acting in ways that they judge to serve their own self-interests. Thus, what he is actually urging is not action, but government action intended to stop private action.*



**This article originally appeared at Peter's Blog, PC.Blogspot.Com**

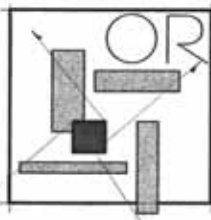
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Frank Lloyd Wright

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# Susan Slays-'em

Susan the Libertarian slays everybody's sacred cows

SUSAN RYDER



## The Road to Hell

The 'Hell Pizza' company recently placed a condom in thousands of private letterboxes nationwide in order to promote its Meatlovers' "Lust" pizza. After receiving complaints that young children had found them, Hell responded by saying that it was in the public interest that condoms should be free. The media (predictably) jumped on the story, which prompted public health officials and the Aids Foundation to come out in support of Hell. And what do you know, in five minutes a one-off fast food promotion had become the latest weapon in the War on STDs.

It is a fact that do-gooders drive me nuts, with health do-gooders being the most painful of all. Free speech is free speech and I had something to say.

**2 November 2006; 10.20am**

## Hi Hell

The 9 o'clock (radio) news just carried the story of your latest 'free-condom-in-the-letterbox' promotion.

First and foremost, I'm a Libertarian, which means I believe in the right for individuals to conduct themselves as they wish, provided they do not harm others in the process. That automatically includes the right to run your business as you wish.

It also allows me the right to free speech - and I think your promotion stinks. The thought of my 5 year-old niece or 7 and 9 year-old nephews finding a condom in the letterbox when they collect the mail for their parents is bloody disgusting to any adult with a modicum of common sense.

If you wanted to create a sensationalist five-minute wonder story - which is obviously the promotional intention - why the hell didn't you dump a truckload outside the nearest university? God knows the students are so state-brainwashed into believing everything in life should be 'free', they would be worthy recipients. At least the gesture might prevent the conception of another generation of state-worshipping twats.

And as for your spokesman's comment that 'condoms should be free', you just don't get it, do you. The government provides nothing; taxpayers are forced to fund whatever hare-brained scheme the

bureaucrats currently favour. Government never solves problems; conversely, it subsidises them. It's called the Law of Unintended Consequences, which means we always end up with even more problems as a result of state interference.

I'm tempted to say 'go screw yourselves', but that would be tacky, much like your promotion. You've just lost a customer for good.

Oh, and please note that I'll be forwarding this to as many people as possible. You see, freedom works both ways and I've just voted with my feet.

*Susan Ryder*

\*\*\*\*\*

**2 November 2006; 1.20pm**

## To Susan Ryder

We acknowledge your complaint dated 02 November. We are sorry that you have been offended by the latest HELL campaign.

We never set out to offend anyone but we do like to push the boundaries of marketing. We acknowledge your right to complain about the fact that you received a condom in your letterbox.

However, while the Lust campaign is primarily about marketing HELL's meatlovers pizza, there is an important social responsibility issue here, and that is that condoms are the most effective way to reduce the risk of unplanned pregnancy and sexually transmitted diseases.

It's also interesting to note that while abstinence is often promoted as an alternative to sexual activity, the rates of infection and pregnancy in groups that pledge no sex before marriage are similar to those of adolescent groups overall. On balance, we feel that the Lust campaign has been effective and has served to highlight important sexual health issues.

*Tania McRae*

\*\*\*\*\*

**2 November 2006; 2.27pm**

## Hi Hell,

Tania, I appreciate the response, but come on. Highlighting important sexual health issues? You're a pizza company for Chrissakes!

What next? Are you so concerned about the government's latest obsession with obesity that you'll throw a carrot stick in the letterbox to promote Gluttony?! Or maybe a matchbox Mercedes to promote Envy?! Hey, how about a free sweatband for Sloth or a starving African for Greed! Wow, just think of the possibilities for Hell to be able to 'highlight important issues'!

But please don't accuse me of being offended. Every man and his dog is 'offended' by something today; it's a national affliction for dripping wet whiners. I'm pissed off that you took the easy way out by blatantly imposing this crap upon people who haven't asked for it, particularly where minors are concerned. Handing a condom to your customers at the point of sale would have been the adult thing to do. That way, you'd be giving them the option to accept or decline the offer, while still making your point.

Stick with cooking pizzas. At least you're being productive. Leave the (questionable) public health policy to the Health Nazis. It gives them something to do; they love to think they're saving the world. But it's worth noting that the more they interfere, the worse the stats.

It is also worth remembering just what the road to hell is paved with.

*Cheers.*

If Tania thought she could fob me off with the party line, which ignored the points I raised anyway, she thought wrongly. 'Health issues', bollocks. If they had just owned up to it being a cheap publicity stunt, I'd at least have had respect for their commercial nous. But it always worries me when business gets into bed with the state.

What next, indeed. The Mad Butcher promoting UN policy (ye Gods) with his chicken pieces? The Energiser Bunny backing Kyoto? How about Toilet Duck on reducing Third World Debt!

Spare us from those who would save us all.

# RealBeer.co.nz

## The Free Radical Beer Column

### The Best of Beer in 2006

*While Ayn Rand had no use for tradition, we Tories simply love it. It is traditional at this time of year to publish top ten lists and this humble beer column is no exception.*

*So, here are my thoughts on the top ten New Zealand beers of 2006.*

10. **Moa Original** – the champagne of beers.
9. **Mac's Reserve** – you were taken from us too soon.
8. **Twisted Hop Centennial** – a New World real ale.
7. **Emerson's American Pale Ale** – a hop-spangled beverage.
6. **Limburg Czechmate Pilsner** – simple yet beautiful, just like the brewer.
5. **Cock and Bull Monk's Habit** – a rich, decadent pint.
4. **Three Boys Pilsner** – near-perfect balance.
3. **Epic** – some people call it insane, they call it flavour.
2. **Dux de Lux Nor'Wester** – still the only beer which gets me into an arts centre.
1. **Mayhem** – as close to the perfect pint as I have ever tasted.

*Some of these beers are not household names even though on pure merit they should be. I'm often asked by people where they should go to drink good beers.*

*Well, fortunately I've had some thoughts on that subject too.*

*I've compiled a list of the top ten places to drink beer in geographical order from north to south. As a bonus, I've made a beer recommendation for each venue.*

**Hallertau** (Auckland) – variety and quality in Riverhead. The Stuntman IPA will appeal to the brave.

**Galbraith's Alehouse** (Auckland) – the original brewpub. It would be a sin to miss the Resurrection Trappist Ale.

**Cock and Bull** (Auckland and Hamilton) – a chain of fun pubs serving great beer. Have a pint of Fuggles.

**Wassail Brauhaus** (Taranaki) – hospitality and real ale in the country's only bed, breakfast and brewery. Drink what your host Tim drinks.

**The Malthouse** (Wellington) – the biggest range of beer. Order a Tuatara tasting tray.

**Bar Bodega** (Wellington) – it may have moved but the beer list is just getting better. Tuatara Porter on the handpump is a must-have.

**Mussel Inn** (Golden Bay) – a highlight of my beer drinking career. The Captain Cooker is a classic.

**Dux de Lux** (Christchurch) – over a decade of coaxing great beer out of a tiny brewery. Go for a stunning Nor'Wester Pale Ale.

**The Twisted Hop** (Christchurch) – how beer should be made and drunk. Ask for a Goldings Bitter and a pork pie.

**Inch Bar** (Dunedin) – small but perfectly formed. Take the barman's recommendation for the best Emerson's beer on tap that day.

Honourable mentions would also have to go to Ruby's bar in Richmond, Bar Edward in Wellington and the chain of Belgian Beer Cafés across the nation.

I've picked these places because they "get" beer. They smash the stereotypes that all beers taste the same and that beer is just a second-class beverage best drunk ice-cold and in great volume.

They take beer seriously and offer their punters a range of flavoursome beers and great service. Many of these venues are doing amazing things with beer and food matching.

There are many beer heroes in New Zealand. Over the festive season try and give them your support.

I'll see you in 2007 for the next year of beer. Cheers.

Send Neil mail at: [neil.miller@beerwriter.co.nz](mailto:neil.miller@beerwriter.co.nz)





# Let's Hear It For Beer!

*The dangers of alcohol abuse are well known. So too are the cardiovascular benefits of drinking red wine. But could drinking beer actually be good for you?*

New Zealanders consumed on average nearly 80 litres of beer per person in 2002 (according to the Alcohol Advisory Council of New Zealand). This is equivalent to a small glass a day (or 2/3 of a standard drink). This makes it a substantial part of many people's diets.

Beer has been popular for at least five or six thousand years. Prayers, recipes and descriptions have shown it was integral to the inebriation of people from ancient civilizations including the Sumerians, Egyptians, Babylonians, Romans and Greeks.

Some historians go so far as to suggest that the craving for beer created civilization itself. Hunter-gatherer societies began farm crops and to build towns in response to the need to stay in one place long enough to permit fermentation and brewing. Fortifications and armies were formed to protect the essential grain crops.

Whether beer provided the impetus for civilization or not, it was certainly a crucial source of nutrients in early societies with early European communities existing on a diet of beer and barley soup. Beer at that time probably provided the majority of the nutrients consumed.

Beer has changed substantially over the centuries. Originally formed by fermenting bread, it would have barely had a fizz let alone the frothy head we know today. Hops were a late addition and thus early beers lacked the bitter flavor of current Western beer.

While for most people, beer is no longer a major source of nutrition, beer today still contains a wide range of essential compounds including proteins, antioxidants and B vitamins. With such a powerhouse of ingredients, it has the potential to be good for you. But is it?

As usual, the answer lies in the quantities in which it is consumed. While 10 beers may seem like a great idea on a Friday night, generally Saturday's hangover reminds us that moderation is the sensible course. In large quantities, beer, like any other alcoholic beverage can cause nausea, headaches and in the long term, liver disease, brain deterioration and cancers including mouth, oesophagus, liver, lung and colon.

But in moderation, how beneficial is beer?

First let's define moderation. Moderation is equivalent to (or less than) 1 standard drink a day for women and two for men.

In terms of nutrition, beer is high in B vitamins – vitamins important in mood regulation, promoting healthy tissue growth, boosting the immune system and preventing anaemia. It is also high in phytoestrogens – plant similes of the hormone estrogen. These phytoestrogens are the ingredients which supposedly make soy products beneficial. While beer has yet to be fully tested, it is possible that constituents may help to regulate circulating hormone levels thus improving mood, reducing cholesterol and possibly preventing some cancers.

Like red wines, beer protects the cardiovascular system, with moderate beer drinkers having a third the risk of coronary heart disease than a non (or heavy) drinker. The magic ingredients in both wine and beer appear to be polyphenols (found in hops and malt) – and beer contains as much polyphenol material as wine. These are chemicals which prevent the oxidation of low-density lipoproteins (LDLs) – also known as "bad" cholesterol. "Bad" and "Good" cholesterol are misleading terms. Cholesterol is good for you to some extent – it allows you to be solid at room temperature. However transporting cholesterol in LDLs damages the arteries through oxidation. Cholesterol carried as High Density Lipoproteins (HDLs) is considered "Good cholesterol" as it does not cause arteriosclerosis to the same extent. A beer a day increases the amount of HDLs by 4.4%.

Studies following people for at least 10 years have demonstrated that moderate alcohol intake (including beer) has been shown to reduce the risk of type 2 diabetes by 36% for men and 58% for women. It seems that isohumulones; one of the bitter flavor agents in beer reduces insulin levels in the blood. Isohumulones also help to prevent (and can be used to reduce) hypertension.

Beer can act as an antiviral – inhibiting the replication and thus spread of numerous viruses including HIV.

Beer can even protect against radiation damage (from sources such as x-rays) with numerous studies providing evidence that animals given beer extracts have better survival rates after high dosage radiation exposure. In human blood, beer components demonstrated increased protection of lymphocytes (white blood cells involved in the immune system) against radiation damage – at least in a test tube. Some of the benefits are due to cancer prevention compounds. Beer constituents have been shown to reduce free-radical levels in the blood and to prevent some DNA damage associated with early tumours. In animals, this has been demonstrated as a reduction in the risk of colon cancer.

For the more elderly, beer seems especially beneficial. It has been shown to counter osteoporosis (weakening of bones associated with broken hips) with regular (moderate) drinkers displaying lower bone mass loss than their peers.

It also slows dementia onset. For people 55 and older, moderate alcohol (including beer) drinkers exhibited better cognitive function than their teetotal (or inebriated) peers.

On the downside, beer does give you the munchies. However studies have revealed no correlation between beer consumption and body mass index (BMI) – in other words the beer gut is an urban myth. Obviously, like any alcohol it's not beneficial during pregnancy as it can cause physical and behavioural problems in the child. The only other negative thing appears to be that regular consumption increases the amount of bleeding after operations.

Overall, beer does appear to be a bit of a wonder drug – so long as you lay off the stubbies a couple of weeks before the hospital visit, and if you are expecting.

So perhaps it really is as Benjamin Franklin once said, that "beer is proof that God loves us and wants us to be happy."



**Kachina Allen is an Australian scientist, currently living in New York. She blogs at [Eccentricscientist.Wordpress.Com](http://Eccentricscientist.Wordpress.Com). Ms Allen does not necessarily agree or support any political, aesthetic, moral, philosophical or other viewpoints expressed in this magazine. A full list of references for this article can be obtained by emailing the editor at [organon@ihug.co.nz](mailto:organon@ihug.co.nz).**



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## Twelve Guidelines for Objectivist Writers

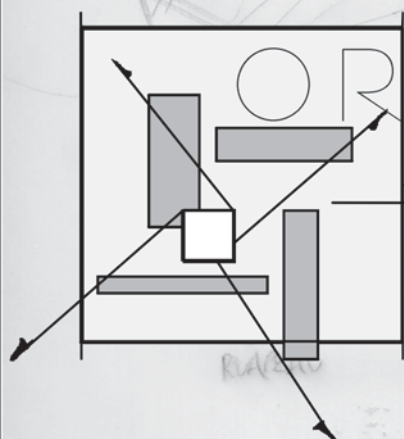
1. Don't include a byline photo of you in your best John Galt pose if your own mother turns away when you enter a room.
2. Take your Kant quotes from Kant, not from the Objectivist essay recycling bin.
3. Hold off on the paragraph-long Ayn Rand quotes until you've hinted to your audience that, yes, you've actually thought about what-she-said-better-than-you.
4. Avoid clipping an author bio to your article about the Israeli-Palestinian conflict if your experience in foreign policy consists of a business trip to Canada.
5. Refrain from humor if your forte is being dry, boring, and monotonous.
6. If you're going to use facts of history and current events as evidence for your arguments, try to pick something that more than nine out of ten Objectivists don't already use when making the same point that you're trying to pretend you're making for the first time.
7. Restating everything in other people's articles and then linking to them does not constitute good writing. It's called being a leech with references.
8. Either say something that hasn't been said, say it differently, or keep your fucking mouth shut. (Yes, this has been said before, but I don't believe with the word "fucking.")
9. Address the people whose arguments you are criticizing by name. Nowhere amongst the Objectivist virtues is it stated that being a pussy promotes your values. (I'm talking to you, Cresswell.
10. If you mention a fact because it's controversial, state your source. Don't be an authoritarian asshole. Especially when the authority is you.
11. If you happen to finish your tirade against environmentalism on the same day a major bridge is obliterated by terrorists, you're not immediately obligated to e-mail it to the *New York Times* and make the entire Objectivist movement look like a bunch of goddamn wackos.
12. Don't quote yourself repeatedly, you lazy, pompous prick. As I've said before, "That piece of shit you wrote for your political science class wasn't *Atlas Shrugged*."

Jason Roth is an Objectivist humorist from New York, and the host of **SaveTheHumans.Com**. Send him insults at [feedback@savethehumans.com](mailto:feedback@savethehumans.com)

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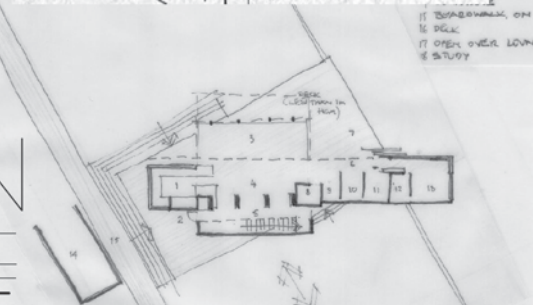
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John Calvert

April 1 **MONDAY** **TV**

## ONE

### 11.00 Arts Hole

Performance artist Grant Harvester demonstrates conceptual art by lying on his side continuously drinking water while pissing into a milk bottle.

■ Sponsored by Creative NZ

### Midday Movie:

#### My Life as a Dog

Starring SUE BRADFORD, SANDRA CONEY, PHILLIDA BUNKLE  
★ Films, page 64

### 1.00 Sally Jessy Oprahue

Sally interviews weird and disturbed people. Today: "I feel like I want to vote Alliance" (AO)

### 1.35 North Korea Today

A courageous Social Democratic Government has for decades held the line against corrupt Capitalist ideology. MP Chris Carter asks: how long can paradise be defended against decadent western culture?

### 3.20 Care Bears

With snuggly, huggly Jimmy Andy-Panderton.  
EMETIC PRODUCTIONS

### 3.45 Noddy in Toyland

A profile of former ARST head Bruce Jesson.

### 4.15 Play School

What else is there to do at school? Learn? Ha, ha; you obviously haven't seen the new curricula.

### 4.40 Te Karere

In Maori. No English subtitles. But remember: We were here first, White.

◆ Sponsored by Te Mangi Mob

### 5.10 Bewitched

A Documentary about Winston First supporters.

### 5.30 M\*U\*S\*H

State school education in the '90s: socialist studies, Maori science, historical revisionism, literary deconstruction, gender feminism, biculturalism, and Te Tiriti.

■ Sponsored by the NZQA

### 6.00 One Braindead News

All the gut wrenching, heart breaking, tear jerking, blood spurting footage we could find. Plus: A heart-warming story about a kitten rescued from a tree.

### 7.00 Shortland Street

Lionel woos Grace; Chris tries to seduce Kirsty; Hone attempts to bed Marge; but in the end, only the taxpayer gets screwed.

✂ Made with your NaZis On Air fee

### 7.30 Smear Go

Brayin' Oddwords and the team prove yet again that all Businessmen are basically corrupt.

### 8.00 Our World

Archaeologists believe they may have found the petrified remains of the Labour Party. But what purpose did this once enormous structure serve?

### 8.35 Mission Impossible

The team face their toughest challenge yet: They attempt to express an opinion in a discussion with Pam Corkery.

(R16 — Contains offensive language)

### 9.30 Give Us a Clue

A panel of left wing academics and journalists discuss the imminent collapse of capitalism.

### 10.35 Cops

Reality Based Crime Show.

Shutterbug: Officer Numbum spends eight hours sitting in his camera car, getting out only to change rolls of film.

### 11.00 Man About the House

A wacky comedy about a Loony Left politician and his life in Parliament with his two ditz co-deputy leaders.

Robin ..... JIM ANDERTON  
Chrissie ..... SANDRA LEE  
Jo ..... JEANETTE FITZSIMONS

### 11.50 Late Movie: Born Free

The tragic story of a man born with a shocking congenital defect, who, despite years of conditioning from the Human Rights Commission, is still barely able to function in society.

Starring LINDSAY PERIGO

★ Films, page 64

## 2

### 11.15 The Gaunt Gourmet

No salt, no sugar, no flavour cooking with Graeme Care who asks: Why torment your taste buds with sensuous, exquisite, delicious, tasty delights when you can be healthy instead?

Today: Unflavoured tofu with plain yoghurt, wheatgerm and a glass of water.

### 11.45 Country Calendar

Jeanette Fitzsimons investigates why many farmers, fed up with dairy and sheep farming, are turning to the hottest new export since kiwifruit: topsoil.  
GREENPISS PRODUCTIONS

### Midday: Architecture Today

Young Sue explains how more public housing is the answer to our poverty problems, and she takes us on a tour through state house areas in Glen Innes, Otara, and Porirua to show us what a caring government can achieve.  
COMMIE-CADO

### 12.45 Prays Be!

Discover a loving, caring, compassionate God . . . or go directly to Hell, you heathen bastards.

Producer ..... DIVINE BROWN

### 2.35 Success

(Cancelled due to lack of interest)

### 3.20 Grimm Fairytales

Readings from the Alliance Manifesto.

### 4.20 You're an Idiot, Charlie Brown

Charlie Brown joins the Alliance.

### 4.35 Lern to Reed Rite

Kool kidz lern to reed the luk-say way!

■ Sponsored by the Ministry of Education

### 5.00 Crimwatch

Are violent criminals victims of society? Father Jim Constant-whine explains why we mustn't rush to condemn the poor misunderstood unfortunates who prey upon us.

### 5.30 The Nanny

A profile of Human Rites Kommissar Big Sister Jefferies.

### 6.00 National News

Now an hour long so we get more advertising in. Apart from that, it's still once-over-lightly.

### 7.00 10/10

Superstars Genevieve Worstcot-case, Eata McNugget and their minions investigate allegations of satanic ritual abuse at The Business Roundtable.

### 7.30 The Six Million Dollar ACC Man

Steve applies for lump sum compensation, claiming that since his botched operation he hears a beeping noise whenever he tries to focus, and is now only able to run in slow motion.

### 8.00 Lotto

Be rich without the guilt and shame of having worked for it.

### 8.30 Documentary: The State Education System

(Not recommended for children)

### 9.30 Dr Who?

The Doctor goes back in time fifty years and seems doomed to remain there.

The Doctor ..... MICHAEL CULLEN  
Dalek ..... HELEN CLARK

### 10.35

#### The Southbanksie Show

Dame Junifer Damp-Squibbs discusses the "powerful, provocative and haunting" aesthetics of stained blankets and dirty underwear with "artist" Susan Jowsey.  
GRUNDYS

### 11.25 Pennies From Heaven

The Alliance explain their economic policy.

### 12.30 Movie: East of Eden

A National Party MP travels to China, where she is trained in the Resource Management Act. On her return, she hastens to implement what she has learned — by abolishing her constituents' property rights (based on a true story).

★ Films, page 64



***We should form  
a society to advocate  
all that's great about beer.  
We could call ourselves  
"Society Of  
Beer Advocates"!***

***S.O.B.A.  
I like it! Our slogan  
could be "Beer for  
all the right reasons"***



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