



# MONETARY & ECONOMIC REVIEW

Volume XXIII, No. 1

Spring 2008

## Stupidity on Steroids

By Marilyn M. Brannan

*Radical environmentalism, combined with ignorance and blindness on the part of politicians, is driving up prices for virtually everything – wrecking our economy, and precipitating a crisis of world hunger. Will this be enough to wake up the bureaucrats and politicians who control our energy policies?*

Fuel prices are soaring and threatening to wreck our economy. Hundreds of thousands – if not millions – of Africans and others in Third World countries are dying or will die of hunger if we continue down the road we're on. We are being controlled by out-of-control environmentalism – a modern-day religion that preaches a fanatical gospel that places a higher premium on “saving the planet” than on saving human lives and improving the plight of untold millions.

Just one illustration of the devastation that can be wrought by misguided environmentalism is now a matter of history: Huge numbers of people have died – and will die – from the scourge of malaria, once in check before radical environmentalists managed to get DDT outlawed. There is no evidence that DDT poses any kind of threat to the health of human beings. And yet, Rachel Carson's book, *Silent Spring* – based on myth rather than science – produced a hysterical response that resulted in banning the life-saving chemical. Millions died, and are still dying, from malaria.

### **The Specter of Famine**

Hundreds of thousands of others are facing death from famine because radical environmentalists are demanding that bio-fuels such as ethanol replace fossil fuels in our gas tanks. The hysteria over the use of fossil fuels has brought us to the shockingly inhumane position of feeding our fuel tanks and leaving children starving in poor countries around the world.

The price of corn, a grain that once fed millions, has skyrocketed. Poor countries, especially those that rely on corn as a staple of their diet, are suffering. Poultry producers and other livestock industries in the U.S. will experience severe financial losses and will be forced to pass along significant cost increases to consumers. Land that once produced wheat is now being used to raise corn. The United States – up until now the “breadbasket of the world,” must import wheat for the first time in history.

### **“Inconvenient” Facts**

The U.S. economy is being destroyed by policies enacted by ignorant members of Congress who knuckle under to pressure from radical environmentalists. Virtually everything we need for survival – food, clothing, and a multitude of other essential commodities – comes to us by vehicles powered by fossil fuels. Thus, as fuel prices rise, so does the price of everything else. We are being “programmed for acceptance” now by reports in the media that warn us we will see oil prices at \$200/barrel and gasoline prices at \$10/gallon in the not-too-distant future.

Geologists and oil experts tell us there is a virtually unlimited supply of petroleum within the United States – in Alaska's ANWR area, in the Outer Continental Shelf, and off the Florida coast. In fact, *China and Cuba are now setting up oil drilling rigs 50 miles from Key West*. And yet, we are not allowed to access the oil – a situation we can trace directly to politically powerful bureaucrats and ignorant members of Congress.

An article published by The Heritage Foundation (Charli E. Coon, “Tapping Oil Reserves In a Small Part of ANWR: Environmentally Sound, Energy Wise”) states:

*“Studies by the U.S. Geological Survey (USGS) estimate that drilling in ANWR could yield up to 16 billion barrels of oil – an amount roughly equal to 30 years of oil imports from Saudi Arabia. Such a resource would increase the nation's energy security as well.”*

As for the environmental impact, the article states:

*“The Arctic National Wildlife Refuge, located within the Arctic Circle in northeast Alaska, consists of 10 million acres. Oil and gas development in the refuge is prohibited by the Alaska National Interest Lands Conservation Act of 1980 (P.L. 96-487) unless Congress specifically authorizes such activity. In Section 1002 of this act, Congress set aside 1.5 million acres of the refuge's coastal plain section for potential exploration and development of oil and gas. In 1995,*

Congress approved exploration in the so-called 1002 Area, but President Clinton vetoed that measure. The debate in Congress centers solely on this small section; the remaining 17.5 million acres on ANWR lie on the protected enclave that cannot be developed.

*“Moreover, only a **tiny amount** (our emphasis) of the section proposed for exploration would actually be involved in drilling. New production technology – including multilateral wells as well as directional drilling and other horizontal underground drilling – would require the use of only 2,000 acres in the 1002 Area, a parcel no bigger than Dulles Airport near Washington, D.C., leaving 99.99 percent of ANWR untouched.”*

### **The Bakken Formation**

There is another oil formation in the continental U.S. that is generating great interest the Bakken Formation. On April 7, 2008, Business Week reported:

*“A long-awaited federal report on oil that could be recovered in parts of North Dakota, Montana, and two Canadian provinces is to be released this week.*

*“The Bakken shale formation encompasses some 25,000 square miles in North Dakota, Montana, Saskatchewan and Manitoba. About two-thirds of the acreage is in western North Dakota, where the oil is trapped in a thin layer of dense rock nearly two miles beneath the surface...”*

*“In 1995, the [U.S.] Geological Survey estimated that using technology available at that time, 151 million barrels of oil could be recovered in the Bakken, said Brenda Pierce, a geologist and program coordinator for the agency’s energy resources program.”*

A later report in Energy and Capital (April 30, 2008) states:

*“The U.S. Geological Survey just published its official results confirmed a massive oil reserve in an area the locals have nicknamed the “Bakken,” which stretches across North Dakota, Montana, and southeastern Saskatchewan.*

*“The new USGS study estimates a whopping 3.65 billion barrels of oil in the Bakken – a 25-fold increase in the amount of oil that can be recovered, compared to the agency’s estimate back in 1995.*

*“Discovered over 50 years ago, the Bakken deposit – once impossible to extract – is now being hailed as the single largest oil find in U.S. history. Thanks to breakthrough drilling techniques like horizontal drilling, the Bakken’s oil shales can be extracted relatively cheaply.”*

### **The Real Shortage: Common Sense**

The mindset of radical environmentalism has so infiltrated the thinking of policy makers that decisions are being made that actually worsen our energy problems. The Heritage Foundation revealed on February 7 this year that in Maryland, the Allegheny Energy Company had mailed two compact fluorescent light bulbs to each of its customers. Those customers were outraged when they discovered a \$12 charge on their bills for the unsolicited light bulbs. (*Heritage Foundation, “Nuclear Energy: Power Play,”* by Jack Spencer and Nick Loris, 2/7/08).

Why would a power company pull such a stunt? The answer is that utilities are reacting to government estimates that energy demand will increase 40 percent by 2030. At the same time, overzealous regulators make it difficult to expand energy capacity. Thus, power companies are left with few options.

Instead of loosening regulations to induce capacity expansion (which would seem logical to anyone with common sense), state and federal governments are moving toward rationing electricity. Martin O’Malley, governor of Maryland, wants to mandate reductions by 15 percent in electricity use by 2015 and force state utility companies to produce 20 percent of their energy from solar, wind, and other renewable fuels by 2022. Since Maryland produces only 1.3 percent of its electricity from renewable, increasing that to 20 percent in the next 14 years would be an enormous challenge, to say the least.

The moves toward such draconian action are rooted in the assumption that there is an energy shortage. But Spencer and Loris say energy is *not* in short supply:

*“There are fossil fuels, and lots of them, right here in America. Yet America... chooses to leave much of its own reserves untapped. Yes, wind and solar power are options. But the technology hasn’t advanced yet to the point where these are affordable enough or reliable enough to satisfy our growing energy demands.*

*“Then there’s nuclear power. It is emissions-free, affordable, proven and safe. It already provides the United States with 20 percent of its electricity. It can be used and recycled again and again, making it essentially limitless.”*

Furthermore, nuclear power can solve many of the problems that are cited to justify the family conservation plans and energy mandates. It is abundant, environmentally friendly, free of carbon dioxide, and is domestically produced. Yet, officials continue to ignore its advantages.

Why? If they are genuinely concerned about greenhouse gases or America’s dependence on foreign oil, why do they not seek ways to expand nuclear energy? Why are so few politicians backing such a change?

## **Ignorance Is Costly**

Americans need to be educated in this area. The days of anti-nuclear fear mongering may be past, but we are still affected by 30 years of anti-nuclear propaganda. As a result, individuals in government and in the market place who could move us in a sensible direction on nuclear energy hold back.

An energy mix that includes fossil fuels, nuclear power, and renewable energies would best serve our country. If it turns out that CO<sub>2</sub> is a problem (a conclusion for which there is no consensus, despite what Al Gore and his minions are telling us) then the role of nuclear energy will be even more critical.

In Maryland, planners want to build a nuclear power plant that would solve the state's energy supply problem and meets its CO<sub>2</sub> reduction goals – but bureaucrats are standing in the way.

Democrats in Congress – who have made no real effort to develop a sensible energy policy – continually block moves to drill for fossil fuels. Then they lay the blame for soaring oil prices on President Bush and “big oil.”

If American voters could get it through their heads that it is politicians who are forcing us into this horrific crunch, perhaps they would clean house in Congress. Or – could it be that they actually like the idea of continually increasing energy bills, darker, colder homes, and rationed electricity?