



Getting Jobbed by the “Green” Government

Item: *There are plenty of questions being asked, notes the London-based Economist dated September 24, “about Solyndra, a maker of cylindrical solar panels that continued to receive instalments of a generous government loan even as it hobbled towards bankruptcy. Two committees of the House of Representatives were holding hearings on the fiasco this week. The FBI is investigating the firm, as are the Energy and Justice Departments and the Treasury. The chairman of the House Judiciary Committee wants the Justice Department to open a full-scale independent investigation.”*



It turns out, says the publication, that “the White House staff nagged the Department of Energy and the Office of Management and Budget to approve different stages of Solyndra’s application, first so that they could declare that the stimulus was off to a quick start, and then so that Mr Biden could take part in the groundbreaking ceremony.”

However, the “White House says these things happen in the world of investment. It denies that it tried to steer money to particular projects or favour certain investors.... But pointing out how risky venture capital is only raises the question of why the government went into it in the first place. A far better way to promote investment in clean energy would be to raise the price of the dirty sort, through a carbon tax or cap-and-trade scheme. It is the sniggering Republicans, of course, who have prevented that from happening.”

Correction: Whether it is by issuing regulations *against* legitimate businesses or *for* its buddies, the government doesn’t pull its weight as much as it throws it around. Indeed, when it comes down to it, the only federal enterprise that actually makes money is the Mint.

Meanwhile, the Environmental Protection Agency, though it has tried to make excuses for its behavior, was so eager to twist the arms of industry toward its preferred ends that it didn’t even follow its own rules. The agency tried to excuse its running afoul of its own Inspector General by saying that its violations were just technical matters. Oh really? Can you imagine persnickety EPA officials being magnanimous to a company that tried to duck the consequences of its actions by claiming that it had only violated “process and procedure”?

There are other major differences between private companies and federal regulators — not the least of which is that the former provide jobs and create wealth, while the latter regulate people out of work and stifle the economy while forcing taxpayers to shoulder the burden.

The violation found by the Inspector General determined that the EPA failed to meet the required standards for peer review for such a major issue as the rules governing “climate change” — the new euphemism for “global warming.”



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As has been pointed out by Senator James Inhofe (R-Okla.), the ranking member of the Senate Committee on Environment and Public Works, the federal Office of Budget and Management demands complete record-keeping of all documents before such a major regulatory decision is made, as well as a thorough review of the science by an unbiased panel. Yet, the EPA didn't bother. Competitive Enterprise Institute (CEI) senior fellow Marlo Lewis noted that the agency steered clear of "rigorous peer review of its endangerment finding Technical Support Document by not classifying it as a 'highly influential' scientific document. In fact, the TSD may be the most influential document claiming scientific content any U.S. government agency has ever produced. It is the scientific rationale for EPA's audacious — and congressionally unauthorized — project to de-carbonize the U.S. economy." The agency's finding then concluded that so-called greenhouse-gas emissions endanger public health and welfare. Accordingly, the agency maintained it was forced to regulate the emissions as a pollutant under the Clean Air Act.

That's a polite way of saying the EPA tried to justify its indefensible actions. Others were a mite more blunt. Myron Ebell, the director of the Center on Energy and Environment for CEI, observed directly: "The Inspector General's report requested by Senator Inhofe is just the latest evidence that the EPA is relying on junk science, bending the rules, and ignoring its own procedures in order to do whatever the White House wants them to do. Under President Obama, the EPA has become a lawless agency."

Overly officious bureaucrats, doing the dirty work for statist politicians, keep using allegations of "pollution" and impending disasters as economic weapons, invariably making us pay through the nose. Federal "climate change" spending, for instance, totaled an enormous \$106.7 billion between 2003 and 2010, according to the General Accountability Office.

Despite the paucity of evidence backing the contention that human greenhouse gases produce extraordinary harmful global warming, government is both actively trying to boost green energy and green jobs and penalize "dirty" energy with regulations. Obama has repeatedly vowed to "invest" funding — our money, though that part wasn't emphasized — for what he dubbed "green jobs." He said he would "create 5 million 'green jobs' [and] invest over 10 years to deploy clean technologies, protect our existing manufactur[ing] base and create millions of new jobs." In an effort to keep those promises, the Obama administration has showered money on favored industries, such as the failed Solyndra solar plant.

In the meantime, not only have those green jobs been few and far between — and horribly expensive — regulations such as those churned out by the EPA are a dead weight on the struggling economy. The Small Business Administration, recounts Larry Bell in *Forbes*,

estimates that compliance with such regulations costs the U.S. economy more than \$1.75 trillion per year — about 12%-14% of GDP.... The Competitive Enterprise Institute believes the annual cost is closer to \$1.8 trillion when an estimated \$55.4 billion regulatory administration and policing budget is included. CEI further observes that those regulation costs exceed 2008 corporate pretax profits of \$1.436 trillion; tower over estimated individual income taxes of \$936 billion by 87%; and reveal a federal government whose share of the entire economy reaches 35.5% when combined with federal 2010 spending outlays.

A U.S. Energy Information Administration economic forecasting model indicates that a proposed 70% cut in CO2 emissions will cause gasoline prices to rise 77% over baseline projections, kill more than 3 million jobs, and reduce average household income by more than \$4,000 each year.



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Simultaneously, the administration has been choosing those it thinks should win and those who it wants to lose in the eco-marketplace. The problem is that when the feds make a mistake, the taxpayers are often left to pay for the losses.

This is not to say there is no place for wind power or solar power in the United States. But when the government picks sides, it distorts markets. The *Economist*, above, offers false choices — suggesting that if we don't want the government in the energy business the only way to get “clean” energy is through taxation or what amounts to extortion from businesses. The presumption that private companies want nothing more than to despoil the Earth for profits, while public employees are altruistic because they live off the largesse of taxpayers, is phony in any number of ways.

While only a relative handful of jobs have resulted from federal boosts, the totals involving energy subsidies are overflowing. Robert Bradley, the CEO of the Institute for Energy Research, has noted that in 2010, the federal government handed out \$37.2 billion in direct energy subsidies in 2010, a jump of more than \$19 billion over 2007. Of the added amount, subsidies for so-called renewables totaled over \$9 billion, about a 186 percent increase. “Subsidies for renewables now total \$14.7 billion,” he says, with wind power representing the largest recipient of the federal government's energy dollars — taking in almost \$5 billion in subsidies in 2010, more than tenfold the amount received in 2007. Meanwhile, writes Bell,

Solar energy subsidies increased six times over the same period, from \$179 million to \$1.13 billion. And biofuels (think ethanol) saw a jump from \$4 billion to \$6.6 billion.

Funneling money into renewables is certainly politically popular. Officials write the checks and then (loudly) declare themselves champions of, say, “the energy economy of the future,” or “the green revolution” or whatever new catchphrase has proven powerful with voters.

But, at the end of the day, someone ought to ask: What exactly do green firms have to show for all that money?

And the truth is: Not much.

Take wind power. Today, it represents a paltry 1.2 percent of total domestic energy production. Yes, that's up from 0.5 percent in 2007. But only after spending billions in taxpayer resources.

The huge costs for meager benefits are positively harrowing considering what the Obama administration is willing to fork over for its renewable friends. As we write, the Department of Energy has been considering offering federal loan guarantees of several billion dollars for a number of projects — with the department itself acknowledging the “investment” would only create 283 jobs. That's the total. That would be, as *Investor's Business Daily* calculated, almost \$23 million per job — which is nice work if you can get it.

That is not an aberration, but rather is the designed policy of the federal government, whose apologists argue that things would be worse without such outlays. Really. For example, Treasury Secretary Timothy Geithner publicly declined to disagree with the estimate of a Harvard economist that concluded that each job in the White House's overall package would cost \$200,000, but contended that “the price tag is the wrong way to measure the bill's worth.” Is there any reason to wonder why the nation is \$14 trillion in debt?

Even in the face of the Solyndra scandal, the administration rushed through four projects, committing \$4.7 billion in loan guarantees, within hours of the deadline at the end of September, part of the \$18



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billion provided in the latest stimulus act. The guarantees, as the *Washington Post* blandly put it, “make it easier for businesses to secure loans because lenders know that if the company defaults, taxpayers will assume the debt.” Keep in mind that the government isn’t “guaranteeing” these companies will succeed in their suspect ventures, rather it is promising your money will be used should it go belly up — as happened to the half-billion dollars with Solyndra.

Here are some more figures and facts that fall into the read-’em-and-weep category. The Department of Energy, according to Paul Driessen of the Committee for a Constructive Tomorrow, continues to lavish tax monies on wind and solar projects

that provide minimal energy at exorbitant cost, even after two more solar companies went bankrupt, costing Americans another \$1 billion and 1,900 jobs. Solyndra alone cost US taxpayers \$535 million, to create 1,100 temporary jobs at \$485,000 apiece. They’re all gone now.

Citing Energy Department reports, the *Washington Post* reports that the \$39-billion loan guarantee program, which President Obama promised would “create or save” 65,000 jobs, has instead spawned a measly 3,545 new, supposedly permanent jobs — after blowing nearly \$18 billion, or \$5 million per job.

Green jobs? Greenback jobs is more like it — taxpayer greenbacks for Obama and cronies. Worse, by draining billions from taxpayers, consumers and productive sectors of the American economy, the administration is killing two to three traditional, sustainable jobs for each greenback job it creates.

It’s not that the United States is running out of energy resources, including clean resources, it’s that we have been handcuffed from using much of it. Off the coasts of the United States and under our grounds, the supplies are bountiful — if only we were allowed to tap them. That would create true jobs, not expensive make-work. If Americans were allowed access to such potential domestic supplies, plus imports of oil from Canada, the results would include one million jobs by 2018 and 1.5 million by 2030, according to a new study by energy consultant Wood Mackenzie.

Washington has been doing just the reverse. The Obama administration has been restricting domestic oil production across the board, observes Mario Loyola of the Armstrong Center for Energy and the Environment. The President has “cancelled leases and made new ones more expensive; slowed permit approvals for exploration plans down by 85 percent; proposed to impose new taxes and take away deductions; and now sicced the EPA on the industry with a number of inordinately expensive new rules. More than 80 percent of the nation’s recoverable oil reserves are off limits.”

Let no one say the President doesn’t care about those tossed out of work by the government. A ruinous ozone rule, which Obama favors, that would have destroyed 7.3 million jobs, according to the Heritage Foundation, was postponed, as it happens, until after the elections in 2012. Obama, you see, has his own job to consider.

— Photo of President Obama touring Solyndra: AP Images



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