

The Democrats Abandon the Environment

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Global Research, July 16, 2009

16 July 2009

Region: [USA](#)

Theme: [Environment](#), [Global Economy](#)

“As a banker, I also welcome the fact that the ‘cap-and-trade’ system is becoming the dominant methodology for [carbon dioxide] control.” Simon Linnett, Executive Vice Chairman of Rothschild Bank.

Can the looming environmental catastrophe be solved by environmentalists working side by side with Wall Street Bankers? Such a question doesn’t deserve a serious answer. The Democrats, however, are attempting to address the issue of global warming by developing a “partnership” between those who love the earth, and those who love only profits.

Such a marriage must surely end in divorce. But the Obama administration is enjoying maximum political gain from the blissful honeymoon period, while in reality the honest environmentalists have already left in disgust, even those previously committed to supporting the Democrats: Greenpeace, Friends of the Earth, Public Citizen, etc. They rightfully feel betrayed and point to the Democrats’ “Cap-and-Trade” environmental bill as proof the same bill that Obama and the media claim to be a “historic” step forward.

Cap-and-Trade is itself an absurdity of logic, for it assumes that the economic mechanisms responsible for the destruction of the environment, capitalism, should be the centerpiece of any potential solution. Any solution to global warming that isn’t market-based (capitalistic) has been explicitly rejected by the two-party system.

But this immediately presents a new problem: how to create a “profitable market” out of pollution reduction? Such a question can only expect blank stares in return, but the titans of Wall Street are well known for sleight of hand tricks that conjure up billions.

When it comes to Cap-and-Trade, the government has become Wall Street’s vehicle for quick cash. What will be “traded” in Cap-and-Trade is the ability to pollute, called “allowances,” a commodity that promises to be sold and speculated by the really big banks — Goldman Sachs, JP Morgan Chase, Morgan Stanley, etc — who already have eco-trading houses in the U.S., and are simply waiting for the Senate to pass them a tidal wave of cash. And although Obama originally promised that corporations would bid for these allowances from the government, the bill passed by the House demands that only 15 percent be bought, while the rest is given away at taxpayer expense.

The bill also sets a pollution limit or “cap” on designated types of pollutants, with the companies that exceed the cap having to buy more “allowances,” while those that easily meet the cap may sell their allowances to the more polluting company. Thus, the intention is for the worst polluters to have a financial incentive to “go green.”

In reality, however, giant corporations dominate not only the market, but Congressmen, exerting maximum influence at the slightest chance their profits might be threatened. Cap-and-Trade was therefore inbuilt with easily exploitable loopholes, to the great benefit of Wall Street and polluters.

The more obvious loopholes are three-fold: the generous size of the pollution cap, the gigantic amount of free allowances, and the obscure concept of the “offset” — companies may skirt the already-generous cap by being “green” elsewhere, such as by starting a coke bottle recycling program in San Diego or simply purchasing offsets from elsewhere. The ability to regulate this offset loophole is all but impossible, and Wall Street has big plans to trade and speculate the device (commodity) for heavy profit.

Here’s what Greenpeace says about the above loopholes: “[Cap-and-Trade] sets emission reduction targets far lower than science demands, then undermines even those targets with massive offsets. The giveaways and preferences in the bill will actually spur a new generation of nuclear and coal-fired power plants to the detriment of real energy solutions.”

The key beneficiaries to these loop holes are the especially polluting corporations, such as the giant agri-corporations, big coal, big oil, and nuclear power. If you combine the billions in allowance giveaways with the low cap, you have A LOT of extra allowances to sell on the market, while also having a free-lease to continue polluting for years.

And the pollution may be initially worse than what exists currently, since the new law dismantles portions of the Clean Air Act, specifically the EPA’s ability to regulate carbon emissions. A company, therefore, with a heavy allotment of allowances and offsets could legally pollute worse than they could today.

Perhaps the biggest danger the bill presents is the illusion of progress. The scientific consensus around global warming is extremely clear: either we make far-reaching changes in our environmental policy now or face incredible environmental and social devastation in the not-too-distant future.

This means not simply “moving away” from the use of fossil fuels and stricter regulation, but immediately building an alternative energy infrastructure — the mass production of solar panels, windmills, high speed trains, electric buses and cars, bikes, etc. An amazing opportunity to accomplish this was missed with the bankruptcy of General Motors. Instead of using GM’s many factories to build for the future while saving jobs, the Democrats opted for the same broken system, building gas-guzzling individual cars, while many factories are to be demolished and the machinery sold for scrap.

This path was chosen because of the threat that the commonsense, environmental option posed: the status quo represented by the ultra-rich do not like actual change (which is why many of them endorsed Barack Obama). Instead, they would like society to stay exactly as it is, since they benefit enormously from it. If there are immense profits to be made in heavy polluting industries, this money will remain a much higher priority than the environment ever will under the two-party system. Loopholes, exceptions, allowances, and offsets will thus maul any attempt to address environmental issues.

To actually address the daunting issue of the environment, a wider perspective is needed, one that transcends both political parties and the broken economic system they are slavishly dedicated to. If society’s resources are not used for the betterment of society, the

search for profits is destined to destroy the planet.

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