

Manufacturing Money and Global Warming

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Executive Summary

- Modern money is paper, manufactured by banks out of thin air. Banks make something from nothing. For the story of the rise and abuse of that great power, a high-level view of the current financial bubble and its causes and consequences, see the related paper “Manufacturing Money” at sciencespeak.com/ManufacturingMoney.pdf. This essay you are reading briefly explores the connection of that to the theory of man-made global warming.
- The newest game by the banks is carbon emissions trading. The plan is to manufacture emission credit certificates out of thin air, trade them between big financial companies, and compel the rest of us pay for them by producing real goods and services. The new financial slavery.
- Carbon emission permits are the latest paper currency, brought to you by the same folks who profited from the world’s largest financial bubble. Same structure, same modus operandi, same beneficiaries, and the same use of exaggerations, half-truths, and tricky government statistics.
- **Banks want carbon trading.** They do not make a profit from a carbon tax, which would be fairer and simpler. Governments are not offering a carbon tax, only cap and trade. Ever wondered why?

Introduction

The money behind trading carbon emission permits will be colossal. The proposed system bears remarkable similarity to the paper money system: permits are manufactured out of nothing, given value by government decree, traded at a profit by big banks, then the rest of us have to buy them. The same sort of game by the same people.

Cap and Trade: The New Game In Town

Cap and trade with carbon emission permits is the new game in town...the new way to suck more blood out of us. The proposed cap and trade system for carbon emission permits bears many of the same

hallmarks as fiat currencies, and the same groups stand to benefit. The modus operandi and the beneficiaries are the same, so perhaps this bears a little scrutiny.

The plan is to manufacture emission credit certificates out of thin air, trade them between big financial companies, and compel the rest of us pay for them by producing real goods and services. Ultimately the government will extract a tax that is paid for by consumers, and the big financial companies will take a cut along the way.

Like fiat currency and all the games with money manufacture, this is another game brought to you by the paper aristocracy: you pay, they enjoy. Ultimately people who produce real goods and services will pay—because there be will another bunch of bureaucrats and financial smarties living off our efforts.

Controlling who can emit carbon dioxide gives the government and the paper aristocracy an excuse and mechanism for controlling every activity on the planet. We all breathe out carbon dioxide, and nearly all energy use emits carbon dioxide. Further, the whole world has to be involved for the emission restrictions to be effective, so this will be the start of world government—you will no longer be able to escape by moving to a different country.

A carbon tax that replaced some or all income tax wouldn't be so bad. But bringing the bankers in to first trade the emission permits is just stupid—we already pay them too much. It's a red flag alerting us the real nature of the emissions trading schemes.

How does one answer environmentalists who are certain that emissions trading will save the planet? Easy: implement national carbon taxes instead of international emissions trading, and reduce income taxes by the amount raised by the carbon tax. As it happens our carbon dioxide emissions aren't doing much to warm the planet, but moving the economy to an indirect tax base that taxes non-renewable energy use may be a good thing in any case.

Is carbon trading a monopoly practice? Sort of. Monopoly practices are where consumers don't have a choice. We would have to pay for cap and trade; we would be "sold" something we are forced to buy. This is closer to economic slavery than mere monopoly.

The Effect of Carbon Dioxide Has Been Much Exaggerated

The theory that we caused the global warming with our emissions of carbon dioxide is based on two assumptions (guesses), made in the early 1980s when there was insufficient data. One assumption has since been disproved, and the second is looking dubious.

Otherwise alarmist and skeptic scientists are in broad agreement over how much global warming is caused by carbon dioxide.

Assumption 1

The first assumption is that water feedbacks strongly amplify the warming due to the extra carbon dioxide. We can calculate how much the global temperature will rise if carbon dioxide levels rise by a

certain amount, *if the earth does not respond in any way to being warmer* —that is, in the absence of “feedbacks”. All the factors in this calculation are based on well understood physics and observed data, and climate alarmists and skeptics are in broad agreement.

But of course the earth does respond to being warmer, by increasing rainfall and evaporation and so on, and this response in turn alters the temperature further. The effect of changing the temperature is to “feed back” into more temperature change! Particularly important are the feedbacks due to water in the atmosphere in all its forms—clouds, rain, water vapor, humidity, snow, ice, and so on. (“Water feedbacks” here includes closely related feedbacks sometimes treated separately elsewhere, such as cloud and lapse rate feedbacks.)

There was no data on water feedbacks in the early 1980s, so the alarmists *assumed* that nearly all the warming since 1750, the beginning of the industrial revolution, was due to rising carbon dioxide levels. Under that assumption, the feedbacks would have to amplify the warming due to carbon dioxide by a factor of 3, to correctly calculate the observed temperature rise since 1750.

This amplifying warming would be nearly all due to extra water vapor in the atmosphere, due to extra evaporation. That extra water vapor would expand the warm, lower troposphere into some volume previously occupied by the cooler upper troposphere, which contains little water vapor. This would create a “hotspot” in the atmospheric warming pattern, at the top of the lower troposphere, particularly over the tropics.

But radiosonde observations of the atmospheric warming pattern from 1979 to 1999, the last period of global warming, show beyond reasonable doubt that there is [no hotspot](#). None at all. So there is in fact no extra water vapor, and water feedbacks do not amplify the warming due to extra carbon dioxide. The assumption is wrong, and so are the alarmist calculations and the climate models because they are based on it.

Alarmist scientists responded by disputing the radiosonde data, effectively saying it is too poor to show *any* warming pattern. But radiosondes can reliably detect temperature differences of 0.1°C, and the hotspot would be at least 0.6°C warmer. And there were hundreds of radiosondes (weather balloons), and they cannot all have missed it. The alarmists objections are plainly weak, and ever since the observed data came they have done their utmost to distract people from the problem, and to give the impression that they have found the hotspot without actually saying they have. Shameful.

While there is plenty of evidence that global warming has been occurring, and ample evidence that carbon dioxide causes warming and that the level of atmospheric carbon dioxide is increasing, there is [no evidence](#) that carbon dioxide emissions are the main cause of the recent global warming. All predictions of the *amount* of warming caused by rising carbon dioxide are only theoretical, calculated as described above. Those calculations are wrong, so it is not surprising that we have been unable to find any evidence to support them—despite the US Government spending \$32 billion on climate research since 1990.

Since 2005, observations of clouds and observations of outgoing radiation by satellites have both independently shown that water feedbacks in fact *dampen* the warming due to increased carbon dioxide, cutting its warming effect in half.

So the effect of adding carbon dioxide is smaller than the alarmists want you to believe, by a factor of about 6. By 2100 we might see temperatures rise by 0.5°C, not the 3.3°C predicted by the alarmists and their models.

The carbon dioxide theory of global warming is now bogus, but the public and government scientists are kept in place by a wall of money and government propaganda. Outside a few scientists, hardly anyone even knows that the real nature of the climate debate is over the water feedbacks assumption.

Chronology is important. Unfortunately the missing hotspot evidence only came to light in 1999, *after* the IPCC had been set up, Kyoto was signed, a huge bureaucracy was in place to deal with carbon emissions, and the western climate research establishment was lavishly spending billions looking to blame carbon dioxide for global warming. Too many jobs and careers were at stake for the bureaucracy and scientists to turn back. Scientists working in climate change who disagree tend to either keep quiet and take the money, or leave and speak out (if they can cope with the vilification from the alarmist propagandists).

What seemed like a plausible assumption in 1984 has spawned a climate alarmism movement that, 30 years later, will slow or prevent much of the third world from industrializing and will make plane travel and big cars unaffordable for the lower bulk of the developed world—even though the assumption was shown to be false just 15 years later. Even now, 10 years after the hotspot was found to be missing, scarcely anyone knows that climate alarmism is based on a false assumption.

Assumption 2

The second assumption is that the increased carbon dioxide levels we observe are entirely or even mainly due to human emissions. As of 2009 this assumption is neither proven nor disproven, but it is looking dubious.

The oceans hold about 50 times as much carbon dioxide as the atmosphere, and the ratio of dissolved carbon dioxide in the ocean to atmospheric carbon dioxide depends mainly on the temperature of the ocean. Adding more carbon dioxide to the atmosphere from some external source (such as car exhausts) will, *in the long term*, just raise the amount of carbon dioxide in the ocean, and leave the atmospheric level of carbon dioxide virtually unchanged. This is just high school chemistry and is well known and undisputed.

The question is, what constitutes “long term”? The IPCC claims our emitted carbon dioxide effectively stays in the atmosphere for two hundred years, but no one else can understand what they are on about. The atmospheric bomb tests put lots of the carbon isotope C14 into the atmosphere, and from observing the fall in C14 levels after the atmospheric tests were ended in 1963 we know that the half life of carbon dioxide in the atmosphere is about four to five years. This also fits with the turnover of carbon dioxide: about a quarter of the carbon dioxide in the atmosphere is exchanged each year with the

oceans or plants. Finally, umpteen studies of the residence time of carbon dioxide in the atmosphere have concluded it is less than twenty years.

According to the alarmists, carbon dioxide levels started to rise in 1750 at the beginning of the industrial revolution, and nearly all the global warming since then is due to that carbon dioxide. However, figures for human consumption of hydrocarbons, mainly coal, wood, and oil, are fairly reliable and tell a different story: human hydrocarbon use before 1850 was negligible, and it wasn't until 1950 that hydrocarbon consumption was significant by today's standards. Yet the bulk of the global warming since 1750 took place before 1900. The carbon emission theory just doesn't make sense.

What's Going On

Something cooled the earth from the medieval warm period, when it was warmer than today, and caused the little ice age, whose coldest periods occurred around 1700 or 1750. As it happens, 1750 is also when the industrial revolution started. Could it be that this natural cooling force passed away or eased up starting in 1750, and the earth is simply warming naturally back to the temperature of the medieval warm period (which is the same as the temperature during the Roman optimum, and in the Holocene optimum before that)? On current knowledge, it would seem likely.

Understanding Global Warming: Follow the Money

So why does the public believe their carbon emissions are imperilling the planet? In time-honored fashion (but mysteriously *out* of fashion on this topic for all mainstream journalists), follow the money:

- The amount of money spent on skeptical activity by organizations is around \$2 million per year. (Exxon spent \$23 million over 10 years, but stopped in 2006.)
- The amount of money spent by alarmist government organizations on climate research in the US alone is about \$3 billion per year. Also, as much again is spent on related technologies, in promoting the alarmist message in the US, by other western governments, and by the Greens. (Even Exxon donated over \$100 million for renewable energy research.) So alarmist spending is 3,000 times larger than skeptic spending.
- Emissions trading by the finance industry was \$120 billion in 2008. This will grow to over \$1 trillion by 2012, and carbon emission permit trading will be the largest "commodity" market in the world—larger than oil, steel, rice, or wheat. Typically the finance industry will pocket 1% – 5% of that turnover. So even now their financial interest matches the alarmist spending, and soon will vastly exceed it.

The money is suggesting that it is the finance industry that is driving the carbon emission permits agenda. Notice that a carbon tax, which would be simpler and fairer, but would not benefit the banks and traders, is not being put forward by governments.

The world media is 110% behind the theory that carbon emissions cause global warming, so it is fair to presume that those with a substantial influence on the media have an interest in the cap-and-trade

schemes being proposed. This suggests that the paper aristocracy, which is behind our fiat currencies, is also behind cap-and-trade.

Cap and Trade is a New Fiat Currency

The proposed cap-and-trade system for carbon emission permits has several structural similarities with our current money system:

1. Like base money, carbon emission permits are created out of thin air by government fiat.
2. Like modern money, carbon emission permits have no intrinsic value, yet they are given value by government.
3. Like bank money and foreign exchange, carbon emission permits will be traded by big financial organizations for profit.
4. Like modern money, carbon emission permits will be manufactured and sold to the public by a partnership of government and financial firms. The bureaucrats get control, the financial firms get easy profits from captive clients, and you get to pay and do as you are told.
5. Like the banks, the large financial firms trading emission permits will lobby and donate to politicians to protect their economic privilege.
6. Like governments mismeasuring CPI and unemployment, governments will mismeasure global temperature to justify taking action against carbon dioxide.

Who benefits from cap-and-trade? Emission permits are created by government fiat, out of thin air, yet have value. Trading favors the well-informed and those who can move the market, so big financial firms will routinely plunder the pockets of smaller market participants. The rest of us, one way or another, will pay for both the government-issued emission permits and the trading profits of the finance industry.

Bogus Government Statistics

An important method that governments have for dealing with problems is to mismeasure them. For example, the inflation of the 1970s was partly “cured” by defining inflation as the consumer price index (CPI), then changing the way that CPI is measured in ways that lower the CPI. Today, the US CPI is about 3 percentage points lower than it would be if the method of 1980 was used. Another example is unemployment, where governments continually refine what counts as “unemployed” so as to lower the unemployment number.

Governments are going to do the same with global temperature, mismeasuring it to make it appear to be rising faster than it really is. In fact, it’s already started.

Governments will soon make some global agreement restricting carbon emissions, which will lead to taxes, trading profits, and maybe some early form of world government. To justify all this, there will

need to “be” rising global temperatures—because we are guaranteed decades of rising carbon emissions as the developing world industrializes.

There will be pressure, *tremendous pressure*, on those who measure global temperature to show a rising temperature.

The organizations that measure temperature are in government control, because no private group has an interest in measuring global temperatures over the decades required to show significant changes. The government organizations that measure temperatures will tend to produce the answers government needs, because people who do not comply will be effectively forced out of those organizations—their careers will stall, or they won't be hired in the first place if they don't have the right "attitude". The staff will be self selecting. Only true believers, for whom the ends justify the means, and those with a sufficiently flexible attitude to truth, will survive and thrive in those organizations.

Think a future of systematic cheating of temperature data to justify taxes, profits, and world government is too cynical? It's already started:

- 89% of official ground-based thermometers used to measure temperatures in the USA violate siting requirements—because they are too close to an artificial heat source!
- More than half of the worldwide official temperature-measuring stations are at airports, near radiating heat sources like tarmac, and often in the wash of jet exhaust. (Can anyone be that inept?) Land-based thermometers are mainly measuring increased urbanization and increased air travel.
- The Argo network was started in 2003 to measure ocean temperatures properly. 3,000 buoys roam the world's oceans, duck diving down to measure temperatures and radioing back the results. To the surprise and annoyance of the government climate organizations, Argo initially showed ocean cooling. Soon afterwards, the buoys giving the coolest results were excluded from the network – their results were simply omitted. Possibly legitimate, but it's funny how the numerous changes to the various temperature datasets are always in the direction of showing increased warming. By chance alone half the changes ought to be in each direction, but that isn't what is happening.
- The hockey stick graph frightened the world in 2000, showing a sharp recent uptrend of global temperature after centuries of level temperatures. The scientists were finally forced to reveal their data, last month. It turns out that the hockey stick graph is essentially due to one very unusual tree in Yamal in Russia, plus some biased statistical processing. A decidedly non-scientific attitude in the IPCC and a compliant press made it possible. The hockey stick was a fraud.

How would anyone really know if global warming is occurring? People simply don't notice changes as small as 0.5°C, the amount of global warming over the last century. Any perceived cooling can be explained away by alarmists as just “regional variation”. It's beautiful: this scam could go for decades.

If governments applied a carbon tax it would be fair, equitable, and simpler—and there would be no private interests taking a cut and lobbying government to make rules to extend their profits. And a carbon tax would be easier to unwind when the public catches on that our carbon emissions have little effect on temperature.