

December 6, 2010

Writing in the WSJ, [Simon Hier and Abraham Cooper](#) discuss irrational political stances made by the World Council of Churches, and most specifically, the Presbyterian Church ...*In 2009, on the first day of Chanukah (which Jews again celebrate this week), a group of Christian Palestinians issued the Kairos Palestine Document, which was immediately published on the World Council of Churches website. The document calls for a general boycott of Israel and argues that Christians' faith requires them to side with the "oppressed," meaning the Palestinians. It speaks of the evils of the Israeli "occupation," yet is silent on any evils committed by Palestinians, including the Hamas terrorists who now govern the Gaza Strip.*

The Kairos document also describes the Jewish connection to Israel only in terms of the Holocaust, denying 3,000 years of Jewish domicile. "Our presence in this land, as Christian and Muslim Palestinians, is not accidental but rather deeply rooted in the history and geography of this land," it states. "The West sought to make amends for what Jews had endured in the countries of Europe, but it made amends on our account and in our land."

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...The Simon Wiesenthal Center will soon meet with the president of the World Council of Churches to urge an end to its campaign against Israel and the Jewish people. Like anti-Israel diplomatic and academic campaigns, such religious calls and writings won't improve the life of a single Palestinian. But they will certainly embolden terrorists and anti-Semites, and cast carefully nurtured interfaith relations into darkness and disarray.

In the Washington Examiner, [Diana Furchtgott-Roth](#) reports that there is noise being made by Tea Partiers to keep Congressman Fred Upton (R-Mich) from being appointed chairman of the House Energy and Commerce Committee.

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[Nile Gardiner](#), in the [Telegraph Blogs](#), UK, posts on the infighting among Liberals.

While US conservatives are focusing on cutting the budget deficit, creating jobs, winning the War on Terror, and protecting the United States from dangerous treaties such as New START, America's liberal elites are investing a great deal of energy fighting each other, and blaming the White House for, incredibly, not being Left-wing enough. In the wake of their crushing defeat in midterm elections, some on the Left have upped the stakes in the increasingly brutal liberal civil war, with open talk in some quarters of a challenge to Barack Obama for the Democratic nomination in 2012.

There have been some scathing attacks on the president from high-profile traditional supporters. Recently New York Times columnist Maureen Dowd wrote of "[a spineless spiral](#)" in reference to the Obama White House, while over at The Washington Post columnist Eugene Robinson spoke of an "[uninspired and uninspiring president](#)". But it is today's piece in The New York Times by Paul Krugman which is by far the most damning.

...Paul Krugman has set his sights on the White House, sharply condemning Barack Obama's decision this week to freeze federal pay for two million government employees over two years, which will save taxpayers \$5 billion, or "chump change" as Krugman puts it. The Princeton and LSE professor also accused Obama today of "gestures of appeasement to the GOP". ...

In [Pajamas Media](#), [Marlo Lewis](#) tells us about the possible end of the ethanol racket.

The lame-duck Congress has a rare opportunity to avoid \$25-30 billion in new deficit spending over the next five years, ease consumers' pain at the pump, and scale back political manipulation of energy markets by literally doing nothing.

At the stroke of midnight on December 31 of this year, the 45¢ per gallon Volumetric Ethanol Excise Tax Credit (VEETC), commonly known as the blender's credit, and the 54¢ per gallon tariff on imported ethanol, will expire.

A bipartisan group of [17 senators](#), led by Sens. Dianne Feinstein (D-Calif.) and Jon Kyl (R-Ariz.), say it's time for these special-interest giveaways to go gently into the night. A [broad coalition](#) of environmental, taxpayer, hunger, free market, and food industry organizations are urging House and Senate leaders to let the VEETC meet its statutorily appointed fate.

An exciting prospect — for the first time ever, Congress may decide to put the general welfare of consumers and taxpayers ahead of the corporate welfare of the ethanol lobby. ...

[John Steele Gordon](#) blogs about the unemployment numbers.

The recession officially ended 17 months ago. But the economy added only a net of 39,000 jobs last month, when 100,000 jobs a month is needed just to keep pace with population growth.

Indeed, the unemployment rate ticked up to 9.8 percent from 9.6 percent in October. That, counterintuitively, is probably a good sign, the result of more people, encouraged by their prospects, now actively looking for work. The number of people who are unemployed, have settled for a part-time job, or are discouraged and not currently looking for a job remained unchanged (at a dismal 17 million).

A particularly nasty surprise was the loss of 28,000 retail jobs, which most economists, responding to fairly good news about holiday sales, etc., expected to increase. But more and more of those sales are happening online, which is a much less labor-intensive means of selling goods. Online sales on the Monday after Thanksgiving were up a whopping 20 percent from last year.

This, of course, is just more evidence that the on-rolling digital revolution is causing unemployment to recover from recession much more slowly than the economy as a whole. After each of the four recessions since 1980, the number of months needed to bring unemployment back down to normal levels has been longer. ...

Linda Chavez comments on extending unemployment benefits.

...It's hard not to sound like Scrooge to suggest that extending benefits is a bad idea — but it is. Most economists agree that extending benefits can actually increase the time workers remain unemployed, which is reason enough to resist the pleas for yet another extension. Extending benefits also means higher UI taxes for employers. There have been steep increases in UI taxes over the past couple of years in many states, as state trust funds for benefits have been depleted. Employers who might want to hire new employees end up instead paying more for workers who've been let go. Once again, the Democrats demonstrate that they don't have a clue about how to create jobs. But the politics of this one are probably too difficult for Republicans to resist.

Jennifer Rubin highlights some Republican responses to the November unemployment report.

...As you might imagine, congressional Republicans are not missing the chance to highlight the Democrats' failure to hold down unemployment. Rep. Tom Price (Ga.) [sends out a release](#):

"Nationwide, the unemployment rate has stayed at 9.4 percent or higher for 19 straight months," said Chairman Price. "Yet instead of sensible policies to encourage private sector job creation, Democrats have pushed one job-killing idea after another. Just yesterday, Speaker Pelosi's lame duck majority voted for higher taxes on small businesses all across the country. Well, higher taxes don't hire Americans. Small businesses do.

"Washington has built up some daunting barriers to job creation in recent years. Breaking down those barriers will be Republicans' number one goal next year." ...

Since the 1960's, Republicans and Democrats have both been increasing government spending, notes **David Boaz**, in Reason.

...But it's hard to find the differences on this chart of the upward march of government spending, handily provided by the Heritage Foundation...

To the naked eye, it looks like a pretty steady climb through the Johnson-Nixon-Ford-Carter-Reagan-Bush-Clinton years, with a bit of acceleration under Bush II and then a sharp jump in 2008 and 2009. Heritage's color-coding refers to Congress only, so you can't see that the slight slowdown in the Clinton years occurred under divided government. And of course the TARP and other 2008 spending was proposed and forced through by the Republican White House, even though Congress was indeed Democratic at the time.

But the bottom line is: If we have two parties for a reason, because they believe in different things, why don't we see some real differences in the growth of federal spending?

[Abe Greenwald](#) is invoking the wrath of the gods of climatology.

..the talks [began as follows](#):

Christiana Figueres, executive secretary of the U.N. Framework Convention on Climate Change, invoked the ancient jaguar goddess Ixchel in her opening statement to delegates gathered in Cancun, Mexico, noting that Ixchel was not only goddess of the moon, but also “the goddess of reason, creativity and weaving. May she inspire you — because today, you are gathered in Cancun to weave together the elements of a solid response to climate change, using both reason and creativity as your tools.”

She called for “a balanced outcome” which would marry financial and emissions commitments from industrialized countries aimed at combating climate change with “the understanding of fairness that will guide long-term mitigation efforts.”

“Excellencies, the goddess Ixchel would probably tell you that a tapestry is the result of the skilful interlacing of many threads,” said Figueres, who hails from Costa Rica and started her greetings in Spanish before switching to English. “I am convinced that 20 years from now, we will admire the policy tapestry that you have woven together and think back fondly to Cancun and the inspiration of Ixchel.”

And to think some people doubt global warming.

WSJ

[Presbyterians Against Israel](#)

Liberal Protestants are engaging in historical revisionism concerning Jews and the Holy Land.

by Marvin Hier and Abraham Cooper

In many ways, the second half of the 20th century was a high point for Jewish-Christian relations. Today, however, the anti-Israel politics of certain powerful Christian bodies hampers interfaith relations and threatens to breathe new life into medieval doctrine that demonized Jews for hundreds of years.

In 2007, the World Council of Churches, an umbrella organization of mostly liberal Protestants claiming a membership of 580 million worshippers, convened the "Churches Together for Peace and Justice in the Middle East Conference." The conference produced the Amman Call, a document that condemned violence and endorsed a two-state solution to the Israeli-Palestinian conflict, but denied Israel's right to a future as a Jewish state.

It did so by insisting that millions of Palestinians—the grandchildren of those who left and were expelled from Palestine in 1948—have the "right of return" to Israel. As is well known, granting all third-generation Palestinians such a right would mean Israel's quick disappearance and its replacement by another Middle Eastern Mullahcracy or dictatorship.

The Amman Call also labeled the barrier Israel has built to keep out Palestinian suicide bombers—which has effectively saved untold Jewish, Muslim and Christian lives—a "grave breach of international law" that must be removed.

In 2008, the World Council of Churches convened a group of Protestant and Catholic theologians to review the underpinnings of Christian attitudes toward Israel. (No Jews were invited.) The group published the so-called Bern Perspective, which, among other things, instructed Christians to understand all biblical references to Israel only metaphorically.

This understanding denies the connection between today's Jews and Moses, Jeremiah and Isaiah. It marks a return to "replacement theology," the medieval view that the Church has replaced Israel in God's plan and that all biblical references to Israel refer to the "new Israel"—that is, to Christians. For centuries, that view was the theological basis for denying rights to Jews in Church-dominated Europe.

In 2009, on the first day of Chanukah (which Jews again celebrate this week), a group of Christian Palestinians issued the Kairos Palestine Document, which was immediately published on the World Council of Churches website. The document calls for a general boycott of Israel and argues that Christians' faith requires them to side with the "oppressed," meaning the Palestinians. It speaks of the evils of the Israeli "occupation," yet is silent on any evils committed by Palestinians, including the Hamas terrorists who now govern the Gaza Strip.

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Most importantly, these Palestinian church leaders declared that there must not be a Jewish state because any religious state is inherently racist. They mentioned in this regard only Israel, of course, ignoring all Muslim states and others with an official state religion.

The Kairos document quickly won accolades from religious groups including from the Presbyterian Church (USA), which has 2.3 million American members and in 2004 was the first mainline American Protestant group to call for divestment from Israel.

This past February, its Middle East Study Committee announced that it would urge the U.S. government to "employ the strategic use of influence and the withholding of financial and military aid" from Israel. While conceding Israel's right to exist, it appended an apology to Palestinians. In the words of one committee member, recognizing Israel's right to exist "is to give Israel a pass on the way Israel was created and denies the legitimacy of the Palestinian people."

The Simon Wiesenthal Center will soon meet with the president of the World Council of Churches to urge an end to its campaign against Israel and the Jewish people. Like anti-Israel diplomatic and academic campaigns, such religious calls and writings won't improve the life of a single Palestinian. But they will certainly embolden terrorists and anti-Semites, and cast carefully nurtured interfaith relations into darkness and disarray.

Rabbi Hier is founder and dean of the Simon Wiesenthal Center. Rabbi Cooper is the center's associate dean.

Washington Examiner

Grassroots closely eye House Energy and Commerce chairmanship

by Diana Furchtgott-Roth

Next month the Republicans will hold an additional 63 seats in the House of Representatives because of the support of different grass-roots groups, who came together to drum up votes in support of lower spending, tax cuts and repeal of Obamacare.

On Dec. 7, the Republican Steering Committee will meet to choose committee chairmen, who will determine the direction of legislation. Reasonable people would agree that it would be wise to listen to the groups responsible for the historic power shift when it comes to the selection.

One of the most important choices is the chairmanship of the House Energy and Commerce Committee, whose jurisdiction includes health care, energy, the environment and telecommunications.

Rep. Joe Barton, R-Texas, a fiscal conservative, is now the ranking Republican on the committee. Under current rules, unless he gets a waiver, he's required to step down, because he has already led the committee for three terms, once as chairman and twice as ranking member.

Rep. Fred Upton, R-Mich., is next in seniority, but his voting record is closer to that of Democrats than Republicans, making him a puzzling choice for Republican leaders who won their majority through grass-roots activists.

Rep. Cliff Stearns, R-Fla., and Rep. John Shimkus, R-Ill., are also under consideration for chairmanship.

More than 30,600 people have signed an online petition against Upton organized by FreedomWorks, chaired by former Republican House Majority Leader Dick Armey.

On Monday the Tea Party Patriots held a "town hall" phone conference to interview potential committee chairmen. About 16,000 people participated and later voted.

Barton and Stearns were on the call and answered questions. Barton received 53 percent of the vote; Stearns, 34 percent; Shimkus, 10 percent; and Upton, 3 percent.

One reason that Upton received so few votes is his voting record. It's hard to make the case that he can be a strong chairman when his votes clearly label him as against smaller government and in favor of more regulation. He has consistently voted against tax cuts and in favor of more government spending and regulation.

Consider that in 2004, he was one of 11 Republicans who voted with Democrats to make tax cuts subject to a 60-vote standard in the Senate, so it's harder to cut taxes. And in 2005, he voted against extending the Bush tax cuts on capital gains and dividends.

In 2007, he co-wrote the amendment with Rep. Jane Harman, D-Calif., that will ban incandescent light bulbs, forcing consumers to use fluorescents.

In 2009, Upton voted to block millions of acres from new oil and gas leasing, logging, and mining, eliminating 1.2 million acres from leasing and exploration in Wyoming, and designating 2 million more acres as wilderness.

Later that year, Upton voted against cutting fiscal 2010 funding for the Environmental Protection Agency to 2008 levels. If he wanted to expand the scope of the EPA just last year, how can he be serious about reining the EPA in as chairman?

Republican leaders are surprised about the grass-roots activism, but this is the new reality. These days people don't believe they can leave politicians to their own devices. They want to stay engaged.

Debbie Dooley, Tea Party Patriots national coordinator, based in Atlanta, told me in a telephone conversation on Thursday, "Our job is just beginning. We're a force to be reckoned with. We have a 40-year plan."

Debbie can help leadership move along legislation, ensuring the success of the House Republican agenda. Her next step is to help form coalitions around different pieces of legislation.

This is good for Republicans because involving new voters means they'll be there in 2012. In contrast, many voters who turned out in 2008 for Democrats stayed home in 2010.

It's up to the Republican leadership to keep people like Debbie engaged -- which is why the chairmanship of the Energy and Commerce Committee is so important.

Examiner Columnist Diana Furchtgott-Roth, former chief economist at the U.S. Department of Labor, is a senior fellow at the [Hudson Institute](#).

Telegraph Blogs, UK

[America's liberal civil war is getting vicious: Paul Krugman blasts Barack Obama's 'moral collapse' and policy of 'appeasement'](#)

by Nile Gardner

While US conservatives are focusing on cutting the budget deficit, creating jobs, winning the War on Terror, and protecting the United States from dangerous treaties such as New START, America's liberal elites are investing a great deal of energy fighting each other, and blaming the White House for, incredibly, not being Left-wing enough. In the wake of their crushing defeat in midterm elections, some on the Left have upped the stakes in the increasingly brutal liberal civil war, with open talk in some quarters of a challenge to Barack Obama for the Democratic nomination in 2012.

There have been some scathing attacks on the president from high-profile traditional supporters. Recently New York Times columnist Maureen Dowd wrote of "[a spineless spiral](#)" in reference to the Obama White House, while over at The Washington Post columnist Eugene Robinson spoke of an "[uninspired and uninspiring president](#)". But it is [today's piece in The New York Times](#) by Paul Krugman which is by far the most damning.

Prior to November, the über-liberal Nobel Prize-winning economist was content to concentrate his fire on the Right, predicting "political chaos" ahead of the midterms with the doom-laden warning – "if the elections go as expected next week, here's my advice: Be afraid. Be very afraid." On October 29, Krugman wrote:

This is going to be terrible. In fact, future historians will probably look back at the 2010 election as a catastrophe for America, one that condemned the nation to years of political chaos and economic weakness.

Five weeks on, Paul Krugman has set his sights on the White House, sharply condemning Barack Obama's decision this week to freeze federal pay for two million government employees over two years, which will save taxpayers \$5 billion, or "chump change" as Krugman puts it. The Princeton and LSE professor also accused Obama today of "gestures of appeasement to the GOP". And in perhaps the strongest language yet on the Obama presidency from a leading figure on the Left, Krugman wrote:

Whatever is going on inside the White House, from the outside it looks like moral collapse — a complete failure of purpose and loss of direction.

So what are Democrats to do? The answer, increasingly, seems to be that they'll have to strike out on their own. ... It would be much easier, of course, for Democrats to draw a line if Mr. Obama would do his part. But all indications are that the party will have to look elsewhere for the leadership it needs.

Krugman's outburst is the shape of things to come. The civil war on the Left is going to get a good deal more vicious as Obama's ratings continue to fall, conservatism continues to rise, and America's liberal elites grow increasingly nervous ahead of 2012.

Pajamas Media

Ethanol's Policy Privileges: Heading for History's Dustbin?

Congress has a golden opportunity to put the general welfare of consumers and taxpayers ahead of the corporate welfare of the ethanol lobby.

by Marlo Lewis

The lame-duck Congress has a rare opportunity to avoid \$25-30 billion in new deficit spending over the next five years, ease consumers' pain at the pump, and scale back political manipulation of energy markets by literally doing nothing.

At the stroke of midnight on December 31 of this year, the 45¢ per gallon Volumetric Ethanol Excise Tax Credit (VEETC), commonly known as the blender's credit, and the 54¢ per gallon tariff on imported ethanol, will expire.

A bipartisan group of [17 senators](#), led by Sens. Dianne Feinstein (D-Calif.) and Jon Kyl (R-Ariz.), say it's time for these special-interest giveaways to go gently into the night. A [broad coalition](#) of environmental, taxpayer, hunger, free market, and food industry organizations are urging House and Senate leaders to let the VEETC meet its statutorily appointed fate.

An exciting prospect — for the first time ever, Congress may decide to put the general welfare of consumers and taxpayers ahead of the corporate welfare of the ethanol lobby.

The outcome, of course, is far from certain. [Growth Energy](#), a prominent ethanol lobbyist, advocates a five-year extension of the VEETC and tariff, a mandate requiring that all vehicles sold in the United States be capable of running on E-85 (motor fuel blended with 85% ethanol), taxpayer-backed federal loan guarantees to build a national ethanol pipeline network, and tax credits for the installation of 200,000 E-85 pumps at service stations.

America is not addicted to oil (consumers will stop buying gasoline the moment a superior product comes along), but the ethanol lobby is hooked on subsidies. As with any genuine addiction, ethanolism is an appetite that grows with feeding. The lobby may say it wants to make America

energy independent, save the planet, and save the family farm, but what it really wants is MORE — more trade protection, more of our tax dollars, and more market-rigging rules.

Growth Energy's ask-for-the-moon agenda has zero prospect of being enacted in the lame-duck Congress. Many compromises are possible, though, such as a one-year extension or scaling back the VEETC from 45¢ to 36¢ a gallon. We, the People, should just say no. For fiscal, humanitarian, and environmental reasons, Congress should give the VEETC and tariff the quiet burial they deserve.

The 45¢ per gallon VEETC is a “refundable” tax credit, which means it is paid for by taxpayers, with checks drawn from the general fund of the U.S. Treasury, to the tune of \$5-6 billion a year. With the [national debt](#) expected to equal or exceed GDP in 2012, now is not the time to renew such extravagance.

Back in 2005 and 2007, Congress enacted and expanded a [renewable fuel mandate](#) requiring blenders to sell increasing amounts of motor fuel made from plant materials. By 2022, 36 billion gallons of the nation's motor fuel supply must be “renewable.” The corn ethanol component of the mandate maxes out at 15 billion gallons a year in 2015. The remaining 21 billion gallons are to be “advanced” biofuels — so named not because they improve engine performance or provide additional value to consumers but because they have a smaller carbon footprint.

Congress should never have enacted this Soviet-style production quota system in the first place. But as long as the renewable fuel mandate is in place, consumers should at least be free to buy ethanol at competitive prices. The protective tariff prevents [lower-priced](#) Brazilian sugarcane ethanol from competing in U.S. fuel markets. It increases pain at the pump.

In combination with the mandate, the VEETC and tariff also divert massive quantities of grain from food to auto fuel — [a factor](#) contributing to food price inflation and the world hunger crisis of 2008. In contrast, Brazilian sugarcane ethanol poses no risk to global food security.

Al Gore's “planetary emergency” has [many able debunkers](#). But even if you believe global warming is a problem, the VEETC and tariff are duds (or worse) as climate policy. Brazilian sugarcane ethanol has a smaller carbon footprint, which is why EPA classifies it as an “[advanced biofuel](#).” Yet the tariff prevents Americans from buying this “greener” commodity.

Analyses by the [University of Missouri](#) Food and Agricultural Policy Research Institute, [Iowa State University](#) (in the heart of corn country), and the [Congressional Budget Office](#) (CBO) find that the mandate chiefly determines how much ethanol is produced over the next five years. The VEETC and tariff support only a small and declining fraction of total production. Consequently, any incremental greenhouse gas reduction attributable to those policies has an unreasonably high price tag. The CBO, for example, estimates that the VEETC costs taxpayers \$750 to \$1700 for every ton of greenhouse gases avoided — many times the estimated price of emission permits under the [Waxman-Markey cap-and-trade bill](#), which the Senate did not see fit to pass.

Ironically, the corn rush may actually increase net greenhouse gas emissions, as [Tim Searchinger](#) of Princeton University and [Joe Fargione](#) of the Nature Conservancy found in separate studies. A gallon of ethanol emits less carbon dioxide (CO₂) than a gallon of gasoline when combusted. However, CO₂-emitting fossil fuels are used to make fertilizer, operate farm equipment, power ethanol distilleries, and transport the ethanol to market. In addition, when farmers plow grasslands and clear forests to expand corn acreage, or to grow food crops displaced elsewhere by energy crop production, they release carbon previously locked up in soils and trees. For several decades, such land use changes can generate more CO₂ than is avoided by substituting ethanol for gasoline.

Searchinger and Fargione kicked up quite a controversy, but this much is beyond dispute — the VEETC imposes costs on taxpayers that nobody would willingly incur in a free marketplace. According to the University of Missouri study, the VEETC will induce an additional 1.4 billion gallons of ethanol to be blended above the 12.6 billion gallons already required by law next year. With the VEETC costing nearly \$6 billion, that works out to about \$4 for each “extra” gallon of ethanol. When gasoline hit \$4.00 a gallon in the summer of 2008, politicians denounced gas prices as “obscene.”

The actual per gallon cost of the VEETC may be even higher. The Iowa State study estimates that extending the VEETC would induce additional blending of 680 million gallons of ethanol, costing taxpayers almost \$7.00 per extra gallon in 2011. In 2014, the VEETC would induce additional blending of only 220 million gallons. That works out to a whopping \$30.40 per gallon!

But doesn't ethanol benefit consumers by breaking the “monopoly” enjoyed by petroleum-based fuels? That's what ethanol lobbyists would like you to believe. However, when they decry the “absence of competition” in the motor fuels market, what they really object to are the *results of competition*.

Ethanol as a motor fuel has been around almost as long as gasoline. In fact, back in the 1920s, Henry Ford supposedly predicted that ethanol would be the “[fuel of the future](#).” The marketplace proved him wrong, and for what turns out, in hindsight, to be fairly obvious reasons. None of the alternatives to petroleum derivatives perform as well in terms of cost, portability, and energy density. Let's look at these factors in a bit more detail.

During most of the past 27 years, ethanol was [more expensive](#) than regular gasoline. In 2010, the price per-gallon of ethanol dipped below that of gasoline, because the mandate combined with other subsidies [increased supply faster than demand](#). However, driving one mile on E-85 is still more costly than driving one mile on gasoline, because ethanol has about one-third less energy than an equal volume of gasoline. The American Automobile Association's [Daily Fuel Gauge Report](#) makes this crystal clear. For example, on December 2, 2010, the mpg-adjusted price of E-85 was \$3.30 per gallon — more expensive than the per-gallon price of regular gasoline (\$2.89), premium gasoline (\$3.16), and diesel (\$3.18).

Federal agencies tout ethanol as a boon to consumers, but they know better. The U.S. Environmental Protection Agency (EPA) and the Department of Transportation (DOT) jointly administer a Web site called www.fueleconomy.gov. If you visit the site, click on “Alternative Vehicles,” then click on “Flexible Fueled Vehicles,” then click on “Fuel Economy Information for Flexible Fueled Vehicles,” and then click on “Go.” You should land on a page listing all Model Year 2011 flexible fueled vehicles and comparing what the typical motorist will spend on fuel in a year depending on whether he buys gasoline or E-85. In every case (more than 110 vehicles), the motorist spends hundreds of dollars more to drive on E-85. For example, the owner of a Mercury Mariner will spend \$2,145 in a year if he uses gasoline but \$2,613 if he uses E-85.

A question to ask your congressman at the next town meeting: If ethanol is such a great bargain, why do we need a law to make us buy it? You probably won't get the real answer. “We” don't need the ethanol mandate at all. Rather, presidential candidates “need” the ethanol lobby's blessings to win the Iowa Caucuses. As [Al Gore](#) acknowledged recently, “One of the reasons I made that mistake [of supporting subsidies for corn ethanol] is that I paid particular attention to the farmers in my home state of Tennessee, and I had a certain fondness for the farmers in the state of Iowa because I was about to run for president” in 2000.

Another drawback: Ethanol can't be shipped through existing fuel pipelines. As the [Houston Business Journal](#) explains, “ethanol is highly corrosive when mixed with oxygen and can cause damage to lines

and fittings. Ethanol is also hydrophilic, which means it attracts water. When it blends with water, it creates a sub-octane gasoline.” Technological advances may resolve these issues, but up to now ethanol’s inherent characteristics make it less portable than gasoline. To repeat, gasoline’s market dominance is not due to any alleged “market failure” or oil company conspiracy but to the fuel’s comparative energy density, affordability, and portability.

Defenders of the *statist quo* claim that ending the tax credit and tariff will eliminate more than 100,000 jobs. That is sheer hype. As already noted, ethanol production is chiefly determined by the mandate, which is not scheduled to expire. The Iowa State study indicates that the U.S. corn ethanol industry would lose about 1,000 jobs over the next five years. A \$30 billion subsidy to save 1,000 jobs is too high a price to pay.

The ethanol lobby likes to portray itself as an infant industry in need of special protection — a valiant little David challenging the Goliath of Big Oil. In reality, the U.S. ethanol industry is the [world’s biggest](#) and governments at all levels have been subsidizing it for decades. Enough is enough.

The November elections were a sharp rebuke to arrogance and fiscal irresponsibility in the nation’s capital. If the lame-duck Congress got the message, they’ll let the VEETC and tariff tumble into history’s dustbin. They can do good just by doing nothing — surely there’s a lesson in that too.

Marlo Lewis is a senior fellow in environmental policy at the Competitive Enterprise Institute

Contentions

[A Disappointing Jobs Report](#)

by John Steele Gordon

The recession officially ended 17 months ago. But the economy added only a net of 39,000 jobs last month, when 100,000 jobs a month is needed just to keep pace with population growth.

Indeed, the unemployment rate ticked up to 9.8 percent from 9.6 percent in October. That, counterintuitively, is probably a good sign, the result of more people, encouraged by their prospects, now actively looking for work. The number of people who are unemployed, have settled for a part-time job, or are discouraged and not currently looking for a job remained unchanged (at a dismal 17 million).

A particularly nasty surprise was the loss of 28,000 retail jobs, which most economists, responding to fairly good news about holiday sales, etc., expected to increase. But more and more of those sales are happening online, which is a much less labor-intensive means of selling goods. Online sales on the Monday after Thanksgiving were up a whopping 20 percent from last year.

This, of course, is just more evidence that the on-rolling digital revolution is causing unemployment to recover from recession much more slowly than the economy as a whole. After each of the four recessions since 1980, the number of months needed to bring unemployment back down to normal levels has been longer. Unemployment has been above 9 percent now for 19 months (all but two of them post-recession). That’s the longest period of such elevated unemployment since World War II.

I confess to being a hopeless sucker for interactive charts, and the *Wall Street Journal* has [a cool one](#) that tracks unemployment month by month since 1948.

[Here's another link for that chart.](#)

Contentions

Clueless on Job Creation

by Linda Chavez

As John has noted, the new unemployment numbers are not good news, with the rate moving up slightly in November to 9.8 percent. But the White House will likely use the uptick in unemployment as an effective bargaining tool to insist on yet another extension of unemployment benefits. Workers who lost their jobs used to be able to count on only 26 weeks of unemployment insurance — benefits paid for by employer taxes to states and administered through taxes paid to the feds. But we now have 99 weeks of UI available to the unemployed, the additional 73 weeks paid for by the feds. But the federal guarantee ran out on Dec. 1, and the White House wants to extend it for another 13 months in return for agreeing to a temporary extension of the Bush tax cuts.

It's hard not to sound like Scrooge to suggest that extending benefits is a bad idea — but it is. Most economists agree that extending benefits can actually increase the time workers remain unemployed, which is reason enough to resist the pleas for yet another extension. Extending benefits also means higher UI taxes for employers. There have been steep increases in UI taxes over the past couple of years in many states, as state trust funds for benefits have been depleted. Employers who might want to hire new employees end up instead paying more for workers who've been let go. Once again, the Democrats demonstrate that they don't have a clue about how to create jobs. But the politics of this one are probably too difficult for Republicans to resist.

Right Turn

Terrible jobs numbers

by Jennifer Rubin

As The Post reported this morning, the job numbers out today are awful:

After three months of holding steady, the unemployment rate rose to 9.8 percent in November, with payroll employment showing little growth, the U.S. Bureau of Labor Statistics reported Friday.

The jump is another sign of weakness in the recovery. The monthly report dashed the expectations of economists, many of whom had predicted much more robust job growth.

This is going to make the Democrats' position on taxes even more precarious. Do they really want to vote to subject *anyone* to a tax hike? I mean, at 10 percent or 12 percent unemployment (though we hope we don't get to those figures), would they give up their class warfare shtick?

As you might imagine, congressional Republicans are not missing the chance to highlight the Democrats' failure to hold down unemployment. Rep. Tom Price (Ga.) sends out a release:

"Nationwide, the unemployment rate has stayed at 9.4 percent or higher for 19 straight months," said Chairman Price. "Yet instead of sensible policies to encourage private sector job creation, Democrats have pushed one job-killing idea after another. Just yesterday, Speaker Pelosi's lame duck majority voted for higher taxes on small businesses all across the country. Well, higher taxes don't hire Americans. Small businesses do."

"Washington has built up some daunting barriers to job creation in recent years. Breaking down those barriers will be Republicans' number one goal next year."

Likewise, Rep. Eric Cantor, soon to be the Majority Leader, [puts out a statement](#), which reads in part:

"Today's jobs report marks the 19th consecutive month in which unemployment has exceeded nine percent--an unacceptable result. We must do everything possible to bring that number down and get people back to work by ending the uncertainty that is plaguing the private sector. To start, Congress should reassure job creators and investors by taking the impending tax hikes off the table. I am hopeful that the negotiations between the Administration and Congressional leaders will result in legislation to ensure that tax rates will remain unchanged for the next several years. Political gimmicks -- like yesterday's vote in the lame-duck House - are emblematic of a dysfunctional Washington and a sad example of what millions of Americans profoundly rejected on election day. People want and deserve results, and Republicans will ensure - one way or the other - that no American has their taxes raised in this economic environment."

And with every upward tick of the unemployment numbers, the task of bringing unemployment down to a remotely acceptable number by 2012 becomes more daunting. The White House, no doubt, is keenly aware of this.

Reason

[Democrats, Republicans, and the Upward March of Government Spending](#)

by David Boaz

Writing about the meeting between President Obama and congressional leaders — where some hoped to find some agreement on taxes and spending issues — [Dana Milbank quotes](#) two skeptics:

"There's a reason why we have Democrats and Republicans," incoming House speaker John Boehner said at his news conference. "We believe in different things."

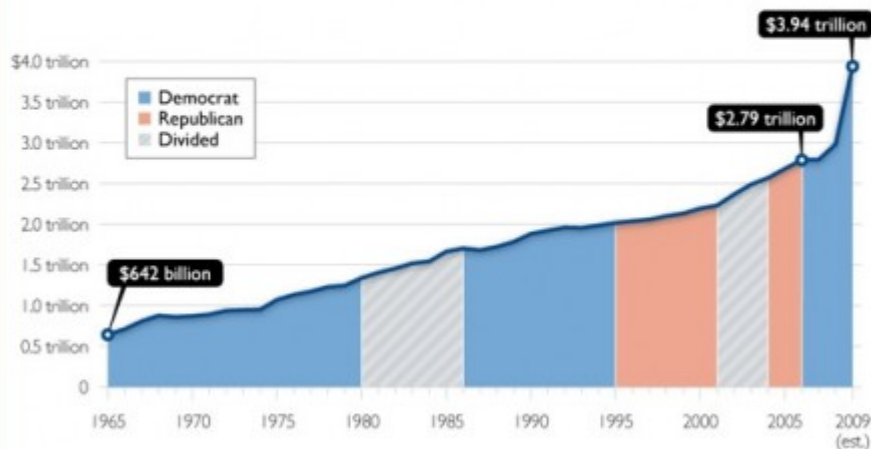
"We have two parties for a reason," Obama said a few minutes later. "There are real philosophical differences."

No doubt there are. But it's hard to find the differences on this chart of the upward march of government spending, handily provided by the Heritage Foundation:

Federal Spending Has Increased Steadily Regardless of Congressional Leadership

Real annual federal spending has more than quintupled since 1965 and more than doubled since 1980. Since 2006, federal spending has increased by nearly \$1 trillion.

Total Federal Spending in Inflation-Adjusted Dollars (2008)



Source: White House Office of Management and Budget.

Federal Spending Chart I • 2009 Federal Revenue and Spending Book of Charts heritage.org

To the naked eye, it looks like a pretty steady climb through the Johnson-Nixon-Ford-Carter-Reagan-Bush-Clinton years, with a bit of acceleration under Bush II and then a sharp jump in 2008 and 2009. Heritage's color-coding refers to Congress only, so you can't see that the slight slowdown in the Clinton years occurred under divided government. And of course the TARP and other 2008 spending was proposed and forced through by the Republican White House, even though Congress was indeed Democratic at the time.

But the bottom line is: If we have two parties for a reason, because they believe in different things, why don't we see some real differences in the growth of federal spending?

Contentions

[Balmy with the Likelihood of Mass Death](#)

by Abe Greenwald

Global-warming prophets have stepped up their predictive skills. Calling the next hundred years of weather was kids' stuff. They can now tell you how many people are going to die annually from the temperature rises they see in man's future (hint: it's a big, fat, round number) and what it's going to cost the survivors. "By 2030, climate change will indirectly cause nearly one million deaths a year and inflict 157 billion dollars in damage in terms of today's economy, according to estimates presented at UN talks on Friday," the [AFP reports](#). Here's the "peer-reviewed" meteorological mumbo-jumbo that makes it all perfectly clear:

"No amount of (greenhouse-gas) mitigation will prevent at least another 0.7 degree (Celsius, 1.26 degrees Fahrenheit) of temperature rise over the next two decades," he [a researcher at the International Institute for Environment and Development] said.

“In the last century we have already seen a 0.7 degree (1.26 F) rise. So we are headed for 1.4 (2.5 F) almost certainly.

“If emissions carry on their current pathway then we may in the longer term be headed for three or four degrees (5.4-7.2 F), which is practically impossible for everybody to adapt to.”

Sorry if I’m not shaken to my depths by the grim reapers of greenhouse gas, but it’s hard to ignore the fact that the talks [began as follows](#):

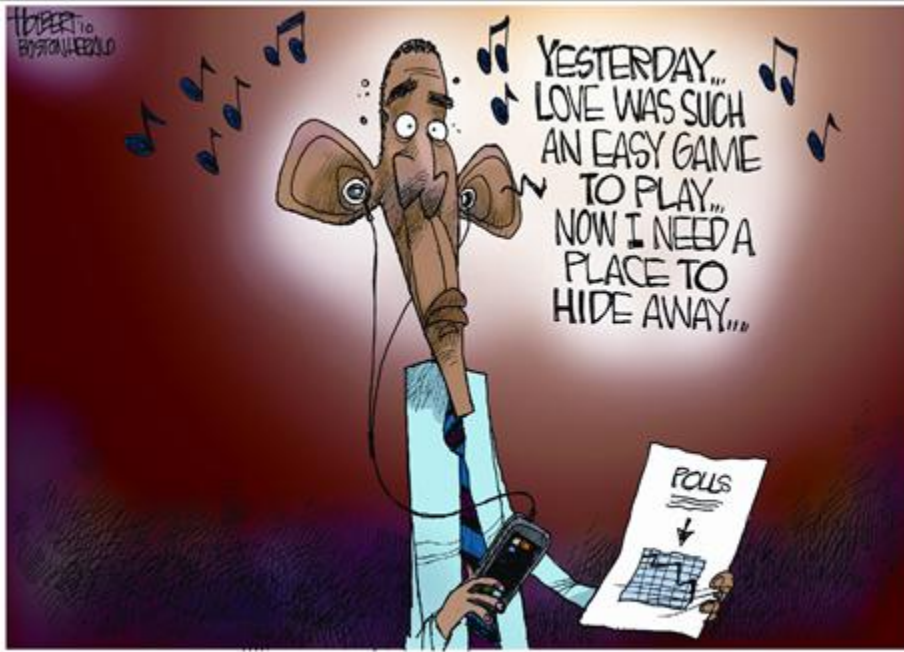
Christiana Figueres, executive secretary of the U.N. Framework Convention on Climate Change, invoked the ancient jaguar goddess Ixchel in her opening statement to delegates gathered in Cancun, Mexico, noting that Ixchel was not only goddess of the moon, but also “the goddess of reason, creativity and weaving. May she inspire you — because today, you are gathered in Cancun to weave together the elements of a solid response to climate change, using both reason and creativity as your tools.”

She called for “a balanced outcome” which would marry financial and emissions commitments from industrialized countries aimed at combating climate change with “the understanding of fairness that will guide long-term mitigation efforts.”

“Excellencies, the goddess Ixchel would probably tell you that a tapestry is the result of the skilful interlacing of many threads,” said Figueres, who hails from Costa Rica and started her greetings in Spanish before switching to English. “I am convinced that 20 years from now, we will admire the policy tapestry that you have woven together and think back fondly to Cancun and the inspiration of Ixchel.”

And to think some people doubt global warming.





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