

Now, should we destroy the economy?

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BEAUTIFUL. The release of the Garnaut report could not have been better timed. It was dead, dead, dead, before it hit the table.

The dark greens and all the climate carpetbaggers and main-chanters who have sprouted like weeds at the prospect of sharing in the 21st century theological rents will come to look back wistfully at his – original – modest emission reduction targets.

Hopefully, from their humpies beneath those disused windmills which had yet to be dismantled. Apart from the ones kept as a record of a crazy religious cult that infected the world in the early years of the 21st century.

There is no way even the Rudd Government is going to embrace a policy to destroy the economy, in the wake of this week's disaster on Wall St and the Hill - the US House of Representatives.

What, Rudd is going to get up and announce the wrecking of the economy starts now: barely 60 weeks away on January 1 2010? Before the next election?

There is no way that China and the US are going to agree to slug their economies in recession with punitive policies to send them in even deeper.

If the Prime Minister persists with his ambition for a global agreement to reduce emission, he won't be preaching to the converted but an audience which will make the one he addressed in New York last week look like the MCG last Saturday.

Further, it opens the door to victory at the next election not just to the Federal Opposition but to every state opposition facing increasingly nervous Labor governments. At the national level, Malcolm Turnbull would have two choices.

Simply to argue for postponement of any emissions scheme, or the more rational and also more opportunistic: to make any reductions by us at the very least conditional on US and Chinese delivered reductions.

I would prefer him to take the emissions scheme off the table entirely. To go Churchillian and announce: he does not intend to become the Queen's first minister to preside (that's a word he might like) over the impoverishing of Australia.

The idea that we should lead is beyond absurd; that the world is 'waiting on us'.

Oh yeah? Just like 'the world' flocked to hear the Prime Minister's inspiring words of wisdom at the UN last week.

At the state level, oppositions have to just promise to keep the lights on. Literally. To build new coal-fired and nuclear power stations.

And provide emergency defibrillators to dark and even light greens. Or recycled paper bags to breath into.

Is the average person going to vote to go back to a Dark Age future? Words chosen very particularly; both literally and figuratively.

The Garnaut report remains like its predecessor, the British Steel report, an uneasy mix of religion married to dodgy economic and statistical analysis.

Garnaut claimed yesterday that "the overall cost to the Australian economy of tackling climate change under both the 450ppm and 550ppm scenarios was manageable and in the order of 0.1-0.2 per cent of annual economic growth to 2020".

Rubbish. Correction. Utter rubbish. On a whole series of levels. .1

For starters, we can't 'tackle climate change'. Taking the 'science' as read for the purposes of discussion, it is completely out of our control.

We reduce our emissions by 100 percent, we have absolutely no impact on the climate. Not just the global climate but our local climate.

We reduce our emissions by zero, or indeed double them, and on either scenario we have exactly the same impact on the climate. Zero.

OK. So we have to jointly cut emissions, with everyone else? Actually, no. The only, the only emitters that matter are the US and China, and perhaps India out a few years.

Only they need to cut. And if it's so Garnaut-Stern like painless, why do we have to lead? They'll unilaterally embrace cuts. Again, they cut and what they do is utterly irrelevant to any climate outcome. They don't cut, and ditto.

Now this might suggest that we have to do something in unison. But the one thing that it absolutely does announce is the pointlessness of us cutting unilaterally.

Sorry, not the pointlessness, but the sheer dopey stupidity. Which is exactly what Garnaut – still – recommends. Explicitly. That we cut even though the world refuses to agree a global process!

Our 'fair share' of cuts that would actually achieve something is to reduce emissions by 25 per cent by 2020 and by 90 per cent by 2050, according to Garnaut.

Allowing for population growth, the bigger figure is to all intents and purposes 100 per cent. I'm surprised he didn't go the whole hog and suggest 130 percent.

His original report had some shreds of analytical credibility compared with the disgraceful Stern report. This one has none, as Garnaut combines analytical idiocy with profound theological hubris.

His entire report turns on 'assuming' the mother of all can-openers. An LA the economist who, washed up on a desert island with cans and cans of food – of the old fashioned, non-self-opening variety - first assumes a can-opener.

We can turn off all our existing electricity and do away with petrol. Easy. Assume a replacement.

And, as a consequence, the cost will be marginal out to 2020? Sorry, it will destroy the economy.

It will destroy the economy even if everyone cuts. It will destroy the economy if we go wandering off alone like Anabaptists, in Europe in the Middle Ages. seeking some sort of salvation.

Garnaut's modelling of the economic costs comes from the same guys and the same computers that predict the budget surplus each year.

Last May they predicted it would be \$10.6 billion in the 2007-08 year. It came in at \$27 billion, after making the necessary adjustments for new initiatives. The difference is equivalent to 1.5 per cent of GDP.

So Treasury can't get a figure about a process it actually has plenty of knowledge about within 1.5 per cent of GDP, one year out.

And we are expected to believe that Garnaut can get accurate within 0.1 per cent of GDP changes out 12 years?

After the imposition of trauma never previously imposed on the economy, requiring unprecedented shifts in energy use, with consequences that have never previously been experienced.

This demonstrates in the most specific way how Garnaut has 'got religion'. In comparison with his report, creationism is the very font of 'scientific objectivity'.