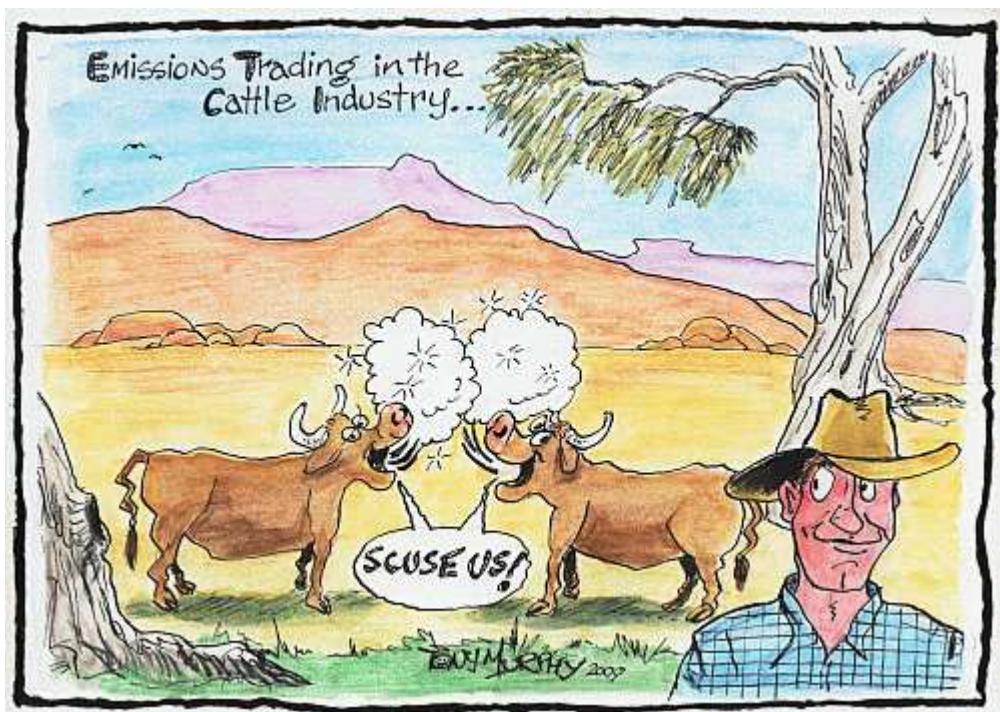


"The Great Carbon Dioxide Tax and Trading Game."

By Viv Forbes

*The Land of Oz, they say,
Is a land of milk and honey.

The cows sit in the Parliament,
And the B's get all your money.*



"Emissions Trading" is a fancy name for a tax on all carbon based emissions produced by human activities. It should be called "The Carbon Dioxide Tax". But the ETS also creates permits to emit hot air. These will become new toxic assets for under-employed speculators looking for profitable new trading toys. This makes it "***The Great Carbon Dioxide Tax and Trading Game***".

Carbon Powers Agriculture

Carbon dioxide emissions are generated by every combustion engine. Mechanical engines take carbon fuel into internal combustion chambers called cylinders, burn it, convert some of the energy into heat and the rest into mechanical energy to power tractors, trucks, generators, trains, ships and planes. Organic engines like horses, cattle, sheep and humans take carbon fuel into internal combustion chambers called stomachs, oxidise it, convert some into flesh, bone and milk and the rest into energy for warmth, and work.



Organic Engines Cooperating to take on Carbon Fuel
(Bulls push down leucaena trees, and then all can reach the luscious leaves).

Both types of combustion engines take in oxygen and emit the same two so-called “greenhouse gases” - water vapour and carbon dioxide.

All combustion engines are in the firing line for the carbon tax collectors. This is a particular threat to graziers who rely so heavily on both mechanical and organic carbon engines. No matter what they say, agriculture will be dragged into this tax minefield. The carbon tax must push up the cost of petrol, diesel, steel, electricity, cement, timber, fertiliser and food, while we may also have to beg or buy emission permits or pay carbon taxes to allow our animals to keep breathing.

Lessons from the UN and Europe.

Even if agriculture is temporarily omitted from the Emissions Trading Scheme, the European experience suggests we still have reason to fear.

According to the UN Food and Agriculture Organisation “Livestock contribute 18 per cent of the greenhouse gases believed to cause global warming”. And the Danish Tax Commission estimates that a cow will emit four tonnes of methane a year in burps and flatulence, compared with 2.7 tonnes of carbon dioxide for an average car.

Agriculture, transport and housing are not included in the EU's Emissions Trading Scheme. Instead, EU member states are obliged to cut the emissions from non-ETS sectors by 10 per cent overall by 2020. They plan to do this using the usual weapon – taxation.

A cow tax of €13 per animal has been mooted in Ireland, while Denmark is discussing a levy as high as €80 per cow to offset the potential penalties each country faces from EU legislation aimed at combating global warming.

The Irish Farmers' Association said that their cattle industry would move to South America to avoid EU taxes. Where will Aussie graziers go?

All Cows are Green

The proposal to tax animal emissions, the fart and burp tax, is scientific and logical nonsense. Cattle and sheep do not consume fossil fuels such as coal and oil – they consume grass and grass seeds. They get their carbon from them. Where does that carbon come from? In the end it can only come from the carbon dioxide in the air – so it is a complete closed circle – every molecule of carbon emitted was originally extracted by a growing plant from the atmosphere using photo-synthesis. A herd of growing weaners is no different from a plantation of growing trees – both are extracting carbon from the atmosphere and minerals from the soil to sequester carbon in their bodies. As humans eat meat, milk, butter, bacon and cheese, much of this carbon ends up sequestered in human bodies.

Forests extract carbon to be stored in trees. Cows extract carbon to be stored in human bodies (which live as long as most trees). Thus, all cows are as green as forests.

The Mirage of Carbon Farming

It is clearly unjust if farmers are taxed on animal emissions but not credited with plant extractions.

Some farmers, the Carbon Farmers, see that the solution to this potential injustice is to allow carbon accumulated in soils to be a carbon credit. But soils lose carbon at times, and there is a limit to its ability to absorb it. A full accounting must come to the conclusion that animals, soils, plants and the atmosphere comprise a closed circuit and no carbon is gained or lost around the circuit – thus there is no justification whatsoever to include pastures, soils or grazing animals in any carbon accounting or taxes.

Carbon Farmers fondly believe they can somehow profit from carbon that may accumulate in soils under changed pasture management. This is a cruel illusion. Any small credit gained from carbon accumulating in the soil will be swamped by all the carbon tax costs elsewhere. There is no free lunch. The purpose of the ETS is to tax carbon, forcing people to stop using it, or to use less of it. The correct response from farmers is to demand that the ETS is abandoned.

Eat Less Meat?

Already we have the academics advocating a meat free diet and carbon free energy.

Meat is already off the menu in NHS Britain because it is “carbon intensive”. Are tuck shops next? Even if we stop eating meat, how do we stop animal emissions? The Indians don’t eat much beef, but the 200+ million sacred cows wandering across India still fart and burp. The Carbon Professor would have us shoot all our cattle and sheep and turn our grazing lands over to kangaroos (who also live in the carbon cycle).

And what do taxes on food production achieve? Make us eat less? Maybe carbon taxes will fix the obesity epidemic? Can we expect food ration cards again? Australian graziers produce food from marginal land that will not produce any other sort of human food. If meat is a prohibited food, this land will be lost to food production. Add to that the land lost to carbon credit forests, and the food land lost to subsidised ethanol production, and we can all look forward to more expensive food. When all useful land is covered by Penny Wong’s carbon credit forests, what do we do for food and rural jobs?

Fertiliser will Cost More.

Graziers will be hit from all sides by the carbon taxes. First to be hit will be electricity from coal. The only feasible alternative to coal for economic and reliable electricity for Australia in the near future is natural gas, which is already booming everywhere. The ETS will elevate the cost of all bottled gas, but more sinister for farmers, it will push up the cost of all nitrogen fertiliser which is largely produced from natural gas.

Big Nanny will be Everywhere

Imagine the paperwork and surveillance if farmers are dragged fully into the Emissions Trading Game. The first problem is how to measure animal emissions. The regulators are lucky to get within a bull’s roar of counting animal numbers, let alone accounting for different feed regimes, age profiles, and species. And if you think that will be easy, wait until soil and vegetation carbon accounting comes along. Aerial surveillance will watch every acre of ground, looking for fly-by-nighters who may use a plough or ripper, and instant jail awaits anyone who uses fire to control woody weeds or drives a dozer through the regrowth forest. Termites are major carbon emitters. Do we earn credits by knocking over termite nests but leaving clumps of lantana? And what happens to the hapless farmer who has sold carbon credits for the carbon accumulated in his soil, but then faces five years of drought, followed by a severe bush fire? Imagine the carbon tax liabilities that will be re-ignited. And when a big bush fire rages, who pays the carbon tax – the landowner, the national park where it originated, or the fire bug who lit it?

Will the Emissions Trading Tax benefit us or the climate?

There is no possibility that any tax levied on Australian carbon emissions can be proved to benefit anyone's climate.

Firstly, carbon dioxide is a minor trace in our atmosphere, and man's contributions are minuscule. Of all the gases in our atmosphere, CO₂ is but one part in 2,500. It is like driving a mob of 2,500 white-faced cattle with just one black Angus ring-in, and then blaming the Black Angus for stirring up all the dust. Moreover, humans may be responsible for just 3% of all emissions, and Australia may be responsible for just 1.5% of world emissions.

Volcanoes, the oceans, marshlands and natural gas emissions dwarf anything man can do. There are an estimated three million undersea volcanoes. Volcanoes are heating the sea and belching gases into the air near Tonga, on Hawaii, in both the Arctic and the Antarctic, under the Greenland Ice sheet, near Fiji, off Mexico, off Japan and off Iceland. There are hot springs in the Norwegian Sea and a huge hydrothermal mega-plume 70 km long in the Indian Ocean. All are emitting heat and gases. Are the ETS people going to limit nature to just one volcanic eruption per decade? Compared to nature, man's emissions are as significant as a fart in a cyclone.



Redoubt Volcano and its natural emissions, Alaska, 21st April 1990.
Photographer Credit: J. Warren, Alaska Volcano Observatory.

Secondly, CO₂ is not a pollutant. Carbon is the essential building block of life, and all life needs CO₂ to survive. Most life probably evolved when CO₂ levels were four times as high as they are today, and plant growth ceases at about 200 ppm, not far below today's low levels of 386 ppm. All life would benefit from MORE carbon dioxide in the atmosphere, not less.

Thirdly, earth temperatures are controlled not by a trace amount of an invisible gas in the atmosphere, but by primarily by fluctuations in the heat output of that big nuclear power plant in the sky, moderated by the variable shading effects of clouds. The atmosphere does not generate heat – it merely slows down the earth's loss of heat. And over 95% of the heat retaining effect is caused by water vapour, not CO₂.

Fourthly, all the hundred year scare forecasts spewed out by the alarmists are based not on observations or even projections, but on the output of computerised models such as those which cannot forecast the weather over a long week-end, those that did not forecast the financial crash, and those that cannot forecast the budget surplus three months ahead. None of the now discredited IPCC models were able to forecast the last decade of cooling.

Fifthly, subsidising people to replace food production land with carbon credit forests is a suicidal policy that will ravage rural industry, elevate our food prices and increase our risks from fire and feral pests.

Finally, Al Gore has not noticed yet, but global warming ceased about ten years ago. And even if it resumes, most people on earth would consider the change beneficial.

Tax his tractor,
Tax his mule,
Teach him taxes
Are the rule.

Tax his cow,
Tax his goat,
Tax his pants,
Tax his coat.

Tax his work,
Tax his pay,
He works for peanuts
Anyway!

Farmers are renowned for common sense. Let us tell the politicians to forget all this Emissions Trading rot. Kill it stone dead. Get back to basics - build some decent infrastructure, make our cities safe, and keep the powder dry for our armed forces. Most of all keep our economy strong so we can cope with the climate surprises that Mother Nature will continue to throw at us.

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(The author is a geologist and soil scientist, a sheep and cattle breeder, member of the Australian Beef Association and Chairman of the Carbon Sense Coalition www.carbon-sense.com. This article was first published by the Australian Beef Association in The Australian Beef Producers' Journal Autumn/Winter 2009.)