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## Real Intelligence Failures

By Richard W. Rahn

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What do you think was the most costly intelligence failure of all time? No, was is not the world's leading intelligence agencies' failure to notice that Saddam had few, if any, weapons of mass destruction. It was the failure of many leading climate model builders to be modest enough about their predictions, and the politicians' and media's failure to ask the tough questions of these climate experts.

As a consequence of what we now know was an overblown global-warming scare, everyone on the planet is paying substantially more for food and fuel than is necessary.

Despite the prediction of all the major climate models, the Earth has been getting cooler since 1998. At first, it was not considered a big deal because temperatures fluctuate from year to year. However, the drop has now been going for a decade, with another big drop last year.

The global warming zealots have just been handed another rude shock, when the peer-reviewed journal, *Nature*, reported on May 1 that according to a new (and hopefully improved) climate model, global surface temperatures may not increase over the next decade.

Roger A. Pielke, environmental studies professor at the University of Colorado, and not previously a global warming skeptic, reacted to the *Nature* article: "Climate models are of no practical use beyond providing some intellectual authority in the promotional battle over global-warming policy."

Hudson Institute environmental economist Dennis Avery said: "The Earth's warming from 1915 to 1940 was just about as strong as the "scary" 1975 to 1998 warming in both scope and duration — and occurred too early to be blamed on human-emitted CO<sub>2</sub>. The cooling from 1940 to 1975 defied the Greenhouse Theory, occurring during the first big surge of man-made greenhouse emissions. Most recently, the climate has stubbornly refused to warm since 1998, even though human CO<sub>2</sub> emissions have continued to rise strongly."

As a direct result of the global-warming hysteria, which, as noted above, was grossly overblown to say the least, governments reacted by restricting energy

production from traditional sources, such as oil, gas and coal, and by enacting very costly regulations on CO2 emission sources. Governments also quickly jumped on the fad of "biomass" production, which, at least in the case of corn, does not result in less CO2 but more than standard oil and gas wells produce — a clear "intelligence" failure.

The restrictions on oil and gas have greatly increased the cost of gasoline and home heating oil, and the production cost of almost everything else, especially plastics and food.

In addition, the corn-based ethanol craze has removed huge quantities of agricultural land that was used to produce things like wheat, rice and corn for animal food, to corn to be used as motor fuel. The predictable result was a huge rise in global food prices.

A revisionist history is under way, where many who believed Saddam had weapons of mass destruction, and said so, and supported the war, are now in denial — another type of "intelligence" failure.

We now see a similar thing among these same politicians who used, in part, the excuse of global warming to justify their votes against more drilling on the North Slope of Alaska, and offshore in the Lower 48. If you prevent new oil supplies, gasoline prices will rise. If you divert farm land used for growing food crops to that of growing corn to make ethanol for transportation, food prices will increase. Two more clear cases of "intelligence" failures, or worse.

Now some of the same politicians who have, in part, created the oil and food price problems want to put a "windfall" profits tax on oil companies. (New York Democratic Sens. Hillary Clinton and Chuck Schumer and Vermont Independent Sen. Bernie Sanders have been particularly outspoken advocates of this idea). They seem not to have noticed that the price of oil is largely set by world supply and demand.

They have also failed to notice that over the years oil production and refining companies have had no higher profits on average than most other industries, and if you tax away all their profits this will not reduce prices at the gas pump. Most of the cost of a gallon of gasoline is the price of crude oil (only 12 percent of it controlled by private companies, the rest owned by state-controlled companies like Pemex in Mexico), and federal, state and local taxes. A windfall profits tax would only reduce investment in new production and refining and incentives to produce more oil — another "intelligence" failure.

You may wonder — if the data from the last decade show the Earth is not getting warmer, and the climate models have been making incorrect predictions — why are so many in the political and media classes continuing to shout about the dangers of global warming and insisting the "science" is settled when the opposite is true. (You may recall that Copernicus and Galileo had certain problems going against the conventional wisdom of their time.)

The reason people like Al Gore and many others are in denial is explained by cognitive dissonance. This occurs when evidence increasingly contradicts a strongly held belief. Rather than accept the new evidence and change their minds, some people will become even more insistent on the "truth" of the discredited belief, and attack those who present the new evidence — again an "intelligence" failure.

Finally, many people directly benefit from government funding global warming programs and care more about their own pocketbooks than the plight of the world's poor who are paying more for food. This is not an "intelligence" but an "integrity" failure.

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