



## Fight or Die

By Richard W. Rahn

THE COAL INDUSTRY'S SLOW DEMISE PROVES THE IMPORTANCE OF PARRYING ATTACKS

Last week, the nation's largest coal company, Peabody Coal, declared bankruptcy, as have many other coal companies in the past few years. They were victims of the development of fracking technology, which greatly increased the supply and reduced the cost of natural gas, but they were even more victims of President Obama's stated war on coal. The officials of the coal industry could not do much about the fracking revolution, but they allowed themselves to be unfairly and irresponsibly pilloried by the green lobby and the Obama administration.

Over the years, I have watched many industries, companies and individuals be destroyed by unwarranted attacks, and even entire countries maligned. But I have also been impressed by those that have successfully fought back. Just contrast the reaction of the National Rifle Association (NRA) and the coal industry. Many wish to demonize guns and restrict gun ownership, rather than deal with the people who misuse them. The NRA and other groups that seek to protect Second Amendment rights engage in a continuing active, vigorous, educational and communications effort. They also engage in a rapid response effort to react to the predictable calls for restrictions on gun ownership when a

terrorist or mentally ill person engages in a shooting. As a result, our rights to own guns have largely been preserved.

Contrast the actions of the NRA with the coal industry. Coal companies were given fair warning that Mr. Obama was serious about going after them. They should have engaged in a massive educational campaign to explain how they had cleaned up smokestack emissions and provided inexpensive, reliable electricity. The one remaining "pollutant" is carbon dioxide — also known as plant fertilizer. Carbon dioxide is a tiny but natural part of our atmosphere (only 0.04 percent) without which life as we know it would be impossible. It is not known what is the optimal level of carbon dioxide in the atmosphere. What is known is that the additional amount created by coal-fired plants in the United States will have almost no discernible effect on global temperatures, but it does stimulate plant growth. And what is also known with a high degree of certainty is that hundreds of thousands of workers in the coal industry will lose their jobs (this has already happened) and that electricity prices will soar for millions of Americans (this is also happening), which, in turn, has the greatest negative effect on low-income people. The point is that it was possible to defend coal power production in an honest manner, using sound cost-benefit analysis — and the tepid effort by the coal industry to do so was obviously insufficient. The coal industry has unnecessarily lost tens of billions in market value, greatly hurting their stockholders, pensioners and employees. Much of this could have been avoided if they had spent a few hundred million educating the American public on the benefits of coal rather than allowing themselves to be demonized by the radical environmentalists and the Obama administration.

At the moment, both Wall Street and the offshore financial jurisdictions are being demonized by left-wing politicians and their media allies. Yet, most of those who are attacking Wall Street and the offshore industry have no idea what they really do, and what benefits they provide to the global economy. During the past decade or so, the attacks on the big banks have resulted in regulations that caused the big banks to grow bigger at the expense of smaller banks, while

at the same time being less able or unwilling to service their smaller and more entrepreneurial customers, hurting economic growth and employment.

The "Panama Papers" revelations caused the predictable cast of left-wing organizations and media to demand further restrictions on, or even an end to, the offshore financial industry. The big-government international organizations, such as the Organization for Economic Cooperation and Development, sensing an opportunity, almost immediately came out (as if it were all coordinated) with proposals to increase their own "oversight" — a transparent attempt at a bureaucratic power grab. Few people have any real sense of the services that the offshore financial centers provide the world economy. Most people, because of the movies, novels and media, think of them as a place for bad people to go to hide their money. Yes, some of that does occur, but most of these activities are legal, legitimate and necessary.

The operative question is this: Are the several dozen so-called offshore financial centers enlightened enough to mount a vigorous defense against the know-nothing statist as have the Second Amendment advocates, or will they go the way of the coal industry and apologize for their mere existence, even though they provide necessary services that make the world economy function better with higher levels of job creation?

In an effort to increase economic literacy, several of us have come together to produce a series of documentaries on successful countries, industries and companies, called "Improbable Success." Destructive economic policies by governments are almost always a result of economic ignorance from those who report on the economy and the people who fail to hold power-hungry politicians and bureaucrats to account.

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<http://www.washingtontimes.com/news/2016/apr/18/richard-rahn-coal-industrys-slow-demise-prove-impo/>