



Economic hit man Ross Garnaut takes aim at SA

Professor Ross Garnaut, former mining tycoon turned climate change guru, this week continued his career-long crusade¹ to destroy Australia's industrial economy, by attempting to disrupt the growing impetus towards establishing a nuclear energy industry in uranium-rich South Australia.

Garnaut's 23 June public lecture at the University of Adelaide, entitled "Australia: Energy Superpower of the Low-Carbon World", was a transparent attempt to torpedo the SA government's Royal Commission into the possibility of creating a nuclear industry to revive the state's battered economy. For SA to succeed, it would require an assertion of sovereignty in the face of powerful vested interests; in today's charged political climate, that could well spell the doom of the global financial and commodities cartels that are bleeding our nation dry—the very interests that Ross Garnaut has served as an "economic hit man" for forty years. Chief among his crimes was his early-1980s role, as then-PM Bob Hawke's chief economic advisor, in designing and overseeing the disastrous free-market "reforms" by which a hijacked ALP surrendered Australia's financial sovereignty to the City of London and reduced our industrial economy to a raw materials quarry. More than 20 years later, he authored the 2008 *Garnaut Climate Change Review* that, along with its 2010 sequel, is the basis of today's counterproductive "renewables industry" and carbon trading.

According to Garnaut, a domestic nuclear power industry would be too expensive (ignoring why those countries that *don't* have their own uranium would be buying ours). "Uranium has very low international transport costs, so prices in Australia are indistinguishable from those in importing countries." So much is true; but then this: "Unlike uranium ... if it is much cheaper to produce wind or solar power in Australia than in Germany, the full difference will be felt in lower prices to Australian users. ... *Under free trade*, these *economic imperatives* would move Australia towards using at home those sources of energy with relatively high international transport costs ... and exporting energy that has relatively low international transport costs..." (emphasis added). In other words, according to Garnaut's logic, everyone will be producing their power with expensive "renewables"; ours will be marginally *less* expensive, but, of course, impossible to export, so we'll sell our uranium instead and in the meantime rely upon "solar, wind, deep geothermal, wave and tidal" for our own requirements. With breathtaking hypocrisy, he decried "government subordination of public to private interests, as powerful players from the old economy seek to block the emergence of the new"—this from the man whose personal actions saw the common good of the nation prostituted to private interests in almost every conceivable way. In pre-lecture remarks to *The Australian*, he also had the temerity to complain that "unfortunately, in Australia recently, lots of these questions have been caught up in politics rather

than the real science ... and the economics"—when in fact the neo-liberal "economic imperatives" of "free trade" that he preaches are based entirely upon political ideology.

However, let us take him at his word: here, then, are the *real* science and economics of "renewable energy".

First, the science: no wind- or solar-powered generator of any sort is capable of producing energy at sufficient volume, density and continuous duration to produce and maintain another such wind/solar generator, and therefore neither is actually renewable. Nuclear reactors *do* produce the requisite energy to construct more nuclear reactors. Sufficient uranium exists that so-called 'conventional' (actually decades out-of-date) reactors could power the world for several thousand years, but there are also "breeder" reactors available that *produce more nuclear fuel than they consume*, especially via addition of thorium to the fuel cycle. It has been calculated² that "all the world's energy requirements for the remaining 5×10^9 yr [i.e. five billion years] of existence of life on Earth could be provided by breeder reactors without the cost of electricity rising by as much as 1% due to fuel costs. *This is consistent with the definition of a 'renewable' energy source in the sense in which that term is generally used.*"

Secondly, the economics: solar panels and wind turbines are heavily subsidised—by consumers and taxpayers—and are absolutely not cost-competitive absent these subsidies. The intermittent nature of solar- and, particularly, wind-derived electricity mean that backup sources must always be available; the cost of running thermal power stations on standby or starting and stopping them on demand must also, therefore, be added in bright red ink to the (non-) renewables' ledger. Most of the same materials—steel and concrete, for example—are used in the construction of both wind turbines and nuclear generators, and are therefore used exponentially more efficiently when used to construct nuclear generators, meaning that in real terms nuclear-generated electricity is *thousands of times less expensive*. Finally, Australia possesses nearly one-third of the world's known uranium reserves and some of the largest known deposits of thorium. We also have all the iron and coal (for steel-making), lime (for cement), aluminium, nickel, copper, lead, and everything else we need to establish a nuclear industry, or any industry we like, and it is all free by the same standard as that by which wind and sunlight are free: you just have to build machines to make use of it.

All of this considered, especially Ross Garnaut's *curriculum vitae*, Australia's policymakers, academics and business leaders would do well to listen very carefully to everything he says—and then do exactly the opposite.

1) http://cecaust.com.au/main.asp?sub=releases&id=2011_02_11_Garnaut.html

2) <http://www.sustainablenuclear.org/PADs/pad11983cohen.pdf>

PETITION

Australia must secure its future by aligning with the BRICS in a new, just world economic order

TO THE HONOURABLE THE SPEAKER AND MEMBERS OF THE HOUSE OF REPRESENTATIVES

This petition of the Citizens Electoral Council draws to the attention of the House the opportunity for Australia, and all nations, to participate in the process that the BRICS nations of Brazil, Russia, India, China, and South Africa have initiated: to create a new financial architecture for the world based on equitable and inclusive multilateral credit institutions that prioritise investment in physical economic development, instead of speculation.

The present, inequitable IMF-World Bank system is collapsing under the burden of hundreds of trillions of dollars of unpayable global debts and derivatives obligations, including the Australian banking system's derivatives exposure of more than \$27 trillion. This is the legacy of decades of reckless financial speculation unleashed by IMF-enforced deregulation, and is the driver of the world's present strategic tensions

which have increased the threat of a thermonuclear world war.

Through such new financial institutions as the \$100 billion New Development Bank, the \$100 billion Asian Infrastructure Investment Bank (AIIB), the \$40 billion Silk Road Development Fund, the \$20 billion Maritime Silk Road Fund, and the planned Shanghai Cooperation Organization (SCO) bank, the BRICS nations will direct massive investment in much-needed physical infrastructure projects on which all nations can collaborate, forging a basis for lasting global peace and economic prosperity.

We the undersigned therefore petition the House to commit Australia both to full participation in the AIIB, and to full support for the BRICS-initiated process of creating a new financial architecture for the world as the basis of a just economic order.

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