

Imaginary exchange goes poof

The green scheme known as the Chicago Climate Exchange will stop trading hot air at the end of the year

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The Chicago Climate Exchange is shutting down at the end of the year.

Nobody's buying carbon credits.

Right now, days go by when not a single trade is done. When trades are done, carbon dioxide sells for just five cents a ton.

It's over.

In related news, the Pixie Dust Exchange has plenty of eager sellers but still no buyers. And the opening of the unicorn exhibit at the zoo has been postponed indefinitely.

None of these things exist in real life. Except the Chicago Climate Exchange. It was given millions of dollars in start-up subsidies, including from Chicago's Joyce Foundation when Barack Obama was a board member. Buying and selling imaginary carbon credits was going to lead us to a bold, green future, when people would pay billions — Al Gore said trillions! — to buy hot air.

If only Enron and Bernie Madoff had been smart enough to call their pyramid schemes "green funds."

The Climate Exchange was created by a professor named Richard Sandor. In 2002, Time magazine called him a "Hero of the Planet" for that act.

But as the exchange's own website suggests, companies bought and sold carbon as a public-relations exercise — to greenwash their operations in the eyes of the gullible media.

Big guns like Goldman Sachs bought a stake in the exchange hoping for far more. They were betting that with Obama in the White House, carbon trading would become mandatory under the Democrats' "cap and trade" scheme. That was the plan Obama said would cause "the rise of the oceans to slow and the planet to heal."

But that law died in the U.S. mid-term elections, the worst showing for Democrats since 1948. Carbon trading was one of the reasons: In a TV ad, Senate candidate Joe Manchin actually took a rifle and used the cap and trade bill as target practice.

And he won.

And he's a Democrat.

Don't worry about poor Prof. Sandor, though. The Investors Business Daily reports he managed to sell his stake in the exchange for \$98.5 million.

Too bad the Exchange is being shut down. Because at five cents a ton, the entire oil sands, all 100 companies up there, could buy Al Gore's good housekeeping seal of approval for just \$1.5 million a year.

The exchange made it all seem so real. You could even buy or sell carbon dioxide with different "vintages" — that's what they called hot air from various years — as if they were fine wines.

But \$1.5 million is still a lot of money to spend buying an imaginary product — moral permission from foreigners to run our Canadian economy. That's a lot less than the \$2 billion carbon sequestration scheme proposed by the government of Alberta — a plan to bury pixie dust, or hot air, or maybe both, in the ground.

All of Canada's carbon dioxide emissions combined were 734 megatons in 2008. At five cents a ton, that's just \$36.7 million to buy an indulgence for the whole country — for every car, factory, airplane and farting cow.

Just \$36.7 million? That's not much more than the travel budget for the Canadian delegation to the Copenhagen Conference and other global-warming parties last year.

Sure, it's a shakedown. But it's a pretty modest one. Just \$1.10 per Canadian to push the mute button for a whole year on hysterical global-warming activists? That's a bargain.

As the unloved Chicago Climate Exchange dies, a dangerous myth dies too: That carbon credits are worth anything, and that somehow trading these worthless, imaginary credits, could replace the jobs we'd kill in real industries.

No; carbon credits are a tax, a tax on environmental hysteria and appeasement-oriented companies. If Goldman Sachs can't make money off them, no-one can.

Next time someone tells you that we're all going to get rich off some government green scheme, tell them you've got a little climate exchange to sell them, and you'll throw in a unicorn too.

— Read Levant's blog at ezralevant.com

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