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1 – NCF TOP READING SELECTIONS

The mission of the National Chamber Foundation (US Chamber of Commerce) is to drive the policy debate on the important emerging issues by formulating arguments, developing options, and influencing thinking in an effort to move the American business agenda forward. For those still looking for holiday gift suggestions, here are some of the Foundation's top reading selections of recent years:

Let Them In: The Case for Open Borders

by Jason Riley

A member of the Wall Street Journal editorial board contends that foreign workers play a vital role in keeping America prosperous; that maintaining an open-border policy is consistent with free-market economic principals; and that the arguments put forward by opponents of immigration, including claims that today's immigrants overpopulate the United States, steal jobs, depress wages, don't assimilate, and pose an undue threat to homeland security – ultimately don't hold up to scrutiny.

Riley argues that our open-immigration policy goes a long way toward explaining the difference between robust economic growth in the United States and stagnation in places like Europe.

Trillion Dollar Meltdown: Easy Money, High Rollers, and the Great Credit Crash

by Charles R. Morris

We are living in the most reckless financial environment in recent history. Arcane credit derivative bets

are now well into the tens of trillions. According to Charles R. Morris, the astronomical leverage at investment banks and their hedge fund and private equity clients virtually guarantees massive disruption in global markets. The crash, when it comes, will have no firebreaks. A quarter century of free-market zealotry that extolled asset stripping, abusive lending, and hedge fund secrecy will come crashing down with it.

Futurecast: How Superpowers, Populations, and Globalization Will Change the Way You Live and Work

by Robert J. Shapiro

Robert Shapiro, former US Under Secretary of Commerce, looks into the future to tell us what our world will look like over the next dozen years. Shapiro foresees monumental changes caused by three historic new forces – globalization, the aging of societies, and the rise of America as a sole superpower with no near peer.

Who Killed Healthcare: America's \$2 Trillion Medical Problem and the Consumer-Driven Cure

by Regina Herzlinger

Consumer-driven healthcare means that we shop for our healthcare services just like we shop for a car, furniture, a handyman or a plumber. We try to get the best value for the dollar. We leave it up to the entrepreneurs to provide us with the best for the least. Competition brings down the cost of most everything, and healthcare costs are no exception. Regina Herzlinger makes an excellent argument for this in her book in a most passionate manner.

Trend Analysis That Builds Business Decisions

Putting Our House in Order: A Guide to Social Security and Health Care Reform

by George P. Shultz and John B. Shoven

The staggering projected costs for the upkeep of America's largest entitlement programs – Social Security, Medicare, and Medicaid – loom with gathering intensity. Government revenues alone cannot solve the problem, but a solution must be found. In this book George P. Shultz and John B. Shoven take a practical – and optimistic – look at the issues at hand, offering an agenda for reform that will make these essential programs solvent.

Power to Save the World: The Truth About Nuclear Energy

by Gwyneth Cravens

It is vital that we examine all our energy options. In this timely book, Gwyneth Cravens takes an informed and clarifying look at the myths, the fears, and the truth about nuclear energy. *Power to Save the World* describes the efforts of one determined woman, initially a skeptic about nuclear power, as she spends nearly a decade immersing herself in the subject.

The Post-American World

by Fareed Zakaria

One of our most distinguished thinkers argues that the “rise of the rest” is the great story of our time. “This is not a book about the decline of America, but rather about the rise of everyone else.” So begins Fareed Zakaria's important new work on the era we are now entering.

The Rise of Global Civil Society: Building Communities and Nations From the Bottom Up

by Don Eberly

The Rise of Global Civil Society is a report card on freedom. Eberly argues that the progress of freedom depends critically on the creation of civic cultures that promote democratic values. He shows that the key to spreading workable

democracy lies in finding ways to harness the best of both the public and private sectors, relying on markets and on civil society to enlist the poor as partners in their own development.

The Deniers: The World Renowned Scientists Who Stood Up Against Global Warming Hysteria, Political Persecution, and Fraud And those who are too fearful to do so**

by Lawrence Solomon

Is the “scientific consensus” on global warming a myth? Yes, says internationally renowned environmentalist author Lawrence Solomon, who highlights the brave scientists – all leaders in their fields – who dispute the conventional wisdom of climate change alarmists (despite the threat to their careers).

Good Capitalism, Bad Capitalism, and the Economics of Growth and Prosperity

by William J. Baumol, Robert E. Litan, and Carl J. Schramm

The key to eradicating poverty, increasing standards of living, and fueling economic growth is capitalism. But there are four forms of capitalism, and only entrepreneurial capitalism is conducive to radical innovation – the engine of economic growth – and can foster widespread prosperity.

The Bottomless Well: The Twilight of Fuel, the Virtue of Waste, and Why We Will Never Run Out of Energy

by Peter Huber and Mark Mills

A unique glimpse at today's perceived energy crisis. With scientific and technological sophistication, Huber and Mills say that energy is essentially infinite. Humans have, or will develop, the technological means to extract more fuel and turn it into more refined power. They explain why efficiency means more energy usage, not less, and how using more energy can lead to a better, wealthier, cleaner world.

Consulting in:

- Market and industry analysis
- Strategic business direction
- Growth dynamics

Providing:

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- Proprietary research and reports

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China: The Balance Sheet. What the World Needs to Know Now About the Emerging Superpower

by C. Fred Bergsten, Bates Gill, Nicholas R. Lardy and Derek Mitchell

Describes the challenges and prospects of four aspects of this rising superpower including its economy, its society and politics, its role in the global economy, and security and foreign policies. Based on a thorough analysis of new information and perspectives on China, the authors assert that China's presence on the world stage will be one of the most significant and challenging advancements of the twenty-first century.

The Edge of Disaster: Rebuilding a Resilient Nation

by Stephen Flynn

Explores America's vulnerability to natural and man-made disasters, suggests how we can improve our security, and offers advice on what corpora-

tions and the government can do to reduce the risk of disaster. The author looks at alarming scenarios, such as an avian flu outbreak in New York and a San Francisco earthquake, along with the consequences if we fail to plan for such disasters. He points to threats from our casual disregard for the dangers that surround us and contends that although we cannot plan for every disaster we can be better prepared.

Tough Choices or Tough Times: The Report of the New Commission on the Skills of the American Workforce

by National Center on Education and the Economy

A detailed investigation of the challenges facing the American education system along with convincing recommendations for how to improve it. It outlines the kind of competitive economy we need to maintain our current standard of living and what skills and knowledge our workers need to drive that economy.

2 – THE GREAT ENERGY DELUSION

An "energy transition" is the time it takes between the introduction of an energy source and its rise to claiming a substantial share (20% to 30%) of the overall market. There is one thing all energy transitions have in common: they are prolonged affairs that take decades to accomplish, and the greater the scale of prevailing uses and conversions, the longer the substitutions will take. **Due to the inherently slow pace of energy transitions, it is delusional to think that the United States can install in 10 years wind and solar generating capacity equivalent to that of thermal power plants that took nearly 60 years to construct. Our transition away from fossil fuels will take decades – if it happens at all.**

These are the realities, according to Vaclav Smil, University of Manitoba professor and author of *Energy at the Crossroads*:

- Coal-fired power plants produce half of all US electricity
- Nuclear stations produce about 20%
- Natural gas supplies about 24% of the world's commercial energy
- Renewable conversions (corn-based ethanol, wind, photovoltaic solar, geothermal) account for about 1.7%

The point is made: one of the most important realities ruling the behavior of complex energy systems is the inherently slow pace of energy transitions. Writes Smil on www.american.com:

Preindustrial societies relied overwhelmingly on biomass fuels (wood, charcoal, straw) for heat and they supplemented their dominant

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prime movers (muscles) with wind to sail ships and in some regions with windmills and small waterwheels. This traditional arrangement prevailed in Europe and the Americas until the beginning of the 19th century, and it dominated most of Asia and Africa until the middle of the 20th century. It was only sometime during the late 1890s that the energy content of global fossil fuel consumption, nearly all of it coal, came to equal the energy content of wood, charcoal, and crop residues.

The Western world then rapidly increased its reliance on fossil fuels and hydroelectricity, but in large parts of Africa and Asia the grand energy transition from traditional biomass fuels to fossil fuels has yet to be completed.

Although oil became the largest contributor to the world's commercial energy supply in 1965 and its share reached 48% by 1973, its relative importance then began to decline and in 2008 it will claim less than 37% of the total. Coal, meanwhile, remains indispensable: it generates 40% of the world's electricity, nearly 80% of all energy in South Africa (that continent's most industrialized nation), 70% of China's, and about 50% of India's.

In other words, energy transitions take many decades. It took decades for coal to claim a substantial share of overall energy generation, decades for oil, decades for natural gas, decades for hydrogenation, and decades for nuclear power. Ditto for steam engines and for internal combustion engines. These spans should be kept in mind when appraising potential rates of market penetration by nonconventional fossil fuels or by renewable energies. None of these alternatives has yet reached even 5% of its respective global market, and that includes biofuels, wind-power, geothermal, and photovoltaic solar. Renewable conversions now provide about 0.5% of the

world's primary commercial energy, and in 2007 wind generated merely 1% of all electricity.

There is no common underlying process to explain the gradual nature of energy transitions, but it is mostly the function of financing, developing, and perfecting necessarily massive and expensive infrastructures. For example, the world oil industry annually handles more than 30 billion barrels, or four billion tons, of liquids and gases; it extracts the fuel in more than 100 countries and its facilities range from self-propelled geophysical exploration rigs to sprawling refineries, and include about 3,000 large tankers and more than 300,000 miles of pipelines. Even if an immediate alternative were available, writing off this colossal infrastructure that took more than a century to build would amount to discarding an investment worth well over \$5 trillion – but it is quite obvious that its energy output could not be replicated by any alternative in a decade or two.

These are matters of fundamental importance given the energy challenges facing the United States and the world. New promises of rapid shifts in energy sources and new anticipations of early massive gains from the deployment of new conversion techniques create expectations that will not be met and distract us from pursuing real solutions. Unfortunately, there is no shortage of these unrealistic calls, such as the popular claim that America should seek to generate 30% of its electricity supply from wind power by 2030, or Al Gore's assertion that the United States can completely repower its electricity generation in a single decade. Such calls are absurd, delusional, and unhelpful.

The historical verdict is unassailable, concludes Smil: none of the promises for greatly accelerated energy transitions will be realized, and during the next decade none of the new energy sources and will make a major difference.