



# JOBS – PART III: OBAMA’S GREEN JOBS PROGRAM – A JOBS PROGRAM? AN ENERGY PROGRAM? OR AN ENVIRONMENTAL PROGRAM? – WHICH IS IT?

Stephen L. Bakke  September 27, 2011

*Dear Mr. President: First you tried to be the “good guy” by proclaiming you will advance smart environmental policies; you then decided to solve our energy crisis by developing unproven green energy sources; then you said this process is sure to create new jobs; and, “VOILA,” a star is born and a “green jobs” program “springs from your loins.” A solution for everyone – like magic! As we Norwegians say, “UFF DA!” – Steve Bakke – September 27, 2011.*

## Confused Minds Create Confusing Policies

In a recent report I pointed out Obama’s penchant for “wanting to have his cake and eat it too.” His green jobs program is a prime example. He can’t have a dynamic jobs program while aggressively fighting against traditional energy and throwing dollars indiscriminately at green energy. Obama simply has it very, very wrong! Let me emphatically make several points:

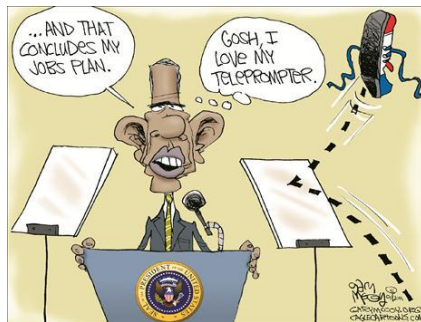
- As I will elaborate on in a later report, Obama’s environmental programs are centered on severely limiting one of the largest segments for employment in the country – the fossil fuel industry – oil, natural gas, and coal exploration and production. **The evidence is compelling – these policies have wiped out huge numbers of jobs.**
- Even though nuclear power and plant modernization/expansion are considered “clean,” they apparently fit the arbitrary definition of “undesirable” by Obama’s regulators. Many appointed leaders of the regulatory agencies come from Obama’s radical environmentalist supporters. **This is a lost opportunity to create new jobs among highly trained ranks of engineers and technicians – not to mention construction related employment.**
- **There is no way the U.S. can make progress toward energy independence and economic prosperity without a major push to develop and use our own fossil fuel resources.** There is nothing wrong with acknowledging that the world is economically interrelated, but we shouldn’t be against seeking the independence that is essential to our own prosperity. We must view ourselves as world leaders, not merely as world citizens.
- Green energy technology (excluding nuclear) has so far proven it is **not ready** to make a material difference in providing dependable domestic energy. Green energy technology has so far demonstrated it **can’t yet** make much difference in greenhouse gas emissions. AND, “saints be told,” it seems clear that it will be a long time, if ever, before it can have any impact at all on jobs. Obama has wiped out a huge number of jobs with an aggressive anti-fossil fuel policy and can’t replace them with this imaginary thing called “green jobs.” More on this later in this report.

## How About the Impact of the Numerous Tax Reforms Directed At Fossil Fuel Companies?

There have been numerous tax hikes suggested in the President's "jobs plan," and for "green jobs" in particular. It is obvious from Obama's statements and otherwise, that the fossil fuel industry is disproportionately punished. Given Obama's stated goals, would you expect that the plan would have BOTH a negative net effect on revenue AND a significant net loss of jobs!

Energy expert Marita Noon called her readers' attention to a recent study by nationally-renowned economist Dr. Joseph R. Mason who has studied the tax effect of Obama's plan. He evaluated the impact of just two of the numerous changes suggested (Dual Capacity and Section 199 – look 'em up). Mason found that the revenue loss will be greater than the additional funds the tax code changes will bring in and that **155,000 more jobs will be lost!!!**

And that's just from two of the numerous new taxes affecting the fossil fuel industry, and it doesn't consider the regulatory impacts on exploration and production – **that's just from the tax proposals.**



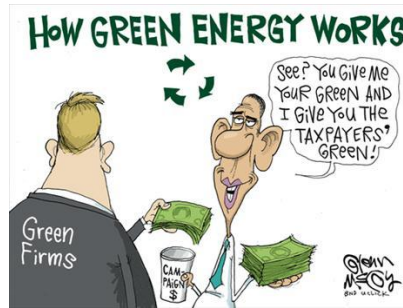
## Since We're Trying to Keep Up With Europe's Green Energy and Jobs Programs – Let's Take a Closer Look

Many proponents of aggressive green energy programs want us to keep up with the rest of the world in developing green energy. Here are my most important observations:

- First, I want to make it clear that I have no agenda other than trying to reach the right conclusion. I have no vested interest in challenging either environmental extremists or anti fossil fuel extremists. I would be "foursquare" behind their efforts if I thought their goals were valid and achievable.
- I support reasonable and affordable efforts to reach energy independence through all means available.
- Currently available information makes a clear point that we can't yet (if indeed ever) look to totally green energy to make a material contribution to energy independence.
- Current anti-fossil fuel policies dramatically harm employment.
- Employment in "green technology" is infinitesimal, in spite of a healthy level of government subsidies.
- If our European friends are any indication of what we should expect if we take our efforts to theirs or greater levels, we should be wary. Consider that while German firms may succeed as global business (that's great), their efforts have **not been effective for job creation**. The country's Environment Ministry commissioned a report counting a grand total of 74,000 jobs in the solar sector in 2009. That's after many billions invested! **And German taxpayers**

**continue to subsidize the industry to the tune of a quarter million dollars per job per year.**

- In Spain, the equivalent of \$800,000 was paid for every “green job” on a solar wind panel assembly line. Obviously that is anecdotal, but the company is considered worthy enough (by somebody) for them to continue to spend the dollars.
- While lagging behind many Europeans in total “commitment” to the effort, our measure of futility exceeds even theirs. The Obama administration’s \$38.6 billion “clean technology” program was supposed to “create or save” 65,000 jobs. **Half of the money has been spent** and the U.S. has just over 3,500 jobs to show for it. That’s a tidy sum to spend – and represents almost **\$5 million PER “GREEN JOB”!**
- Those who refute this last statistic generally include the affect of supporting certain automotive jobs which still survive in existing factories. The justification for this is that these jobs are involved with expanding the manufacture of more fuel efficient automobiles. That contention is a stretch on several points. Most of the dollars came from the auto bail-out; most jobs (not all) of the UAW jobs would have continued to exist in reorganized companies with or without the government intervention; and the cost per job would still be too expensive to justify the expenditure.



Material examples of practical applications and economic feasibility continue to evade our grasp. **I support continued “green” technology efforts, but we should not pour dollars down a rat hole while ignoring proven sources of domestic fuel. Americans should demand smart spending!**

---

Going back to my initial question: “Is the ‘green jobs’ program a jobs, energy, or environmental program?” Actually.....**NONE OF THE ABOVE!!**

---

**NEXT UP in Jobs – Part IV: My “take” on the infamous Solyndra scandal and “boondoggle,” and infrastructure spending for jobs.**