The Business Times Singapore

                            January 4, 2008 Friday

**Saving the rainforest;
CHEAH UI-HOON visits Sabah's Danum Valley, where reforestation has turned
thousands of hectares of logged forest into lush greenery, providing shelter to
a rich variety of wildlife - and perhaps the answer to climate change**

SECTION: EXECUTIVE LIFESTYLE; Others Executive LifeStyle
LENGTH: 1573 words

THIS might look like any other nursery with its neat rows of leafy plants in
polybags placed under thick, black netting so the plants can bask in the soft
sunshine. Nestled in a vast rainforest reserve in Danum Valley, Sabah, this is
not your ordinary greenhouse, however. Individuals would not head there and ask
to buy a couple of Hopea Nervosas or Hopea SPPs - not unless they want a
20-metre tropical hardwood tree in their garden.

But one day, countries or companies might. Not in their respective gardens, but
in tropical rainforests all over Asia. The picture you see is in fact a snapshot
of the Sabah Biodiversity Experiment, one of the world's earliest and biggest
reforestation projects started 15 years ago.

Through this project - which is a joint scheme with the Dutch Electricity Board
to offset the greenhouse gases produced in the Netherlands - rainforest
seedlings have been planted in about 11,000 hectares of logged forest since
1992. Currently, the nursery has 200,000 seedlings waiting to be planted but it
could have up to a million seedlings to fill thousands of hectares of degraded
forest, when funds permit.

And why it concerns us - city dwellers - is because this could well be the
answer to climate change: Reforestation.

'Young, growing trees in a forest absorb a lot of carbon. And this project has
shown that degraded forests can and should be restored,' explains Glen Reynolds,
senior scientist and programme manager of the Petra Foundation and the Royal
Society's South East Asia Rainforest Research Programme (SEARRP) in Danum
Valley.

Just as the United Nations Climate Change Conference in Bali was wrapping up in
December, a group of journalists from Malaysia and Singapore descended upon
Danum Valley and the research centre there which has been a base for scientists
from all over the world since 1985.

The trip was hosted by The Petra Group, a Malaysian company which recently gave
a grant of £pounds;1 million ($2S.9 million) to the Royal Society's SEARRP to
be disbursed over an eight-year period. The agreement will see the Petra
Foundation and the Green Rubber Global company take over as the main sponsors of
SEARRP from 2008.

In case the rhetorical twists and turns of the recent Bali Climate Change
conference were difficult to grasp, here's one buzzword you want to remember -
REDD, or Reduced Emissions from Deforestation and Degradation.

Deforestation was the hot topic, according to environmentalists, because 20 per
cent of carbon emissions are from deforestation, which is more than from the
entire transport sector. Debate on a pay-and-preserve plan, where countries like
Malaysia and Indonesia are paid to keep their forest reserves instead of
converting them into other land use, dominated the news as there is as yet no
financial incentive for countries to preserve their virgin forests.

'Carbon market'

Scientists like Dr Reynolds and Waidi Sinun, head of the research and
development department of the Sabah Foundation which manages Danum Valley, see
the day coming when there is a 'carbon market' for forests, so that they will
hold a commercial value by just being what they are.

'There needs to be a shift away from thinking of the forest as a source of
timber to valuing it for its services - as a bio-diversity bank and a carbon
offset area, amongst other things,' says Dr Reynolds. As he said in a BBC
interview, a rainforest now is worth more dead than alive, 'so there's got to be
a viable financial incentive that will stand up to timber and palm oil
industries'.

'It's about sustainable forest management,' says Dr Sinun, who himself is a
product of Sabah's forests. The logging industry there, started in the 1960s,
paid for his education.

Those who want to find out about reforestation can take a lesson from the Sabah
Biodiversity Experiment, currently the only reforestation project around on such
a large scale, points out Dr Reynolds. 'People have been talking about
reforestation, but here, the Sabah Foundation is actually doing it.'

Danum Valley is one of the world's top three rainforest research centres, the
others being in Costa Rica and Panama. Its valued status in science is little
known or acknowledged in this part of the world, however, unless you're a
tropical ecologist.

Just to get an idea of the richness of the rainforest in Sabah's
one-million-hectare Danum Valley forest reserve: A hectare of forest there
contains about 300 species of trees. A hectare in the United Kingdom (which has
only 10 per cent of its forest left) has just 30 tree species.

With the new focus on and recognition of forests and the role they play in
climate change, the lessons learnt in the Sabah Biodiversity Experiment can
apply to degraded forests elsewhere, says Dr Sinun. 'We've learnt how to conduct
Reduced Impact Logging, which damages the forest less than conventional logging,
and also learnt that forests can be rehabilitated if not damaged repeatedly.'

The evidence is in the rich wildlife and the towering trees you see in Danum
Valley, which, incidentally, includes formerly logged forest. The
one-million-hectare valley was given to the Sabah Foundation, an educational
trust, by the Sabah government. Logging provided the finances to fund the
Foundation's activities, which include conservation and environment protection.

Logging in Danum was to be phased out at the end of last year. No wonder then,
the frenzied pace of logging trucks going to and fro from the forest to town
when journalists visited. In the two hour-plus drive from Lahad Datu town to the
Danum Valley Field Centre, we must have passed more than 10 logging trucks
lumbering to town, each of them laden with thick, round, freshly-cut tree
trunks.

Despite that, the forest we passed through was green and lush with a fair number
of 20-metre and 30-metre trees on the horizon. 'I see wild elephants on the
trail every day,' declares Victor Brant, who works for a heli-logging company.
The jovial foreman had pitched in to help get our bus out of a muddy spot - at a
part where the dirt road had sagged badly, heavily indented by the weight of
logging trucks and kept mushy by the rainy weather. It took us about an hour to
get out of that spot, where we had caused a minor traffic blockage - one laden
logging truck and three four-wheel drives ahead of us, and up to five empty
logging trucks behind waiting to go into the valley for their wooden cargo.

Animal sightings

We thought Mr Brant was bragging at first, even though we'd seen elephant dung
by the roadside earlier on. But true enough, barely half an hour after we
resumed our journey, we saw a group of four or five small elephants - which
looked like the Borneo pygmy elephants - just by the logging road, retreating
quickly and silently back into the forest when we stopped and fumbled with our
cameras.

At the Borneo Rainforest Lodge, located even deeper in Danum Valley, the
wild-animal sightings noted by the eco-lodge's guests are impressive: wet
tarsier, rhinoceros hornbill, red leaf monkey, pygmy elephant ('a herd of 20', a
guest jotted in the visitor's book), orang utan, gibbon, slow loris, sambar
deer, giant tree squirrel - just on daily jungle trail walks. Although a clouded
leopard would be a bonus to spot, it's already like Jurassic Park minus the
dinosaurs.

And this is logged - not virgin - forest as far as the eye can see, says Dr
Reynolds, gesturing from the viewing deck of Danum Valley Field Centre's
observation tower which is next to a Malaysian government-funded global
atmosphere watch station, the only one of two in the Asia-Pacific region.

With the greenery all around, can he tell the difference between degraded and
restored forest? 'In a degraded forest, you'd see a lot more creepers growing
over the trees, for example,' he explains.

It turns out that during replanting, which is laborious work, Danum Valley's
research assistants do a fair bit of clearing of creepers as well, when they
mark out an area to replant - to make sure the seedlings grow unhindered. They
also have to go back regularly to make sure there is no competing vegetation.

The reforestation carried out so far is proof that a logged forest can be
restored, rather than justify converting it into oil palm plantations. 'What
we're trying to do here is to restore the rainforest, to get it back as a
primary rainforest which it started off as,' says Dr Reynolds. 'If converted
into plantation, then the impact on biodiversity is really severe. You'd lose 90
to 95 per cent of it.'

With the limited funding the project has, it's running under-capacity for now.
'But the technology and methods we've developed here can easily be replicated in
other parts of Malaysia and South-east Asia,' says Dr Sinun.

Now it's just a matter of waiting for the world's politicians to catch up, and
come up with a viable carbon market. 'For now, this is a voluntary market, as
the carbon this project is absorbing isn't tradeable under the Kyoto Protocol
which favours reforestation of empty land, not existing forest,' says Dr
Reynolds. 'Then it becomes interesting financially - potentially anyway. For
now, only companies which want to be seen as carbon-neutral are funding this
project.'

Meanwhile, some 30 species of indigenous rainforest tree seedlings are waiting
to shoot up in the under-capacity-run nursery. Hopea Nervosa and SPP, known
locally as Jangkang and Selangan, are quite aptly named. They could well be the
hope of the planet in years to come.

  National Post (f/k/a The Financial Post) (Canada)

                            January 4, 2008 Friday
                               National Edition

**The conservative case for going green**

BYLINE: David Frum, National Post

SECTION: ISSUES & IDEAS; Pg. A15

LENGTH: 1267 words

With George W. Bush suffering low approval ratings, the situation in Iraq
remaining unsettled and the Republican party beset by internal squabbles over
religion, foreign policy and immigration, the American conservative movement is
facing an identity crisis. In a new book, excerpted below, National Post
columnist David Frum proposes a way forward.

The world burns 80 million barrels of oil a day. The United States produces only
about 7.5 million of those 80 million barrels. Canada and Mexico together
produce seven million more. Norway contributes a little shy of three million.
Toss in the United Kingdom and Brazil -- stretch a point and include Gabon,
Indonesia and Kazakhstan -- and still only about one-third of the world's oil
comes from countries that can be counted on to behave responsibly.

Now look at the other side of the ledger: Approximately nine million of the 80
million barrels come from Russia. Another nine million come from Saudi Arabia.
Add four million from Iran, 2.5 million from Venezuela and two million from
Nigeria, the output of the other Gulf states, scattered production elsewhere in
Asia and Africa, and all told, almost two-thirds of the world's oil revenues are
paid to people likely to put them to bad use. At $50 a barrel, America's oil
imports underwrite $1-trillion a year of extremism, corruption,
authoritarianism, aggression, terrorism and general mischief. Double that price,
and the problem gets worse.

The global supply picture for natural gas looks even worse. Half the world's
natural gas reserves are located under Russia and Iran. Add Algeria and Qatar,
and you have accounted for almost three-quarters.

The oil and gas consumption of the advanced Western economies does worse than
enrich bad actors; it empowers them. So a new Republican party's first energy
priority must be: Lead the world to consume less oil and gas.

Many people imagine that America's energy use always goes up, up, up -- that
Americans are helplessly, uncontrollably "addicted to oil," in the words of
George W. Bush. Wrong metaphor. Addicts will pay any price to get their fix.
American oil consumers respond to price signals. After the oil shock of 1979,
American oil consumption declined by almost 3.5 million barrels a day. Not until
1996 did American oil use recover to the levels of the late 1970s. Even by 2005,
Americans were using only 17% more oil than they did three decades before. Oil
consumption in other advanced Western nations followed a similar pattern.

The oil shock of 2003-2005 has likewise altered consumer behavior. Sales of
Lincoln Navigators and Ford Expeditions dropped 55% between 2004 and 2005. Over
the same period, sales of Honda Civics jumped 30%. Housing sales in exurban
neighbourhoods slowed. The National Association of Realtors reported that 9% of
home buyers listed "short commute to work" as a prime house-buying consideration
in 2005; 40% said so in 2006.

Some conservatives and Republicans -- including President Bush -- want to limit
the problem of oil to foreign oil. The problem, they say, is that America
imports too much: Close to 60% of America's 20-plus million-barrels-per-day
usage.

This is a very mistaken way to look at the problem. Oil is a globally traded
commodity. There is one world oil market, one world price. If Iran uses its oil
revenues to underwrite a nuclear program, what does it matter whether those
revenues are denominated in dollars, euros or yen? If Osama bin Laden were to
seize control of the Saudi state, would it console us that comparatively little
of his oil wealth derived from U.S. sources?

While increased North American oil production will be helpful, only substitution
and conservation can achieve the important national security goal of reducing
the power of unreliable oil suppliers. Congressional Democrats and President
Bush have shown us how not to achieve that goal. Both of them advocate
large-scale government intervention in energy markets to subsidize alternative
fuels (especially ethanol) and new technologies (hydrogen cells, electric cars
and so on). This is the path the United States took in the 1970s, and it led to
very little progress and enormous waste.

There is a simpler and better way to encourage consumers to conserve while
denying income to producers: Tax those forms of energy that present political
and environmental risks -- and exempt those that do not. That tax will create an
inbuilt price advantage for all the untaxed energy sources, which could then
battle for market share on their competitive merits.

What would such a tax look like? It would fall heavily on oil, natural gas and
polluting

coal -- more lightly on ethanol -- and it would exempt hydropower, solar, wind,
geothermal, and nuclear altogether. In short: It would look exactly like the
carbon tax advocated by global warming crusaders.

The environmental movement has always trafficked in apocalyptic fantasy. From
its onset, it has offered one vision after another of impending catastrophe.
Sometimes environmentalists warned of a new ice age, sometimes of mass famine
provoked by overpopulation, sometimes of the spread of deserts from the equators
to the globe, now latterly that carbon dioxide will melt the polar icecaps and
send super-tsunamis racing toward Manhattan. The specifics fluctuate, but the
conviction of certain doom never alters.

Perhaps this is why voters' environmental instincts seldom translate into actual
environmental votes: Environmentalists seem positively to crave disaster as a
righteous judgment on erring humanity. And here may be the secret clue as to why
the environmental issue is ripe for plucking by sensible conservatives.

It is a plain matter of record that the American environment has steadily and
substantially improved over the past three decades.

Environmental trends are nearly all positive, with all forms of pollution except
greenhouse gases in steady decline in the United States and the European Union.
In the middle-1970s, only one-third of America's lakes and rivers were safe for
fishing and swimming. Today, two-thirds are, and the proportion continues to
rise. Since 1970, smog has declined by one-third, even as the number of cars has
nearly doubled and vehicle-miles traveled have increased by 43%. Acid rain has
declined by 67%, even though the United States now burns almost twice as much
coal annually to produce electric power.

Our task now is to build on these improvements -- not to deny them, and
certainly not to lapse into doomsday hysteria because sea levels are rising a
couple of inches per century.

Who is more likely to be trusted to produce rational, cost-effective measures
against global warming: People who waited to act until the evidence became
overwhelming? Or people who have been itching for decades to repeal the
Industrial Revolution on any excuse they could find?

Conservatives trust free people and free markets to solve our energy and
environmental problems. We are going to break America's dependency on oil, gas
and coal not by regulations, but by a tax that makes renewables and nuclear
power more competitive with fossil fuels. Every dime of that tax increase will
be rebated back to the American people in the form of tax reductions to working
parents and cuts in taxes on productive investment. At a time when Democrats and
liberals seem to have adopted environmentalism as a substitute religion,
Republicans and conservatives are ideally positioned to reclaim it for common
sense and the common good. - Excerpted from Comeback: Conservatism That Can Win
Again by David Frum. ©David Frum 2008. Reprinted with permission of Doubleday.

Africa News

                            January 4, 2008 Friday
**Africa;
Saving the Continent's Forests - The 'Lungs of the World'**BYLINE: Africa Renewal
LENGTH: 3831 words

From the air the forests of the Democratic Republic of the Congo (DRC) stretch
as far as the eye can see, broken only by distant, shining ribbons of rivers and
streams. Dense, deep, seemingly impenetrable, the forests of the Central African
region extend over 200 mn hectares, inspiring awe and sometimes dread among
residents and visitors, and providing refuge for everything from rare and
endangered plants and animals to ferocious militias accused of brutal crimes
against humanity.

It is difficult to imagine that such vast ancient woodlands are at risk of
extinction. But they are disappearing at an alarming rate. According to the UN
Food and Agriculture Organization (FAO), indigenous (also known as "old-growth")
forests in Africa are being cut down at a rate of more than 4 mn hectares per
year - twice the world's deforestation average. According to the FAO, losses
totalled more than 10 per cent of the continent's total forest cover between
1980 and 1995 alone.

Saving Africa's forests from the chainsaw and axe of encroaching humanity is
essential to the health and productivity of much of the continent's economy,
experts point out. They cite the forests' roles as watersheds, defences against
soil erosion and regulators of local weather conditions.

Trees trap 'greenhouse gases'

But the fate of the forests could also spell the difference between success and
failure in the race against global warming. Trees, the dominant inhabitants of
the diverse and complex ecological systems called forests, are among the world's
largest and most efficient living storehouses of carbon monoxide, the
"greenhouse gas" most responsible for the earth's temperature rise and changes
in the planet's climate (see Africa Renewal July 2007).

Through a chemical process known as photosynthesis, trees and many other plants
absorb carbon from the air and combine it with sunlight to generate the energy
they need for life. Trees convert the carbon gas into solid form, store it in
their trunks, branches and leaves, and release oxygen back into the atmosphere.
Because they take carbon from the atmosphere and produce oxygen, forests are
often referred to as "the lungs of the world." Carbon dioxide is generated
primarily by the burning of oil, coal, natural gas and other "fossil" fuels for
industry, power generation and transportation.

Preserving Africa's surviving tropical forests and planting new trees to replace
those lost to deforestation could help reduce the severity of climate change by
absorbing more carbon from the air, and ease the local impact of climate change
by regulating local weather conditions.

But an even greater argument for protecting the forests is the role of
deforestation in causing global warming. According to the UN Environment
Programme (UNEP), between 20 and 25 per cent of all annual carbon dioxide
emissions are caused by the practice of burning forests to clear the land for
farming - more than is caused by the entire world transportation sector. Burning
trees and brush releases the stored carbon back into the atmosphere.

Poor forest management policies - including unrestricted logging, excessive
harvesting of firewood and medicinal plants, and road construction - contribute
to the problem, as do drought, flooding, forest fires and other natural
disasters. The collection of wood for heating and cooking and for making
charcoal is a particular problem in Africa, since wood supplies about 70 per
cent of domestic energy needs, a significantly higher percentage than in the
rest of the world.

Estimates of the total amount of carbon stored in the forests vary greatly. One
estimate, based on research by the UN-sponsored Intergovernmental Panel on
Climate Change (IPCC), put the total at about 1,000 bn tonnes, or about 166
years' worth of current global carbon emissions. Africa contains about 15 per
cent of the world's remaining forests and is second only to South America in the
amount of the dense tropical forests that are the most effective in removing
carbon from the atmosphere. The vast forests of the DRC alone are estimated to
contain as much as 8 per cent of all the carbon stored in the earth's
vegetation.

The conversion of forest land to agriculture, both subsistence and commercial,
is by far the most common and most destructive cause of deforestation in Africa
and other tropical regions. As demand for farmland grows in response to
population pressures, millions of hectares of tropical forests are being put to
the torch in Africa, Asia and Latin America.

"It is generally accepted," the FAO noted in a 2000 report on sustainable
forestry in Africa, "that the key to arresting deforestation and to implementing
sustainable forest development lies in improved technologies for food
production."

Improving the productivity of African agriculture is a top priority for African
governments and features prominently in the continent's development agenda, the
New Partnership for Africa's Development (NEPAD). But transforming the poorly
financed and long-neglected agricultural sector is a costly, difficult and
long-term goal (see Africa Renewal July 2006). Reform therefore appears unlikely
to progress quickly enough to prevent further severe losses to the continent's
woodlands.

In the meantime, improving governments' ability to manage their forest
resources, expanding reforestation programmes and changing public perceptions
and economic calculations about the value of existing forests could be the key
to the survival of Africa's deep woods.

Forests and people

The challenges are formidable. Humanity has long appreciated forests for the
energy, food and medicine they provide, and as a source of wood products for
construction and other purposes. But the role of forests in supporting
agriculture, preserving biodiversity, protecting water supplies and moderating
the impact of climate change are less well understood. The UN estimated that in
2000 some 1.6 billion people around the world, including many of the world's
poorest, derived at least part of their food, income or medical needs directly
from the forest. Of those, some 70 million indigenous people depend on the
forests for much of their livelihoods.

A forest hunter in Uganda: Many local communities depend on forests for food,
medicinal plants and other supplies.

Africa's rural poor are particularly dependent on its forests. Although forest
products, primarily unfinished logs, account for only about 2 per cent of
sub-Saharan Africa's exports, forests generate an average of 6 per cent of the
region's gross domestic product - triple the world average. Eighteen African
countries, including Cameroon and Ghana, are among the 24 countries worldwide
that rely on forests for 10 per cent or more of their economies.

Although environmentalists and advocacy groups have brought international
attention to unsustainable, and often illegal, logging in Central and West
Africa, about half of all the wood extracted from Africa's forests is used
domestically as fuel. Despite the enormous losses to deforestation, the region
is a net importer of processed wood products.

The perception of indigenous forests as a reservoir of unused land and a safety
net for bad times is understandable, UNEP forestry expert Christian Lambrechts
told Africa Renewal. "People have to rely on the forest to gain access to
specific products they can't buy on the market," he says. "They have no cash.
They can't go to the chemist. They have to go to the forest to extract medicinal
plants."

Such "subsistence" exploitation of the forests is inevitable in areas of high
poverty and causes no damage when done sustainably, Mr. Lambrechts notes. But
when large numbers of people are forced to use forests for food and fuel, "it
has a local impact on the degradation of the forests."

Valuing forests, not the trees

Changing the way governments and people value forests, Mr. Lambrechts says, is
critical to the survival of those forests. Although the market can price the
value of tree plantations and reforestation programmes intended as renewable
sources of timber and fuel, he explains, it is not good at determining the value
of old-growth forests, which provide a range of vital, but less tangible,
services to the economy.

Kenya's tea plantations, Mr. Lambrechts observes, are a good example of the
linkages between indigenous forests and the commercial economy. Tea is a major
source of the country's export earnings and the industry enjoys considerable
political clout in Nairobi, the Kenyan capital, where Mr. Lambrechts is based.
"If you look at the plantations, on a map they are all near the major forest
areas. This is because tea requires very even temperature and moisture for
optimum growth. The forests provide that."

Preserving Africa's surviving tropical forests and planting new trees to replace
those lost to deforestation could help reduce the severity of climate change by
absorbing more carbon from the air.

By regulating temperatures and trapping and releasing moisture during the hot
dry season, Mr. Lambrechts continues, forests create the climate conditions
needed for the quality teas that Kenya sells. "If you don't have the forests you
don't have tea." When comparing the cost of preserving the forests to the wealth
created by the tea plantations, he says, it makes financial sense for the tea
estates to invest in sound forestry and encourage greater government regulation
and control of forest resources.

Kenya is similarly reliant on the forests for electricity, over 70 per cent of
which is generated by hydroelectric dams fed by mountain forest watersheds. "It
is less about finding an exact value for the forests than in calculating the
losses if the forests disappear," he explains. "If we apply the
payment-for-services principle to all the sectors that receive services from the
forest - agriculture, power, water and many others - we might find a good basis
for having the private sector be in favour of conservation." As forests dwindle,
he notes, both government and the private sector are beginning to realize that
forest services can no longer be had for free and must be paid for like other
goods and services.

Building an environmental constituency

Enlisting industry can also broaden the political constituency for the forests,
Mr. Lambrechts points out. "We are working at getting the private sector to
persuade the government to protect some of those sites," he says, noting that
lobbying on behalf of stronger enforcement of forestry laws by a range of
business interests attracts more notice from policymakers. In the past, he says,
only forestry officials would respond to UNEP reports on the health of Kenya's
forests. Now they work with officials in the finance ministry and the vice
president's office as well, an indication that the importance of the forests to
Kenya's overall economic development is more widely appreciated by government.
"That is the way to get support from what I would say is the higher
decision-making level," he argues. "I believe that is the way forward."

Mr. Lambrechts emphasizes that different kinds of forests provide different
kinds of services, and that finding the right match is a vital part of
sustainable forestry. Indigenous forests, he says, store more carbon, regulate
weather conditions better and contain more and more varied biodiversity than
tree plantations and reforested areas.

But reforestation and commercial forestry are also important for creating a
renewable source of wood products and a buffer between humanity and the ancient
trees. "On the one hand, people have more produce from their existing land and
thus less need to go to the indigenous forests to extract the same products. On
the other, they are basically establishing agro-forestry practices on land
outside of forests and improving the soil quality and other services the land
can provide" by using trees to prevent wind and water erosion of topsoil, trap
and recycle plant nutrients and provide a renewable source of energy, wood
products, animal fodder and other valuable materials to farmers.

'Greed' and deforestation

Preserving and expanding Africa's forests, says UNEP's Mr. Lambrechts, will
require a mix of sound forestry practices and greater appreciation of the real
financial value of forest eco-systems. But the political dimensions are also
important, he maintains.

He notes that in East Africa and other parts of the continent, the main cause of
deforestation is no longer local encroachment on forested areas for farmland or
high subsistence use, or even for illegal logging. "It is basically illegal
settlements. These settlements are not triggered by local people. They are
instigated by leaders. Those leaders are selling public land that does not
belong to them or trying to provide people with access to land in order to get
their vote in the next election. This is very different from the classic case of
local poverty and forest degradation that we are often talking about.... The
root cause is greed."

He cites one case in which a Kenyan member of parliament sold 14,000 hectares of
forested public trust land to unsuspecting buyers. "He brought people from
different districts and secured their vote in the election," he charges.
Although the incident caused a public uproar and the government evicted more
than 10,000 settlers, the legislator was never prosecuted and never returned the
money. As a result, the buyers returned to the trust lands and the dispute has
yet to be resolved.

In one sense, Mr. Lambrechts asserts, such cases are an unintended consequence
of multiparty democracy. "One of the side effects is that politicians sometimes
use forest land to buy votes. In a country where so much of the economy is based
on agriculture and forest land is generally seen as idle land, politicians
promise people land in exchange for support."

Yet, civil society activists point out, democracy also offers solutions to such
problems by holding elected officials and parties accountable to the public at
election time and enabling a free press to alert voters and decision-makers to
abuses. Democracy makes government more responsive to pressure from organized
grassroots groups like Kenya's Green Belt Movement, a national women's
organization that has planted an estimated 30 mn trees since its founding in
1977. Democracy can enhance the influence of the private sector as well,
allowing businesses to choose parties and candidates most attuned to their
interests - including their interest in preserving forests.

At loggerheads over logging

Commercial logging is the second largest contributor to deforestation in Africa,
threatening the continent's existing indigenous forests and, in some cases, its
political stability. Part of the problem, say environmentalists and forestry
experts, is the common use of clear cutting and other unsound methods that strip
large areas of trees and vegetation, damaging the forests' ability to retain
water and provide habitat for animal and plant life. Clear cutting sometimes
erodes the exposed soil to a point at which natural regeneration or
reforestation efforts are impossible.

UN and non-governmental researchers report that the indiscriminate,
labour-intensive methods common to logging operations in Central Africa and
other developing regions waste as many as half of the trees cut down through
destruction of non-commercial varieties and clearing of forestland for roads,
logging camps and work areas. Much of the refuse and surrounding brush is
burned, releasing carbon back into the atmosphere.

The scope of the problem can be enormous. Mr. Lambrechts reports that during one
three-month period, UNEP monitors recorded the loss of 14,000 trees at a single
logging camp.

Vast areas of Central Africa's indigenous forests are at risk. In the DRC alone,
the World Bank estimates that logging concessions, many of which were issued
improperly by unscrupulous officials during the country's war, cover 50 mn
hectares of deep forests. In 2002 the DRC government suspended 25 mn hectares of
logging concessions granted as part of a World Bank-supported review of dozens
of logging and mining contracts signed by previous governments. The government
also adopted a new forestry code to improve forestry management practices and
ensure transparency in contracting procedures.

But the inability of many developing countries to regulate and manage their
forests due to conflict, weak law enforcement, poor administrative authority and
corruption has allowed illegal logging to flourish. In 2006, the World Bank
estimated that annual losses to illegal logging totalled $15 bn globally,
including $5 bn in government revenues lost in unpaid taxes, royalties and other
fees. In Gabon, illegal logging is estimated to comprise 70 per cent of the
entire industry and in Ghana, about 60 per cent. The scale of the problem, and
the corruption and contempt for law that accompany it, the Bank notes,
"undermine any nation's attempt to achieve sustainable economic growth, social
balance and environmental protection."

Both legal and illegal logging in indigenous forests can also accelerate human
encroachment on the forests by opening up the areas to settlement and commerce.
"Logging companies are effectively road engineers," the international
environmental group Greenpeace noted in a report on logging in the DRC. "Once
the rainforest is opened up by logging roads the area becomes vulnerable to
clearance for agriculture," which leads to the permanent loss of forestland and
the release of greenhouse gases.

The organization estimates that logging concessions in Central Africa's primary
forests cover an area the size of Spain, and that deforestation could release
more than 34 bn tonnes of carbon into the atmosphere by 2050 - about the same
amount of carbon emitted by the UK over the past 60 years. Although the World
Bank, the UN and local governments have tried to reduce the scope and impact of
illegal logging, Greenpeace and other critics argue that even legal logging of
indigenous forests creates the risk of deforestation in developing countries,
contributing to climate change and environmental damage.

Avoiding deforestation

Efforts to bring the private sector into the struggle to preserve the world's
remaining old-growth forests are also underway internationally. Under the Clean
Development Mechanism (CDM) established by the Kyoto Protocol - the
international treaty aimed at reducing greenhouse gas emissions - Northern
polluters can offset some of their discharges by financing "green" projects in
the developing South.

In the case of forestry, the rules allow countries to receive credit for
planting new trees, which absorb carbon as they grow (see box). But similar
incentives not to cut down existing forests, a phenomenon known as "avoided
deforestation," were excluded from the CDM amid disputes among governments about
how to calculate their value as carbon storehouses and what to do if protected
trees are later cut down.

Heavily forested countries charge that the failure to extend CDM financing to
the preservation of old-growth forests is both unfair and unwise. In September
2007, Gabon, Cameroon, DRC, Costa Rica, Brazil, Papua New Guinea, Indonesia and
Malaysia, which together contain 80 per cent of the world's remaining tropical
forests, formed the Forestry Eight to challenge the exclusion.

If avoided deforestation were eligible for the same CDM incentives available to
reforestation programmes, they argue, they would be eligible for tens of
billions of dollars in green investment by polluting countries. That money could
then be invested in other climate-friendly development programmes. They also
note that to date African and other poor developing countries have largely
failed to attract CDM investments and lack the resources to adjust to climate
change and reduce their own emissions.

In early 2007 the World Bank announced plans for a pilot $250 mn fund to finance
avoided deforestation projects in developing countries. A Bank official told
Africa Renewal that the lending agency hopes to launch the fund by the end of
the year.

Although the proposal enjoys considerable support among developing countries, it
remains controversial, with questions remaining about how to calculate the
carbon value of existing forests and fears that forest nations could blackmail
industrialized countries by threatening to cut their forests down. One senior US
environmental adviser, noting that deforestation is prohibited in most
countries, denounced the proposal, telling the UK's Financial Times newspaper
that, "you would be paying people not to engage in an illegal activity." The
proposal was approved in Bali in December at the first of a series of meetings
to negotiate a successor to the Kyoto Protocol, which expires in 2012.

However humanity chooses to preserve them, Mr. Lambrechts concludes, the world's
indigenous forests are simply too valuable to lose. "For ten thousand years we
have been conquering the earth," he says. "Now the earth is full and we have no
choice but to manage it instead."

Without the community, a carbon discredit

It must have seemed like a good idea back in 1994, when a non-profit agency
established by Dutch power companies contracted with the Ugandan government to
reforest an area on the edge of Uganda's Mount Elgon National Park. The
companies expected to offset their European greenhouse gas emissions by planting
pollution-absorbing trees, and to give Uganda a greener park that had been
damaged by human encroachment during years of civil conflict. But a farming
community already occupied the land, and its members were not consulted.
Paramilitary park rangers forcefully evicted some 500 families to make room for
the trees. They burned homes, assaulted residents and refused to provide
alternative land or compensation as required by law.

While the Dutch non-profit went on to plant over half a million trees in
subsequent years, the former residents fought back, filing a legal challenge
against the evictions and petitioning for return of the land. When a Ugandan
court ruled in the community's favour and ordered the government to redraw the
park boundaries, the community members returned to their former farms. They
chopped down the trees and sowed maize and beans among the stumps. All the
carbon offsets awarded to the Dutch companies were lost and the non-profit
agency has suspended further plantings in the area until the dispute is
definitively resolved.

To critics of the carbon-offset market, the Mount Elgon fiasco is a textbook
example of just how badly wrong such projects can go. For UN Environment
Programme expert Christian Lambrechts, it is a lesson in the importance of
recognizing the legitimate interests of neighbouring communities and actively
involving them in forestry programmes. Although consultation does not guarantee
success, he says, it can head off confrontation. "Once the local community gets
a little bit empowered and realizes their stake," he notes, "it becomes their
forest."

 US Fed News

                      January 4, 2008 Friday 5:18 AM EST

SEN. LUGAR ADDRESSES INDIANA RENEWABLE ENERGY FORUM AS OIL REACHES $100 PER
BARREL MILESTONE

BYLINE: US Fed New
LENGTH: 4979 words
DATELINE: INDIANAPOLIS

Sen. Richard G. Lugar, R-Ind., made the following speech:

U.S. Sen. Dick Lugar made the following address to the Indiana Renewable Energy
Forum at the IUPUI Lugar Center for Renewable Energy. Lugar gave the speech two
days after oil passed the $100 per barrel mark for the first time. Lugar began
warning of the need to change U.S. energy policy a decade ago, when oil was $20
per barrel. More information on the Lugar Energy Initiative can be found at:
<http://lugar.senate.gov/energy/>.

Following is the complete text of Lugar's speech:

I am grateful to Chancellor Bantz for his kind introduction and IUPUI for this
invitation to speak. I am enthused to be here today with good friends to
celebrate the work of IUPUI's Lugar Center for Renewable Energy. I am proud to
be associated with IUPUI and all who have worked hard to bring the Lugar Center
to productive fruition. I received an impressive tour of the Center yesterday
from Director Andrew Hsu, which gave me new insights into the breadth and depth
of the research and collegial interaction being facilitated by this remarkable
enterprise.

Already, faculty and student researchers affiliated with the Center are
accomplishing world-class research in areas such as fuel cells, biofuels,
batteries, and solar energy. One of the guiding principles of their work is to
develop technologies that will be capable of widespread usage. American
consumers and industries demand energy that is reliable, safe, and
cost-effective. No new technology will be successful without meeting those basic
criteria.

An energy revolution is occurring that will transform the world economy, and
Indiana can be at the center of it. Throughout Indiana, we have ground-breaking
researchers at our universities, and we have a history of innovation in
automobiles and manufacturing. In October 2006, I traveled across Indiana in a
flex-fuel car using E85 ethanol. On that trip, I visited with many
entrepreneurial Hoosiers doing exciting research and production in new energy
technologies. It is thus fortuitous that the Lugar Center for Renewable Energy
is based right here at the crossroads of it all in Indianapolis.

In bringing us together today, Krieg DeVault and the Lugar Center are convening
interested parties from across the state for this new Indiana Renewable Energy
Forum series. I hope that many of you here today will find new allies who share
a desire to contribute to a more secure energy future.

A Rapidly Changing World

In a recent piece in the Financial Times, the eminent columnist Martin Wolf
wrote: "Neoclassical economics analyzed economic growth in terms of capital,
labor, and technical progress. But, I now think, it is more enlightening to view
the fundamental drivers as energy and ideas." He continued in a second column:
"We live in a positive sum world economy\x85an astonishing story with hugely
desirable consequences. Clever use of commercial energy has immeasurably
increased the range of goods and services available." If Wolf is correct, and I
believe he is, the Lugar Center and others who are seeking advances in energy
technology are at the absolute core of our economic future.

The current and future dilemma is clear. Fossil fuel reserves may be more
rapidly depleted by dramatic increases in energy consumption and mismanagement
or misallocation by state-run industries. Emission controls to meet climate
change challenges may pose severe limits to economic growth and cause both
internal and external crises for nation states that had relieved those age-old
pressures through growth based on increasing supplies of energy.

Last November, we received yet another wake-up call about exploding global
energy demand. In its annual "World Energy Outlook," the International Energy
Agency offered a series of startling estimates. It predicted that global demand
for energy would increase 50 percent by 2030. Three quarters of this demand
growth is likely to happen in the developing world, with 45 percent of it
happening in China and India alone. Eighty-four percent of that demand growth is
expected to come from fossil fuels, translating into a 57 percent increase in
carbon dioxide emissions.

The IEA projected that global oil demand will increase from about 85 million
barrels per day to about 116 million barrels per day by 2030. To meet surging
oil demand, the world will become even more dependent on OPEC, with more than
half the world's oil supply coming from those countries.

Meanwhile as oil prices have hit $100 per barrel, the income of oil exporting
nations is soaring. According to the U.S. Treasury Department, the number of
sovereign wealth funds doubled between 2000 and 2005. These national investment
reserves now hold between $1.9 and $2.9 trillion. Some estimates double those
figures. Russia has about $130 billion in its Stabilization Fund, and Venezuela
has an estimated $18 billion. According to recent news reports, the Saudi
government is developing plans for the largest sovereign wealth fund in the
world, which would exceed $900 billion. Sovereign wealth funds could be used to
infuse helpful liquidity into international financial markets and promote local
development, yet they could also be used for political manipulation and to
undermine key U.S. foreign policy priorities.

Perhaps the most sobering energy-related statistics emanate from China. That
country's rapid economic growth and industrialization are obliterating old ways
of thinking about the global economy. Consider that in 2007, demand for power
generation in China expanded by a phenomenal 16 percent. This figure followed a
14 percent increase in demand for power in 2006. On average, two new coal fired
electricity plants are completed in China each week. The Chinese coal plants
that came on line in 2006 alone added a net 80 gigawatts of electricity
generation to the Chinese system. This amount was roughly equal to the entire
electricity capacity of Great Britain.

China's voracious appetite for coal to feed its industrialization efforts is
reflected in the huge annual death tolls in Chinese coal mines. According to
official Chinese figures, which are disputed as artificially low by labor
groups, more than 4,700 Chinese coal miners lost their lives in mine accidents
in 2006. More than 3,000 were killed in just the first ten months of 2007. By
comparison, about 3,900 American soldiers have lost their lives in Iraq in the
entire 5-year period since the 2003 invasion.

Vehicle sales in China increased by more than 25 percent in 2006, as China
passed Japan to become the second largest vehicle market in the world behind the
United States. The 7.2 million vehicles sold in China in 2006 were four and a
half times as many as were sold in China just 9 years earlier. The resulting
demand for transportation fuels has focused the Chinese government on a global
search for reliable oil supplies that pays little attention to the external
behavior or internal human rights record of potential suppliers.

We can debate the margin of error in any of these international energy
projections, but the picture they paint is a bleak one for global stability and
U.S. influence. Rapid industrialization in China, India, and other nations is
rendering obsolete many well-intentioned approaches to energy security, climate
change, and global economic policy. Technological breakthroughs that expand
energy supplies for billions of people worldwide will be necessary for sustained
economic growth. If concerns over climate change are factored into policies, the
challenge becomes even greater, because serious efforts to limit carbon could
constrain energy options - particularly the use of coal. In the absence of
revolutionary changes in energy policy, we will be risking multiple hazards for
our country that could constrain living standards, undermine our foreign policy
goals, and leave us highly vulnerable to economic and political disasters with
an almost existential impact.

Continuing U.S. Energy Vulnerability

Public awareness of our energy dilemma is improving. Politicians understand that
Americans care about energy security, the environmental and balance of payments
impact of oil dependence, and the cost of energy. For almost two years now, I
have been asserting that the "balance of realism" in the U.S. energy debate has
shifted from proponents of a fossil fuel-based, laissez faire approach relying
on market evolution to advocates of energy alternatives who recognize the
urgency of achieving a major reorientation in the way the United States obtains
and uses energy. The new energy "realist" asks: how can we shape our energy
future before it shapes us in calamitous ways? Yet, despite this new energy
realism in American politics, the United States has not committed itself to the
policy steps required to achieve a promising alternative future.

In fact, advancements in American energy security have been painfully slow, and
political leadership has been defensive, rather than pro-active. One can point
with appreciation to some positive trends and initiatives. For example, the
energy bill passed last month by Congress and signed into law by the President
included a substantial increase in the renewable fuels standard. It took
Senators Daschle, Harkin, and me five years to pass a Renewable Fuels Standard
that was less than a quarter of the 36 billion gallons now agreed upon. But
compared to our acute energy vulnerability, progress in most areas of energy
policy has not been sufficient.

If we have to endure an oil embargo, if terrorists succeed in disrupting our oil
lifeline, if we slide into a military conflict because oil wealth has emboldened
anti-American regimes, if climate change is accelerated by unrestrained growth
in carbon emissions, or if eventual scarcity sends energy prices to unthinkable
heights, it will not matter that before disaster struck, the American public and
its leaders gained a new sense of realism about our vulnerability. It will not
matter that we were producing marginally more ethanol than before or that
consumers are more willing to consider hybrids and other alternative vehicles.
Achieving a positive trend line is almost inevitable as long as energy costs
remain high, because these costs will lead to some improvements in investment
and conservation. We need to have the discipline to understand that a modestly
positive trend line is not enough.

We find ourselves in a situation that should be intolerable for a superpower and
for a nation with such high economic expectations. We maintain a massive
military presence overseas, partly to preserve our oil lifeline. One
conservative estimate puts U.S. oil-dedicated military expenditures in the
Middle East at $50 billion per year. But there is no guarantee that even our
unrivaled military forces can prevent an energy disaster. We have lost leverage
on the international stage and are daily exacerbating the problem by
participating in an enormous wealth transfer to authoritarian nations that
happen to possess the commodity that our economy can least do without. October
2007 trade figures show that our non-petroleum trade deficit shrank by 2.9
percent that month, but because of our oil import bill, the overall U.S. trade
deficit rose 1.2 percent to $57.8 billion. Our energy vulnerability is
intensified by the increasing percentage of U.S. public debt - now 44 percent -
held by foreign entities and the dimming luster of the dollar. A very
significant recession could be triggered by economic or geopolitical forces over
which we have little control.

I do not believe these challenges are insurmountable, but it is unlikely that we
can address them within the prevailing political mindset that has proven to be
incapable of more than incremental action on energy security.

Energy: The Most Important Issue of 2008

Today, as we contemplate the outcome of yesterday's Iowa Caucuses and anticipate
next Tuesday's New Hampshire primary election, I would state unequivocally, that
energy security and the economic and environmental issues closely associated
with it should be the most important topics of the 2008 Presidential election. I
say this deliberately, notwithstanding the existence of extremely important
immediate concerns such as the war in Iraq and the performance of the American
economy, as well as persistent public policy struggles that have confronted us
for decades, such as deficit reduction, health care, and Social Security. I say
this even in the context of my own long standing evangelism related to
non-proliferation and arms reduction - which I believe have not diminished in
importance.

Three factors lead me to the conclusion that energy is the most vital topic of
this Presidential election. First, energy is the issue with the widest gulf
between what is required to make our nation secure and what is likely to be
achieved through the inertia of existing programs and Congressional proposals.
As such, it is the issue on which meaningful progress most depends on the great
intangible in American public policymaking - the application of dramatic,
visionary, and sustained Presidential leadership.

Congress and private enterprise can make evolutionary energy advancements, but
revolutionary national progress in the energy field probably is dependent on
Presidential action. Our energy dependence is perpetuated by a lack of national
will and focus. Only the President has the visibility to elevate a cause to
national status, and only the President can leverage the buying power,
regulatory authority, and legislative leadership of an administration behind
solving a problem that is highly conducive to political procrastination and
partisanship.

Second, transformational energy policies are likely to be a requirement for
achieving our economic and social aspirations here at home. In an era when
exploding global demand for energy creates high prices and fears of scarcity,
the U.S. economy is likely to continue to underperform. Our ability to address
Social Security, health care, education, and overall budget problems will be
heavily encumbered over both the short and the long run if we do not mitigate
our energy import dependence. Almost any scenario for recession will be deepened
by high energy costs. Moreover, many of the most severe recession scenarios
involve sustained energy disruptions due to terrorism, war, embargo, or natural
disaster.

Third, energy is the underlying condition that exacerbates almost every major
foreign policy issue. We pressure Sudan to stop genocide in Darfur, but we find
that the Sudanese government is insulated by oil revenue and oil supply
relationships. We pressure Iran to stop its uranium enrichment activities, yet
key nations are hesitant to endanger their access to Iran's oil and natural gas.
We try to foster global respect for civil society and human rights, yet oil
revenues flowing to authoritarian governments are often diverted to corrupt or
repressive purposes. We fight terrorism, yet some of the hundreds of billions of
dollars we spend each year on oil imports are diverted to terrorists. We give
foreign assistance to lift people out of poverty, yet energy-poor countries are
further impoverished by expensive energy import bills. We seek options that
would allow for military disengagement in Iraq and the wider Middle East, yet
our way of life depends on a steady stream of oil from that region. American
national security will be at risk as long as we are heavily dependent on
imported energy.

Vigorous energy diplomacy of the type that only a committed President can ensure
is required around the world. Even as we seek to reduce our foreign oil
dependence, the United States will remain part of the global energy system and
our foreign policy priorities will be affected by the production and consumption
decisions of other nations. A top priority in our relations with China and India
should be helping them avoid replicating U.S. dependence on oil and coal and
guiding them to cleaner power generation technologies. Countries from Indonesia
to Egypt to Chile are considering new nuclear power programs, creating risks for
proliferation of enrichment technology. Management of energy relations with
Russia will remain difficult for our NATO allies. And any strategy for resolving
the situations in Iraq and Iran must include a plan for stability of Persian
Gulf oil supplies.

Making progress in Central Asia and the Caucasus is another case in point.
Recently President Putin of Russia sought to secure agreements with Kazakhstan
and Turkmenistan to ship their energy north through Russia, rather than through
alternative routes that would not be dominated by the Kremlin. Next week, I will
travel to the region to demonstrate American interest in strengthening relations
with these countries. An East-West energy corridor would help reduce Russia's
stranglehold on gas shipments to Europe. Diplomatic support for the
Baku-Tbilisi-Ceyhan and South Caucasus pipelines that have led development of
the corridor was a bold initiative with tremendous strategic importance. Already
we have seen benefits for stability in the region and closer relationships with
Georgia and Azerbaijan. Those benefits can also be reaped in Central Asia.

Measuring Commitment to Energy Leadership

Whoever is sworn in as President in 2009 must elevate energy security to the
status of a core national goal and must directly engage all the American people
in the solution. If the next President addresses energy through a familiar
ideological prism, the chance to strengthen U.S. national security and economic
prosperity will be lost. To succeed, the President must be more than thoughtful
and attentive to energy concerns. The President must be relentless. He or she
must be willing to stake the reputation of the Administration on politically
difficult breakthroughs that meaningfully contribute to U.S. energy security.
The President must be willing to have his or her Administration judged according
to its success or failure on this issue.

Politically, that is not an easy thing for a President to accept. The President
will have advisers who will be whispering cautions about the risks of committing
the prestige of any Administration to aggressive energy goals. Those advisers
will say with some credibility that a President can appear forward looking on
energy with a few carefully chosen initiatives and occasional optimistic
rhetoric promoting alternative sources. They will say that the voting public's
overwhelming energy concern is high prices for gasoline and home heating, and
that as long as the President appears attentive to those concerns they can cover
their political bases without asking for sacrifices or risking the possible
failure of a more controversial energy policy. They will point out that the core
constituency of their party will have expectations on energy policy that would
rule out entire categories of action.

The next President must reject this type of politically defensive posture. The
President must be willing to operate outside the energy policy orthodoxy of his
or her party. The President must avoid the temptation to subordinate a genuine
energy program to popular gestures like cutting gasoline taxes or using the
strategic petroleum reserve to temporarily lower the price of gasoline. He or
she must be willing to reject subservience to the major energy and environmental
lobbying groups without denying the contributions that each of these groups can
make.

Rising Above Partisan Divisions

Despite auspicious words, Democratic and Republican Presidential candidates are
at risk of locking themselves into policies from the playbooks of their
respective parties. Although there have been some exceptions, the major
candidates have split along party lines on most energy issues. As a report by
Edmund Andrews in The New York Times recently observed: "On oil, the parties
fall into 2 camps: use less or find more."

Republican candidates generally reject government market intervention and favor
increased oil drilling. They point out that government regulation and mandates
run counter to the entrepreneurial forces of our market system. Yet a
laissez-faire approach is insufficient for bringing innovation, trial production
runs, and dramatic volumes of production quickly enough to meet looming energy
challenges. It also fails to recognize that global energy markets are not free.
According to PFC Energy, about 79 percent of the world's oil supply is
controlled by state-run oil companies.

Domestically, new energy technologies face hurdles well beyond price. Our
nation's infrastructure has been built around the premise of cheap and
accessible oil - a premise that is no longer valid. Aside from the rare E85
pump, Americans are not free to choose fuels other than those based on
petroleum. Likewise, markets have failed to internalize the costs of climate
change,...

National Post (f/k/a The Financial Post) (Canada)

                            January 4, 2008 Friday
                               National Edition

**The conservative case for going green**
BYLINE: David Frum, National Post

SECTION: ISSUES & IDEAS; Pg. A15

LENGTH: 1267 words

With George W. Bush suffering low approval ratings, the situation in Iraq
remaining unsettled and the Republican party beset by internal squabbles over
religion, foreign policy and immigration, the American conservative movement is
facing an identity crisis. In a new book, excerpted below, National Post
columnist David Frum proposes a way forward.

The world burns 80 million barrels of oil a day. The United States produces only
about 7.5 million of those 80 million barrels. Canada and Mexico together
produce seven million more. Norway contributes a little shy of three million.
Toss in the United Kingdom and Brazil -- stretch a point and include Gabon,
Indonesia and Kazakhstan -- and still only about one-third of the world's oil
comes from countries that can be counted on to behave responsibly.

Now look at the other side of the ledger: Approximately nine million of the 80
million barrels come from Russia. Another nine million come from Saudi Arabia.
Add four million from Iran, 2.5 million from Venezuela and two million from
Nigeria, the output of the other Gulf states, scattered production elsewhere in
Asia and Africa, and all told, almost two-thirds of the world's oil revenues are
paid to people likely to put them to bad use. At $50 a barrel, America's oil
imports underwrite $1-trillion a year of extremism, corruption,
authoritarianism, aggression, terrorism and general mischief. Double that price,
and the problem gets worse.

The global supply picture for natural gas looks even worse. Half the world's
natural gas reserves are located under Russia and Iran. Add Algeria and Qatar,
and you have accounted for almost three-quarters.

The oil and gas consumption of the advanced Western economies does worse than
enrich bad actors; it empowers them. So a new Republican party's first energy
priority must be: Lead the world to consume less oil and gas.

Many people imagine that America's energy use always goes up, up, up -- that
Americans are helplessly, uncontrollably "addicted to oil," in the words of
George W. Bush. Wrong metaphor. Addicts will pay any price to get their fix.
American oil consumers respond to price signals. After the oil shock of 1979,
American oil consumption declined by almost 3.5 million barrels a day. Not until
1996 did American oil use recover to the levels of the late 1970s. Even by 2005,
Americans were using only 17% more oil than they did three decades before. Oil
consumption in other advanced Western nations followed a similar pattern.

The oil shock of 2003-2005 has likewise altered consumer behavior. Sales of
Lincoln Navigators and Ford Expeditions dropped 55% between 2004 and 2005. Over
the same period, sales of Honda Civics jumped 30%. Housing sales in exurban
neighbourhoods slowed. The National Association of Realtors reported that 9% of
home buyers listed "short commute to work" as a prime house-buying consideration
in 2005; 40% said so in 2006.

Some conservatives and Republicans -- including President Bush -- want to limit
the problem of oil to foreign oil. The problem, they say, is that America
imports too much: Close to 60% of America's 20-plus million-barrels-per-day
usage.

This is a very mistaken way to look at the problem. Oil is a globally traded
commodity. There is one world oil market, one world price. If Iran uses its oil
revenues to underwrite a nuclear program, what does it matter whether those
revenues are denominated in dollars, euros or yen? If Osama bin Laden were to
seize control of the Saudi state, would it console us that comparatively little
of his oil wealth derived from U.S. sources?

While increased North American oil production will be helpful, only substitution
and conservation can achieve the important national security goal of reducing
the power of unreliable oil suppliers. Congressional Democrats and President
Bush have shown us how not to achieve that goal. Both of them advocate
large-scale government intervention in energy markets to subsidize alternative
fuels (especially ethanol) and new technologies (hydrogen cells, electric cars
and so on). This is the path the United States took in the 1970s, and it led to
very little progress and enormous waste.

There is a simpler and better way to encourage consumers to conserve while
denying income to producers: Tax those forms of energy that present political
and environmental risks -- and exempt those that do not. That tax will create an
inbuilt price advantage for all the untaxed energy sources, which could then
battle for market share on their competitive merits.

What would such a tax look like? It would fall heavily on oil, natural gas and
polluting

coal -- more lightly on ethanol -- and it would exempt hydropower, solar, wind,
geothermal, and nuclear altogether. In short: It would look exactly like the
carbon tax advocated by global warming crusaders.

The environmental movement has always trafficked in apocalyptic fantasy. From
its onset, it has offered one vision after another of impending catastrophe.
Sometimes environmentalists warned of a new ice age, sometimes of mass famine
provoked by overpopulation, sometimes of the spread of deserts from the equators
to the globe, now latterly that carbon dioxide will melt the polar icecaps and
send super-tsunamis racing toward Manhattan. The specifics fluctuate, but the
conviction of certain doom never alters.

Perhaps this is why voters' environmental instincts seldom translate into actual
environmental votes: Environmentalists seem positively to crave disaster as a
righteous judgment on erring humanity. And here may be the secret clue as to why
the environmental issue is ripe for plucking by sensible conservatives.

It is a plain matter of record that the American environment has steadily and
substantially improved over the past three decades.

Environmental trends are nearly all positive, with all forms of pollution except
greenhouse gases in steady decline in the United States and the European Union.
In the middle-1970s, only one-third of America's lakes and rivers were safe for
fishing and swimming. Today, two-thirds are, and the proportion continues to
rise. Since 1970, smog has declined by one-third, even as the number of cars has
nearly doubled and vehicle-miles traveled have increased by 43%. Acid rain has
declined by 67%, even though the United States now burns almost twice as much
coal annually to produce electric power.

Our task now is to build on these improvements -- not to deny them, and
certainly not to lapse into doomsday hysteria because sea levels are rising a
couple of inches per century.

Who is more likely to be trusted to produce rational, cost-effective measures
against global warming: People who waited to act until the evidence became
overwhelming? Or people who have been itching for decades to repeal the
Industrial Revolution on any excuse they could find?

Conservatives trust free people and free markets to solve our energy and
environmental problems. We are going to break America's dependency on oil, gas
and coal not by regulations, but by a tax that makes renewables and nuclear
power more competitive with fossil fuels. Every dime of that tax increase will
be rebated back to the American people in the form of tax reductions to working
parents and cuts in taxes on productive investment. At a time when Democrats and
liberals seem to have adopted environmentalism as a substitute religion,
Republicans and conservatives are ideally positioned to reclaim it for common
sense and the common good. - Excerpted from Comeback: Conservatism That Can Win
Again by David Frum. ©David Frum 2008. Reprinted with permission of Doubleday.