

Crony Capitalists

When it comes to “green” business, the “self-made man” makes his fortune with your money

By Jason Mattera

Summary: Part of the American Dream was that, with talent and hard work, any person has the opportunity to achieve financial success through the free-market system. Today, however, free markets are being replaced by government regulation and favoritism, and capitalism is being replaced by “crony capitalism.” Increasingly, it’s your connections that matter. Cases in point: Jeffrey Immelt of General Electric, and Elon Musk of Tesla Motors.

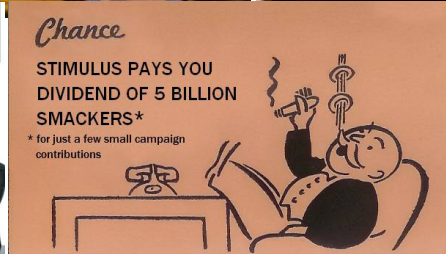
Americans love capitalism. Only pot-smoking Marxists and flea-infested Occupy Wall Street types could oppose an economic system that has built the middle class and made the United States the richest nation ever to inhabit Planet Earth.

What Americans don’t love—what they, in fact, loathe—are well-connected crony capitalists who make millions by picking taxpayers’ pockets. These poseur capitalists have turned capitalism into its very opposite. Real capitalists don’t take bailouts or corporate welfare, or suck from the government contract teat. Real capitalists get rich by providing goods and services that benefit us all. That’s good for them, and good for us.

But all that good goes up in smoke when business and government become bedfellows.

Crony capitalism—I call it *crapitalism*—has forced us to subsidize goods and services that we don’t need or want. And it has allowed the rich and famous to become even more rich and famous at our expense. Most disturbing, it’s turned the law on its head by creating two classes of citizens: those who benefit from crony connections and those who don’t.

Apparently, most Americans agree with that assessment. In an April 2014 Rasmussen poll, 32 percent of American adults said the United States has a system of free market capitalism, while 31 percent (a statistical tie) said our present system is crony capitalism. Another Rasmussen poll, in January 2014, found 63 percent



Jeffrey Immelt of GE and Elon Musk of Tesla and SpaceX (seen with President Obama) are crony capitalists like those depicted by *The Economist*; a satirical version of the Monopoly game’s Uncle Pennybags; and President Business from *The Lego Movie*.

of likely U.S. voters believed most government contracts are awarded to the company with the most political connections, rather than to the one that provides the best service for the best price; only 25 percent disagree and believe most government contracts go to the company that provides the best service for the best price. When people were asked about income inequality, they said the solution was less government involvement in the economy, not more, by a margin of about two to one (59 percent versus 33 percent). In an earlier Rasmussen poll, reported in February 2011, 68 percent said government and Big Business work together against the rest of us.

I define a crony capitalist, or crapitalist, as a well-connected friend of the-powers-that-be who makes lots of money at taxpayers’ expense. From bagging millions in tax dollars for phony “green energy” companies or glitzy sports stadiums, to using little-known tax credits and loopholes to loot \$1.5 billion

a year for Hollywood movies, crony capitalists know every trick to enrich themselves at the expense of other Americans. Rather than playing in the rough-and-tumble world of business competition, they use government to rig the game in their favor; they stack the deck to privatize their profits and socialize their losses.

Crony capitalism is socialism’s Trojan horse.

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GE: We bring tax breaks to life

Don't make the mistake of thinking that all crony capitalists are true-believers in the socialist cause. Many of them are corporatist Republicans. Case in point: Jeffrey Immelt, the head of General Electric.

Crony capitalism turned General Electric, the company that once sponsored Ronald Reagan's pro-freedom speeches, into the company that lobbied for the Big Bank bailout, "green energy" mandates and higher energy costs, cap-and-trade, and tax subsidies.

If that wasn't bad enough, GE owned the network that gave primetime TV news/commentary shows to Keith Olbermann and Rachel Maddow.

I'm not saying that GE and Jeff Immelt are the devil. I'm just saying they have the same legislative agenda and investment portfolio.

It didn't used to be that way. When you think of GE, you probably think of lightbulbs and refrigerators and washer/dryer combos. Founded by a merger between two energy companies, including Thomas Edison's, GE has been an American institution for over a century. One of the original 12 companies when the Dow Jones index was formed, GE helped expand radio operations by founding RCA and contributed vital technologies to America's 20th Century war efforts.

Ronald Reagan starred in GE's commercials and on its weekly TV show "GE Theater," and they sent him around the country from GE plant to GE plant, spreading his free-enterprise message. (Eventually, he was fired, reportedly at the insistence of President Kennedy's brother, U.S. Attorney General Robert F. Kennedy. That firing of Reagan under government pressure foreshadowed GE's political shift in the years to come.)

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Today, GE remains a huge part of what makes America run. But the company's relationship with the country has changed. GE used to be the quintessential American company, famous as entrepreneurial and brilliantly inventive—an image that had roots in the company's past as "Edison General Electric." What was good for America was good for GE. Now, GE now gets as much as it gives. Now, it depends less on ingenuity than on its connections and crony status.

One example comes from the administration of President George W. Bush. The Bush White House pushed two energy bills in 2005 and 2007 that, as Tim Carney wrote in *The Atlantic*, "created a government loan-guarantee program for private sector green-energy projects, and effectively outlawed the traditional incandescent light bulb." GE was a beneficiary of both those aspects of the program. With its efforts to manufacture more energy-efficient products, including more expensive LED bulbs, GE benefits from programs that either subsidize their production or give rebates to the customers who buy them.

During the Obama administration, GE received \$2 billion in federal loan guarantees for its investments in wind and solar projects. GE lobbied to expand the subsidies for both programs, which would also net the company a cool \$1 billion in Treasury grants. Even when they didn't receive the subsidies directly, GE cashed in on these programs, with contracts worth hundreds of millions of dollars to sell turbines to wind plants that were built with our tax dollars.

As leftist *New York Times* columnist Paul Krugman noted in 2011, "with fewer than half its workers based in the United States and less than half its revenues coming from U.S. operations, G.E.'s fortunes have very little to do with U.S. prosperity."

That year, GE's CEO, Jeffrey Immelt, accepted a key position in the Obama administration. President Obama was looking to bolster an economy that was lagging after the billions of bailout and stimulus dollars had been released, so he created a President's Council on Jobs and Competitiveness, with Immelt as its leader.

It seemed an odd choice. GE had been actively downsizing jobs here in the United States even as it sent jobs overseas. It had been creating jobs in India and China that were in part subsidized by U.S. tax dollars, and it did business with Iran, a prime sponsor of terrorism, until 2005.

Nor was Immelt a paragon of support for the American economic system. In a 2012 interview with Charlie Rose, Immelt praised the communist government of China.

The one thing that actually works, you know, state-run communism may not be your cup of tea—but their government works. . . . They have five-year plans. I always tell our team: Read the twelfth five-year plan, which is the segment we're in. Typically what they're doing makes sense in the Chinese context.

Immelt visited the Obama White House at least 33 times, according to official logs. "We are not receiving special treatment," Immelt swore, "we compete for business just like every other company," but the amount of taxpayers' money that found its way, directly or indirectly, into GE's pockets indicates otherwise.

In many senses, Immelt, a registered Republican, is the quintessential Crapitalist. To be fair to Immelt, he's just doing his job. He's paid good money to grab all that government green.

GE makes a variety of products, but perhaps what it does best is lobby. With a total lobbying bill of \$300 million since 1998, GE is a behemoth of insider influence. For that kind of money, you expect to see results. And when you employ the squadron of cronies they do, you count your benefits by the billions.

The names of the folks who lobby on behalf of GE read like a Who's Who of people who used to work in politics. It's a list that crosses party lines. Republicans like former Sen. Don Nickles of Oklahoma and former Senate Majority Leader Trent Lott of Mississippi have no problem arguing for a larger government role in the economy, as long as it adds to GE's financial fortunes. Neither do Democrats like former House Majority Leader Dick Gephardt of Missouri or Linda Daschle, wife of former Senate Majority Leader Tom Daschle of South Dakota.

This effort continues to pay dividends. For example, in late 2013, the U.S. Department of Energy awarded a GE subsidiary, GE Global Research, two grants worth \$6.9 million for programs that "support the development of advanced technologies that will help enable efficient, cost-effective application of carbon capture and storage (CCS) processes for new and existing coal-fired power plants."

If there is government money to be had for green-related production, Immelt's lobbying

team has their hand out for it. In fact, GE is, you might say, plugged into almost any massive government program you can think of. That's true even with regard to programs for which you wouldn't think they qualify.

Remember the bank bailout? The Temporary Asset Relief Program, or TARP, was, it was said, intended to help stabilize the financial system by authorizing the federal purchase or insurance of "troubled assets." GE's finance arm, GE Capital, had some of the same bad investments as other financial firms, so Immelt asked for some relief through an accompanying federal bailout package. Oddly, GE didn't qualify for the bank bailout program initially because—well, because it isn't a bank. But thanks to "behind-the-scenes appeals from GE," Immelt was able to have regulators ease the eligibility provisions, according to the *Washington Post*, which noted:

As a result, GE has joined major banks collectively saving billions of dollars by raising money for their operations at lower interest rates. Public records show that GE Capital, the company's massive financing arm, has issued nearly a quarter of the \$340 billion in debt backed by the program, which is known as the Temporary Liquidity Guarantee Program, or TLGP. The government's actions have been "powerful and helpful" to the company, GE chief executive Jeffrey Immelt acknowledged in December.

Powerful and helpful, no doubt. Immelt was so grateful to the taxpayers that he proceeded to do everything in his power to avoid joining them. GE has a philosophy on taxes: "Don't pay them."

In 2010, GE earned \$14.2 billion in global profits, with \$5.1 billion of that originating inside the U.S. You might think they'd be looking at a billion dollars or more in taxes. In actuality, GE's tax bill came to \$3.2 billion. *Negative* \$3.2 billion, that is. They were *collecting*, not writing, the check.

It's outrageous and shocking, but not exactly new. The *New York Times* reported:

The assortment of tax breaks G.E. has won in Washington has provided a significant short-term gain for the company's executives and shareholders. While the financial crisis led G.E. to post a loss in the United States in 2009, regulatory filings show that in the last five years, G.E. has accumulated \$26 billion in American profits, and received a net tax benefit from the I.R.S. of \$4.1 billion.

Reading about GE's exploits is enough to make you throw something out a window, or at least go hire one of their accountants. For its part, GE defends its actions and says it is acting as a "responsible citizen."

For example, in 2008, when Jeff Immelt announced a \$30 million donation to benefit New York City schools, that seemed like something an admirable citizen would do. When it turned out that \$11 million of that donation would go to schools in the district of Charlie Rangel, the disgraced chair of the House Ways and Means Committee, with whom GE's tax chief, John Samuels, met privately a month earlier to ask for an extension of a tax break, that made it seem less admirable. Samuels reportedly got down on one knee to beg Rangel for the extension, though a GE spokesman said that that was meant as a joke. In any event, Rangel reversed his position, granting the extension, saving companies like GE billions of dollars.

Anne Eisele, a spokesperson for GE, said, "GE is committed to acting with integrity in relation to our tax obligations. We are committed to complying with tax rules and paying all legally obliged taxes. At the same time, we have a responsibility to our shareholders to legally minimize our costs."

At least they seem to have a sense of humor about it.

It's not easy being green (but it's profitable)

GE capitalizes on the so-called "green economy," an economy they lobbied to help create. And it doesn't matter if the industries, or the technologies that drive them, aren't ready. That just means we taxpayers need to pour still more money into them. For example, in 2009, GE invested in lithium battery company A123, with Immelt promising that his company's "capital, resources and technology expertise will help A123 scale up faster and more efficiently." The Obama administration agreed, kicking in another \$132 million of your money. Less than three years later, A123 went bankrupt.

The repeated failure of electric battery technology companies hasn't stopped GE from pushing forward. After all, with Uncle Sam writing the checks from our bank accounts, anything is possible!

Immelt is part of the Electrification Coalition, which aims to dramatically increase the number of electric cars on the road, on the taxpayers' dime. The members of the coalition tout themselves as "leaders of companies

representing the entire value chain of an electrified transportation system." In 2012, GE lobbied (unsuccessfully, thank gridlock) for the passage of a Senate bill that contained \$2 billion in grants to deploy 400,000 electric cars around the country, including \$25 million to convert the federal fleet plus another \$235 million for "research and development for electric vehicle batteries and infrastructure." It just so happens that GE builds the charging outposts for electric vehicles.

Kind of makes you long for the days when they just sold washing machines, huh?

In reality, those days are long gone. GE is so intertwined in so many things we taxpayers pay for, it's hard to even keep track. One GE initiative has garnered more attention from conservatives than others, though.

When GE owned NBC, it instituted Green Week, during which most NBC shows, including fictional programs, highlighted "green" ideas. The use of its shows to promote environmentalism was such over-the-top propaganda that even the NBC show *30 Rock*—a typically left-leaning satirical sitcom starring left-wing actor Alec Baldwin—made fun of the effort.

If having Bob Costas turn off studio lights during an NFL broadcast to promote "environmental issues" wasn't Orwellian enough for you, NBC also promoted those ideas during newscasts and from its cable "news" channel, the openly left-wing MSNBC.

One former employee of NBC's business channel, CNBC, was Charlie Gasparino, who eventually went over to Fox News. Gasparino said that Immelt was very sensitive to how CNBC was treating the network's sugar daddy, President Obama:

There was this issue where Jeff Immelt, Chairman of GE, called in some of the senior staff [of CNBC] and clearly was worried, according to the people I spoke to, who were in that meeting, about the possibility that we were becoming too "anti-administration."

This is perhaps the most damning thing of all. Immelt used his position of authority to help soften coverage of a news channel he owned to do the bidding of a president who was subsidizing his empire.

GE sold 51 percent of NBC and its cable affiliates to Comcast in 2009, but held onto 49 percent ownership until 2013, when it was bought out completely.

Given Immelt's kowtowing to President Obama, no wonder he found much to admire in China's state-run economy. China, with much of its wealth in the hands of "Princelings" (children of Communist Party honchos), is perhaps the epitome of a crony capitalist country.

Wu Jinglian, a leading economist in China who bashes statism and crony capitalism, complained recently that "I have two [sets of] enemies, the crony capitalists and the Maoists. They will use any means to attack me."

Here we are today, with Chinese dissidents ripping a system that GE's Immelt is praising.

Some crony connections raise our ire because they are wasteful and unproductive uses of our tax dollars, but GE, thanks to Immelt and Obama, is well past that threshold. The crony relationship between government and businesses like GE creates incentives that destroy free markets and damage our country.

Immelt, for his part, thinks we are heading in the right direction:

"In a reset economy, the government will be a regulator; and also an industry policy champion, a financier, and a key partner," Immelt told shareholders. "The interaction between government and business will change forever."

I'm terrified he's right.

Elon Musk

In 2013, PayPal cofounder Elon Musk was 42 years old. Musk had seen his net worth more than triple in the past year, to \$8.4 billion. His electric car company Tesla Motors saw its stock jump 625 percent, and the SolarCity company he chaired enjoyed a stock boom of over 300 percent.

The character of Iron Man/Tony Stark in Marvel Comics was based on the eccentric billionaire Howard Hughes, but it was Elon Musk on whom Jon Favreau, director of the *Iron Man* movie, based the cinematic version of the character. Musk lived up to the eccentric billionaire stereotype. He lived in Bel Air in a 20,000-square-foot home with six bedrooms and nine bathrooms, plus a five-car garage, but you know how cramped those Bel Air neighborhoods can be, so Musk had also just purchased his neighbor's home for \$6.5 million. It was a house that once belonged to actor Gene Wilder of *Willie Wonka & the Chocolate Factory* fame.

One day in 2013, Musk was upset. Something wrong with the sound system in his massive

home theater? His two-story library's rolling ladder was making too much noise? No, Musk was upset because New Jersey's Motor Vehicle Commission had unanimously passed a rule that effectively banned Tesla from operating in the state. Tesla's business model involves selling directly to customers, eliminating the need for auto dealers. But the commission voted, with Gov. Chris Christie's backing, to ban direct sales to New Jersey customers. Tesla, already operating in the state for a year, would have to close its stores, thus also closing off a lucrative customer base.

Musk issued a lengthy statement on his company's website, blaming Christie for being in the pocket of the state's auto dealer lobby, which had spent \$150,000 lobbying the issue and had given \$60,000 to Christie's recent campaign for governor. He blasted Christie for referring to the measure as "consumer protection."

When it became apparent to the auto dealer lobby that [an effort to pass new legislation] would not succeed, they cut a backroom deal with the Governor to circumvent the legislative process and pass a regulation that is fundamentally contrary to the intent of the law. . . .

If you believe [that it's "consumer protection"], Gov. Christie has a bridge closure he wants to sell you! Unless they are referring to the mafia version of "protection," this is obviously untrue. As anyone who has been through the conventional auto dealer purchase process knows, consumer protection is pretty much the furthest thing from the typical car dealer's mind.

Thus, Musk compared Christie's rationale of intervention—"consumer protection"—to another industry with which New Jerseyans are familiar: the Mafia. "When a politician acts in a manner so radically opposed to the will of the people who elected him, the only explanation is that there are other factors at play," Musk said.

Musk complaining about government intervention in the free market—what irony! Electric cars like Tesla don't run just on electricity. They also burn up your tax dollars.

Back before Tesla was portrayed as a success, the company was actually in danger of following the path of so many other "green-tech" start-ups: going over budget and suffering massive delays in getting product to market. In 2008, Musk took over as CEO and slashed the payroll. With the company short of the

cash it needed to become viable, Musk, whose early business ventures in college involved throwing massive parties, returned to his roots. As the left-wing magazine *Mother Jones* reported, "He threw a kegger." Politicians gathered for beers in D.C.'s National Building Museum, and Musk, ever the showman, took them for a spin in the new Model S.

In addition to the kegger, Musk made a dozen trips to D.C. to lobby for taxpayer-funded loans. Meanwhile, Obama bundler Steve Westly, who raised a reported \$1 million over two campaigns for Obama, was on the Tesla board of directors.

A few months after the party, Tesla bagged a \$465 million loan from taxpayers, which was enough to rescue it from its financial troubles. In May 2009, the German automaker Daimler invested \$50 million into Tesla, purchasing a 9.1 percent share in the company.

Now here's where the story becomes interesting. Two months later, Daimler turned around and sold 40 percent of its Tesla investment to an investment firm, Aabar Investments, that was described by the *Wall Street Journal* as an arm of the Abu Dhabi government (part of the United Arab Emirates). Such a move was supposedly "part of its [Daimler's] original plan." Three years later, the UAE-controlled company sold its Tesla stake for a whopping \$113 million and then quickly bought a stake in an Iraqi power plant. By October 2014, Daimler's share was down to four percent, at which point Daimler sold its remaining stake, making a gain of \$780 million.

Those transactions leave us with two ways of looking at Tesla's U.S. bailout:

LEFT'S GREEN GOD SAVED
BY ARAB OIL MONEY
or
TAXPAYER-BACKED TESLA
MAKES MILLIONS FOR
ARAB & GERMAN COMPANIES

Of course, you never saw headlines like those—but you *should* have.

On a note totally unrelated to the assistance Musk gets from the U.S. government, Tim Carney of the *Washington Examiner* reported in October 2012:

Musk has personally given more than \$100,000 to Obama's re-election campaign, including two gifts of more than \$30,000 each to the Obama Victory Fund, which divides the money between the maximum allowable donations to the Democratic National Committee and

the maximum to the Obama campaign. (Musk has also given generously to Republicans.)

When subsidies aren't enough

Today, Musk argues a path forward for green businesses that would help protect his Tesla from upstart competitors seeking the kind of seed money from taxpayers he scored. He tweeted that a "carbon tax would be a better way." Musk added: "Yes, am arguing against subsidies and in favor of a tax on the end . . . Market will then achieve best solution."

But beyond the hope of killing off his competitors, why would Musk take such a position? Because Tesla also relies on California's carbon tax credit scheme to make any profits at all. According to *Mother Jones*:

Its first-quarter [2013] profit, a modest \$11 million, hinged on the \$68 million it earned selling clean-air credits under a California program that requires auto makers to either produce a given number of zero-emission vehicles or satisfy the mandate in some other way. For the second quarter, Tesla announced a \$26 million profit (based on one method of accounting), but again the profit hinged on \$51 million in ZEV credits; by year's end, these credit sales could net Tesla a whopping \$250 million. There are also generous tax credits and rebates for electric-car buyers: \$7,500 from the federal government and up to \$5,000 if you live in California.

So California automakers who are profitable by selling cars that run on so-called "fossil fuels" essentially prop up businesses like Tesla because those automakers are forced to buy clean-air credits from companies like Tesla. Yes, that's Musk's idea of a free market (as seen in his tweet about a carbon tax: "Market will then achieve best solution.")

Musk insists he made his fortune without anyone's help.

Letting sunshine in

Then there's SolarCity, run by a man named Lyndon Rive. The company's business model depends on continued access to the taxpayer piggy bank. SolarCity was forced to admit as much in its third-quarter financial reports for 2013.

"If, for any reason, we are unable to finance solar energy systems through tax-advantaged structures," the report warned, "we may no longer be able to provide solar energy systems

to new customers on an economically viable basis. This would have a material adverse effect on our business, financial condition and results of operations."

At this writing, the Treasury Department and the Department of Justice are investigating whether Solar City inflated its investments in solar panels, which, as part of the stimulus, brought in direct grants from the Treasury. According to SolarCity's 2014 SEC filings, the IRS was auditing them, looking into whether they received federal funds inappropriately.

SolarCity admitted to these investigations in its SEC filings, warning investors that if "at the conclusion of the investigation the Inspector General concludes that misrepresentations were made, the Department of Justice could decide to bring a civil action to recover amounts it believes were improperly paid to us."

The largest investor in SolarCity (according to April 2014 filings): Elon Musk, with 22.5 percent of the company's stock. That's not surprising, given that the founders of SolarCity, Lyndon Rives and his brother Peter, are Musk's cousins. What a coincidence!

So Tesla and Solar City both benefit from taxpayer giveaways. Those aren't Musk's only companies, however. His company SpaceX designs and manufactures spacecraft and rockets; it has a contract with the government agency NASA, reportedly worth over \$800 million.

Musk's story could be the sort of thing that we should want America to celebrate. Moving here from South Africa (via Canada) was the fulfillment of a long-held aspiration. "He was already dreaming of moving to the United States," according to *Mother Jones*, "a land he associated with inventors, explorers, and free thinkers." And he co-founded Pay Pal, a true free-market success.

Sadly, he is now part of the movement away from free-market capitalism to crony capitalism.

American innovation has given way to taxpayer extraction. Like many others profiled in my new book on crony capitalism, Musk had already achieved success on his own. Why, then, would he take the help? Because it is there.

Musk's latest idea is a plan he calls the Hyperloop, "a rapid-speed train that claims to be able to transport passengers from San Francisco to Los Angeles in 30 minutes." The plan will reportedly cost "only" \$6 billion, which

Musk happily says he will contribute toward. But who will pick up the rest of the check?

Musk opposes the planned high-speed rail system in California now because, he says, the project is on pace to far exceed budget projections. "I mean California taxpayers are not just going to have to write off \$100 billion but they're also going to have to maintain and subsidize the ongoing operation of this train for a super long time, sort of California's Amtrak. And that just doesn't seem wise for a state that was facing bankruptcy not that long ago," says Musk.

There's the Iron Man we love. It doesn't seem wise for a bankrupt government to throw money after a project that wouldn't exist without its support. But I bet that wouldn't stop him from seeking tax support for the project once it's off the ground. It sure didn't stop him from going after our money those other times.

How do we explain the contradictions? Stanford professor Fred Turner said that hypocrites like Musk are "not quite self-delusion[al], but there is a habit of thinking of oneself as a free-standing, independent agent, and of not acknowledging the subsidies that one received. And this goes on all the time in [Silicon Valley]."

Delusional billionaires are nothing new, I guess. Howard Hughes, the original model for Iron Man, certainly had his issues. What bothers me is that the definition of self-reliance may be changing. And our country, and its standards for greatness, are changing right along with it, faster than a taxpayer-funded Tesla.

Jason Mattered, former editor of Human Events, is the New York Times bestselling author of *Obama Zombies* and *Hollywood Hypocrites*. His latest book is *Crapitalism: Liberals Who Make Millions Swiping Your Tax Dollars* (Threshold Editions/Simon & Schuster), from which this article is adapted.

GW

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**Many thanks,
Terrence Scanlon
President**

GreenNotes

Gov. John Kitzhaber (D), recently sworn in for a fourth term, has resigned due to a scandal that exposes the corruption at the heart of the environmental movement. **Cylvia Hayes**, Kitzhaber's fiancée, whom he designated as the state's First Lady, received \$118,000 over two years from the so-called **Clean Economy Development Center** while she advised the governor on ways to funnel taxpayers' money into environmentalist businesses. She received \$40,000 from the **Energy Foundation** (backed by the charitable trust of "green" billionaire **Tom Steyer**, who also contributed \$100,000 to the **Oregon Democratic Party**). According to the *Wall Street Journal*, she "received a state contract under Mr. Kitzhaber despite being a high bidder [and] got paid thousands of dollars to draft a 'Green Jobs Growth Plan' that allegedly contained passages plagiarized from an existing state plan." She apparently got her jobs through the intervention of Kitzhaber aides. News reports indicated that some of the payments to Hayes were not disclosed on tax returns or in ethics filings, and, when investigators sought the governor's e-mails related to the scandal, a Kitzhaber aide allegedly attempted to have them erased.

Earlier, Hayes admitted to taking \$5,000 for participating in a sham marriage to an immigrant seeking a green card, and said she had tried to buy a farm to grow marijuana illegally. The *New York Times* reported that Kitzhaber and Hayes came together over a "shared passion for a low-carbon future," a reference to their anti-scientific view that harmless carbon dioxide (less than 1/2500th of the atmosphere) must be treated as a form of pollution.

As *Wall Street Journal* columnist **Holman Jenkins Jr.** noted, the Kitzhaber scandal is rooted in the self-righteousness of "the modern religion of environmentalism. . . . Look at the swelling corps of handout-seeking billionaires and corporations who have perfected 'green' self-interest. Not just wind and solar and ethanol impresarios, but even one of the world's biggest oil companies, **BP**, pronounced itself 'beyond petroleum' in the 1990s"

Jim Guirard, who served as chief of staff to the late **Sen. Russell Long** (D-La.), has noted the similarities of Global Warming alarmists to a cult. Among those qualities: "assertion of an apocalyptic threat to all mankind" and "a promise of salvation" from that threat, "a long list of scary 'truths' which must be embraced and proselytized by cult members," "a strident intolerance of any criticism of the Cult's definition of the problem or its proposed solutions," and "an inordinate fear of being proven wrong."

Even the **Warmers** themselves sometimes acknowledge their movement's similarities to a religion. **Chris Horner** of the **Competitive Enterprise Institute** recently uncovered an **Environmental Protection Agency** internal memo that labeled non-members of environmental groups as the "unchurched." Kitzhaber aide **Dan Carol**, who arranged for the **Energy Foundation** and the **Rockefeller Brothers Fund** to pony up for a fellowship for then-First Lady Cylvia Hayes, called her an "evangelist" for (so-called) clean energy. And the **United Church of Christ** announced prior to Valentine's Day 2015 that, on that weekend, "congregations throughout the country [will] participate in the National Preach-In on Global Warming" to "mobilize thousands of faith groups to address the world's climate crisis through sermons, gatherings, and special activities."

Is "climate chaos" causing 400,000 deaths a year, as claimed by the **Climate Vulnerable Forum**, a group of countries seeking to cash in on Global Warming fears? (They want the industrialized countries to "compensate" them for Warming.) **Bjorn Lomborg**, director of the **Copenhagen Consensus Center**, notes that, "In the **Oxford University** database for death rates from floods, extreme temperatures, droughts and storms, the average in the first part of the last century was more than 13 dead every year per 100,000 people. Since then the death rates have dropped 97 percent to a new low in the 2010s of 0.38 per 100,000 people."

One of the biggest changes as a result of the **GOP** takeover of the **U.S. Senate** was that **Sen. Barbara Boxer** (D-Calif.), a radical environmentalist, was replaced as chairman of the **Senate Environment and Public Works Committee** by **Sen. Jim Inhofe** (R-Okla.). "Expect huge and enormous fireworks in the committee," Boxer promised. "[Inhofe's] going to go after everything, and I'm going to stop him dead on the floor of the Senate." She called him "the biggest denier of all," by which she means the biggest critic of Global Warming theory. Boxer is leaving the Senate in 2016. The aforementioned Tom Steyer has announced that, contrary to speculation, he won't run for the seat.

Coming to **Washington, D.C.**, in June: the **Tenth International Conference on Climate Change**, featuring experts in various fields related to Global Warming. No, this is not one of those left-wing "green" gatherings. The ICC is sponsored by the **Heartland Institute**, which takes a rational, scientific approach to the issue. If you're a fan of *Green Watch*, you may want to attend. For more information, or to register, go to ClimateConference.heartland.org.