

ISSUES IN PERSPECTIVE

Dr. James P. Eckman, President
Grace University, Omaha, Nebraska
14-15 June 2008

PERSPECTIVE NUMBER ONE

NATIONAL LEADERSHIP: THE PRICE OF GAS AND OUR PRIORITIES

There are few Americans who are not experiencing the effects of higher gasoline prices. America has never faced \$4 gasoline, let alone contemplating \$5, as some are now predicting by summer's end. How should we think about this? Also, how do we prioritize this issue and connect it with the talk about global warming? Is there a profound absence of leadership in our nation when it comes to an energy policy? Without question, I would answer categorically yes! Let's think about this entire situation in a wholistic, well-integrated manner.

- First some thoughts about oil. It is most interesting to hear all the speeches coming from the US Senate on the price of oil. Many are blasting the oil companies and some are blaming the Saudis for not increasing their own production of oil. The US Senate also voted to suspend the flow of oil into the Strategic Petroleum Reserve, presumably because this will increase the amount of oil available for consumer consumption. But as George Will has observed, seventy-one of the 97 senators who voted to stop filling the reserve also oppose drilling in the Arctic National Wildlife Refuge (ANWR). For just a moment, contemplate what might have been: In 1995, then President Bill Clinton vetoed legislation to permit drilling in ANWR. If he had not vetoed that bill, 1 million barrels of oil would now be flowing into the American economy. That would produce 27 million gallons of gasoline and diesel fuel. Amazingly, 72 members of the Senate, including Barack Obama and John McCain, have voted to keep ANWR's 10.4 million barrels of oil off the market. Not only have they voted to keep ANWR's oil in the ground, but these same Senators and members of the House as well, have voted to put 85% of America's offshore territory off-limits to drilling. Will cites the US Minerals Management Service, which contends that these restricted areas contain perhaps 86 million barrels of oil and 420 trillion cubic feet of natural gas—"10 times as much oil and 20 times as much natural gas as Americans use in a year." Nonetheless, drilling in this area is going on. In fact, 60 miles off the coast of Florida, China, in cooperation with Cuba, is drilling for oil and natural gas. As Will observes, "[China] is drilling closer to South Florida than US companies are." Listen again to Will: "ANWR is larger than the combined areas of five states (Massachusetts, Connecticut, Rhode Island, New Jersey, Delaware), and drilling along its coastal plain would be confined to a space one-sixth the size of Washington's Dulles airport. Offshore? Hurricanes Katrina and Rita destroyed or damaged hundreds of drilling rigs without causing a single spill. There has not been a significant spill from an offshore US well since 1969. Of the more than 7 billion barrels of oil pumped offshore in the past 25 years, 0.001 percent—that is one-thousandth of 1 percent—has been spilled. Louisiana has more than 3,200 rigs offshore—and a thriving commercial fishing industry." Why is Brazil's energy production growing? It is not because of ethanol or other biofuels. It

is because of increased offshore oil production. Further, in September 2006, two US companies announced that, in the Gulf 270 miles southwest of New Orleans, they had tapped a field of perhaps 15 million barrels of oil, which will increase America's proven reserves by 50%. This is terribly costly, costing perhaps \$100 million to probe 4 miles below the surface of the Gulf. But what does Congress do? It wants to increase the tax burden on the oil companies, as a key element of its energy policy. Will that tax produce more oil? Hardly! Finally, George Will concludes: "America says to foreign producers—We prefer not to pump our oil, so please pump more of yours, thereby lowering its value, for our benefit." It is almost beyond belief how narrow-minded and shameful our present US Congress really is. There is an enormous vacuum of leadership when it comes to developing an energy policy in the US. Quite frankly, the US has no energy policy. We are the captives of a group of environmental lobbyists who fear something—an oil spill—that keeps the US from tapping into oil reserves greater or equal to some of those in the Middle East. The US, do not forget, is the world's third largest producer of oil and natural gas. We have the potential to produce much more. But Congress is preventing that from occurring. Combined with sensible strategies on alternative energy sources—wind, solar, nuclear, etc.—opening up oil and natural gas production in ANWR and the coastal regions is an energy policy. But there is no leadership in Congress to do this. And, looking to the next president, both Obama and McCain will not support such drilling. In other words, we are getting the price of gasoline we deserve as a nation. Our leaders have no policy—and we are paying for that! See George Will's most helpful essay in the *Washington Post* (5 June 2008).

- Second, a few thoughts on our priorities. Bjorn Lomborg has recently written: "A reduction in carbon emissions has become an end in itself. The fortune spent on this exercise could achieve an astounding amount of good in areas that we hear a lot less about." What does he mean? He goes on, ". . . just \$60 million spent on providing Vitamin A capsules and therapeutic Zinc supplements for under-2-year-olds would reach 80% of the infants in Sub-Saharan Africa and South Asia, with annual economic benefits (from lower mortality and improved health) of more than \$1 billion. That means doing \$17 worth of good for each dollar spent. Spending \$1 billion on tuberculosis would avert an astonishing one million deaths, with annual benefits adding up to \$30 billion. This gives \$30 back on the dollar." Listen to some of the other priorities the world could focus on for relatively small amounts of money:
 1. Heart disease represents more than a quarter of the death toll in poor countries. Spending \$200 million getting cheaper heart drugs to these poor countries would avert 300,000 deaths per year. Spending \$1 will achieve \$25 worth of good. Compare that investment return with the 90 cents return spent for every dollar on carbon mitigation policies. "Focusing on costs and benefits means that we can reconsider the merits of policies that have gone out of fashion."
 2. Poor water and sanitation affects more than 2 billion people and will claim millions of lives each year. One realistic solution is to build large, multipurpose dams in Africa. Building dams for many is politically incorrect. But in a nation like Ethiopia, which has no water storage facilities, great variability in rainfall and where dams could be built with relatively few side effects, building dams is wise policy. Lomborg contends that "A single reservoir located in the scarcely inhabited Blue Nile gorge in Ethiopia would cost a

brehtaking \$3.3 billion. But it would produce large amounts of desperately needed power for Ethiopia, Sudan and Egypt, combat the regional water shortage in times of drought, and expand irrigation. All these benefits would be at least two-and-a-half-times as high as the costs.”

What Bjorn Lomborg and his Copenhagen Consensus group have done is demonstrate how the world community can do the most good with our limited resources. When you read what he has written and meditate on some of his conclusions, you come away with this conviction: global warming should really not be at the top of anyone’s priority list. With proper research and strategic thinking that carefully analyzes costs and benefits, the world community can begin to solve many of the world’s problems or at least make some traction toward solving them. It is a matter of the wise use of the resources we already have. It also means abandoning some of the politically correct prejudices we have. God expects us to be good stewards of His world. Managing His resources—oil, natural gas, making medicine available, building dams to control water—are all examples of good stewardship. But, as I argued above, such policy priorities demand strong leadership—something that is disgustingly absent in our nation and in the world. Raw, self-serving politics has replaced sound leadership. And remember, we voted these people into office. It is time to hold them accountable and demand a sound, sensible energy policy and a sound, sensible set of priorities to deal with the world’s problems in a measured way. See Lomborg’s essay in the *Wall Street Journal* (22 May 2008).

PERSPECTIVE NUMBER TWO

THE COST OF COHABITATION

One of the goals of *Issues in Perspective* is to enable you to think biblically and Christianly about culture. One of the most significant cultural developments is the growing acceptance of cohabitation. It is growing at amazing rates of acceptance in Europe, where in some of the Scandinavian countries, the majority of children being born are to cohabiting couples. The cohabitation trend is growing in acceptance in the US as well. A recent study demonstrates how costly this trend truly is.

Writing in the June 2008 issue of *Citizen*, Jenny Tyre demonstrates clearly that “cohabitation derails young singles from the path to marriage, depriving them of the economic benefits that married couples enjoy, and putting the children in the household at risk—especially if the man in the house isn’t the child’s biological father.” Poverty rate studies show that in 1996 just 6% of children living in married households lived in poverty, while the rate is 31% for children in cohabiting households and 45% for those living with single mothers. Among African-American women the situation is worse: From 1960 to 2006, the number of African-American women marrying fell by 20%, while the unwed childbearing rate among blacks grew from less than 25% to more than 70%. So compelling is the evidence on the benefits of marriage that scholars David Popenoe and Barbara Dafoe Whitehead have recommended that the benefits of marriage become “a regular part of educational programs and public discourse.”

What are some of the documented benefits of marriage?

1. The National Marriage Project of Rutgers University reports that married men earn from 10 to 40% more than single men who have similar education and job experience. The productive behavior of men as a result of marriage makes the difference.
2. In the same Rutgers study, a study of retirement data concluded that “individuals who are not continuously married have significantly lower wealth than those who remain married throughout their lives.”
3. Studies from Princeton and The Brookings Institution also conclude that children across virtually all ethnic and racial lines benefit from marriage.
4. Joel Kotkin, an internationally recognized authority on economic and social trends, argues that cities that invest in families also thrive economically. That means affordable housing, short commutes, family-friendly communities and ample economic opportunities. Compare Houston, Dallas, Charlotte and Raleigh-Durham, which are intentionally family-oriented, with Cincinnati, Baltimore, Detroit and Memphis, all of which have focused on the young-single professional. Kotkin writes that “families provide the most reliable foundation for successful economies.”
5. In a recently released study published on 15 April, divorce and unwed child-bearing costs the US economy about \$112 billion per year!! The national, state and local costs to taxpayers include expenditures for anti-poverty, criminal justice and education programs, as well as lower levels of taxes paid by individuals whose productivity has been negatively affected by family fragmentation. The study is entitled “The Taxpayer Costs of Divorce and Unwed Childbearing: First-Ever Estimates for the Nation and All 50 States.” The principal researcher and writer is Dr. Ben Scafidi of Georgia College and State University. Just a few statistics to illustrate the cost of family fragmentation for US taxpayers:

Medicaid	\$27.9 billion
Justice System	19.3
Food Stamps	9.6
Housing Assistance	7.3

We really do not need to do any more studies or research on the benefits/costs of marriage. The evidence is in and the conclusions are compelling: Marriage and family are the bedrock of civilization. When the family is fragmented or dysfunctional, there are enormous costs to the nation. What God stated in His Creation Ordinance is being proven every day. God’s priorities must be our priorities, or we will pay a dear price. The various studies cited in this *Perspective* illustrate how serious that cost truly is.

See Jenny Tyre in *Citizen* (June 2008), pp. 19-21.