

THE DAILY TELEGRAPH, TATA & DR. PACHAURI – AN APOLOGY TOO FAR?

by Dennis Ambler



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Anyone following the climate issue will know there has recently been an apology in the UK Times newspaper, (June 20th), recanting from a story that it had published in January this year, sharply criticising the IPCC's claims about threats to the Amazon rainforest. The apology was surgically dissected by Christopher Booker in his [Telegraph column](#)¹, on June 26th, and there has been widespread coverage and commentary across the web.

In a considerably less well-reported statement, the UK Daily Telegraph [had in turn apologised](#)² two weeks earlier, to the Tata Group, for comments made in an article published in December 2009, by Christopher Booker and his co-author, Dr. Richard North. The article related to Dr Pachauri, chairman of the IPCC, enumerating his various business activities and challenging his chairmanship of the IPCC.

At the time, Dr Pachauri demanded an apology and hinted at legal action if none were forthcoming. I am not aware of any such response, so it was somewhat of a surprise when an apology did appear this month in the Telegraph, not to Dr Pachauri, but to the Tata group, who felt they were maligned by comments in the Pachauri article.

What is the background to this and why did the Telegraph apologise?

TATA STEEL AND CORUS UK

In 2007, Indian multi-national Tata, bought the [Anglo-Dutch Corus](#)³ steel group for around \$10 billion. With the acquisition, Tata Steel emerged as the sixth largest steel maker in the world, with a then total capacity of 23 million (up from its previous 5 million tonnes).

Prior to the purchase of Corus, Tata Steel had also acquired steel firms in Asia — NatSteel of Singapore and Millennium Steel of Thailand. Tata Steel now reports a total world capacity of 30 million tonnes. They are looking to greatly increase capacity in India, with the advantage of significant local [raw material resources](#)⁴. Orissa is rich in mineral ores.

“Captive iron ore mines and collieries in India give the Company a distinct advantage in raw material sourcing. Tata Steel is also striving towards raw materials security through joint ventures in Thailand, Australia, Mozambique, Ivory Coast (West Africa) and Oman and Canada. Exploration of opportunities in titanium dioxide business in Tamil Nadu, high carbon ferro-chrome plant in South Africa and setting up of a deep-sea port in coastal Orissa are integral to the Growth and Globalisation objective of Tata Steel.”

UK production no longer has access to domestic supplies of high quality iron ore, which once formed the basis of the UK Iron and Steel Industry, together with cheap supplies of

coal for blast furnaces. All iron ore used in Britain is now imported from places such as Australia and Africa. Add to this the fact that wage levels in the UK are considerably higher than in India and it becomes apparent that steel production by Tata in the UK could never be competitive with its operations in India.

The world-wide economic recession saw a fall in steel output of 8% in 2009, which was distorted by a 13% rise in Chinese output, a 3% rise in Indian output and a 9% rise in Iranian output, compared to a 21% fall in the rest of the world.

It was against this backdrop, that in May 2009, [Corus UK announced plans](#)⁵ to mothball the Redcar, Teeside steel slab plant, in a decision they said was 'unavoidable' because of the termination of a contract by four international steel slab buyers, making the Redcar plant 'unviable:

In December 2009, in one of several pieces about the IPCC's Dr. Pachauri, the UK Daily Telegraph published an article entitled "Questions over business deals of UN climate-change guru Dr Rajendra Pachauri." I quoted briefly from this in my paper, "Dr Rajendra Pachauri and the IPCC – [No Fossil Fool](#)"⁶ under the heading, **Sustainable development exports Western jobs**. The Telegraph link now takes readers to an error page, however, the [original text](#)⁷ can be found here.

The Tata Group took exception to the implication in the article that they had mothballed the Redcar plant solely in order to obtain carbon credits, both here via the EU Emissions Trading Scheme (ETS) and in India via the UN Clean Development Mechanism, (CDM). The long passage of time between the original article in December last year and the publication of [their apology](#)⁸ on June 13th 2010, would suggest long wrangling behind the scenes, to arrive at this point:

"In reports in December 2009 we said that Tata had used the carbon trading scheme to transfer steel production from Redcar to India, pocketing £1.2 billion in carbon credits at the cost of 1700 jobs. We accept this was wrong. Redcar was mothballed because a 10-year steel contract was not honoured and the credits could never have amounted to £1.2 billion."

In addition, we accept Tata's assurance that it did not displace "hundreds of thousands" of villagers from its sites in Orissa and Jharkhand and that at its new site in Orissa, Tata is providing new homes, jobs and facilities for the 1200 families which remained at the site.

We also accept Tata's assurance that it has no relationship with the Chairman of the IPCC, Dr Rajendra Pachauri.

We apologise for these errors."

There are three "errors" that the newspaper is apologising for, namely, implied abuse of the ETS and the CDM, displacement of villagers in India and linking Tata with Dr Pachauri.

Whilst the apology has a much more specific accusation than was actually used in the article, (it talked of *potential* credits available to Tata, 1.2 billion related to the combined potential of ETS and CDM and the word “pocketed” was not used), it is difficult to argue against the Tata explanation that a failed contract in the face of adverse market conditions was the reason for the business decision they took at that time.

However, carbon credits had been issued to the company, as they had been to thousands of other EU companies under the ETS. In view of the short period of ownership by Tata, it cannot have been surprising that people would wish to jump to the conclusions they did. The response certainly doesn't say that credits were not available, it simply says the monetary value was wrong. To add fuel to the flames as it were, in March this year, Tata announced that their long-delayed Orissa, India plant would soon start construction after several years of delay.

The [local newspaper](#)⁹ had already reported on the issue, even before the Telegraph article was published later in the month:

“The steelmaker was among a number of heavy polluters handed a generous free carbon allowance until 2012, under the EU's new Emissions Trading Scheme (ETS). Corus still owns the allowances for 2010 but under EU rules, if the plant closes for more than 50 days, the UK Government can auction them off - with profits going back into Treasury coffers.

A Corus spokesman said: “The Teesside Cast Products plant is to be **partially mothballed**, which is **not** the same thing as **permanent closure**. The question of what is to happen to TCP's 2010 allowances under the EU Emissions Trading Scheme is therefore undecided.” *(In other words, the credits were still available, so long as the plant wasn't closed; my emphases).*

The Evening Gazette continued the story with details of the credits available to the company.

“Corus has received just under seven million permits a year -worth a tonne of carbon each -until 2012. But those allowances will not be used if production remains idle on Teesside. At a current carbon price of around £13 per tonne, the permits are worth millions of pounds on the open market.

“We don't wish to imply that Corus is to profit from the allowances but the situation remains very unclear. "It's vital that the Government and Corus come forward now with a clear statement about what will happen to the seven million annual tonnes of CO permits.”

The steel plant closure was also the subject of a report by a [Parliamentary committee](#).¹⁰

The Corus story had been preceded a week earlier by a [story in The Times](#)¹¹ concerning the carbon credits available to Steel giant and Tata rival, Arcelor-Mittal. The Times claimed that ArcelorMittal stood to benefit from a “£1 billion windfall from a European scheme (ETS) to

curb global warming.” Under the scheme, companies are given **permits to emit CO₂** up to a specified “cap”, after which they must buy extra permits. ArcelorMittal had the largest allocation of any organisation in Europe and it was an embarrassing story on the eve of the Copenhagen climate conference, where the pressure was on for a global ETS system.

[ArcelorMittal denied](#)¹² they had profited from the carbon credits, claiming that the unexpectedly large excess of credits, some of which it had purchased, arose because of the global economic situation and a lack of demand for steel.

RECOVERY IN 2010?

In March this year Tata Steel Ltd said it expected [sales volumes](#)¹³ in India in the current quarter to be 20 percent higher than a year ago. Vice Chairman B. Muthuraman also said steel volumes in Europe, where India-based Tata owns steelmaker Corus, should increase by 7 to 8 percent as demand there improves. “In India, market demand is quite robust and we expect steel demand to be higher this year (2009/10) than for 2008/09.”

Most of Tata's increased sales will come from 1 million tonnes of new capacity added at its Jamshedpur facility in India, available during the current year. By the middle of next year, [Jamshedpur's capacity](#)¹⁴ will grow to 10 million tonnes.

It seems the moth-balled Redcar UK plant will not be re-opened any time soon.

INDUSTRIALISATION IN INDIA

The second issue in the Telegraph apology was that of displacement of villagers in India's Orissa state, to make way for the Tata steel plant. The Telegraph proprietors seem not to have read the article for which they are apologising, because **it did not accuse Tata** of displacing villagers, but said that “when the company expressed its interests in developing land in the eastern states of Orissa and Jarkhand, **it led to the Indian government displacing hundreds of thousands of poor tribal villagers** to make way for large-scale iron mining and steel making projects.” (*my emphasis*)

It is a matter of record that displacement of farmers and share-croppers has taken place, with the use of force by the authorities and lives have been lost. This is the result of an on-going Indian Government policy for rapid industrialisation on existing productive farmland. There is also a political situation in Orissa, with warring factions composed of Communist Party (Marxist) who support the industrialisation and Communist Party (Maoist), who oppose it. It is claimed by some that the Maoists have been organising the farmers and “tribals” as they are referred to in the Indian press, but this is denied by the farmers. The Maoists were banned by the Indian government for alleged terrorist activities in June 2009.

Other steel companies have also had problems with [acquiring land in Orissa](#),¹⁵ for example, ArcelorMittal, who last year was looking for alternative sites for its \$22billion steel plant project in the state.

“We are disappointed with the progress made in India. It is a greenfield project, we were aware of the challenges, like land acquisition, we could face in India,”

With this huge amount of investment money at stake, the state government has endeavoured to provide the land required by the steel companies by displacing peasant farmers. In Orissa alone, \$42.5 billion for steel production were committed in Memoranda of Understanding (MoU) between 2002 and 2008.

So what happened in Orissa?

“On January 2nd, 2006, a group of local tribes people gathered to try and stop construction work by Tata on the Kalinganagar site. [Police opened fire](#)¹⁶, with the result that thirteen people were killed, (one a policeman) and thirty six injured.”

The tragedy led to lots of bad publicity for Tata, hence their continuing sensitivity on the issue. They continue to experience delays and set backs and local opposition to the steel plant continues. This is not just about Tata Steel, as there are currently four steel plants operating out of Kalinganagar, with nine more set to open up soon.

There is an often violent dichotomy between those who want industrial development and those who made their living, which they claimed to be financially viable, from what was once productive agricultural land and which is now a major industrial complex. The current situation is reflected in this April 2010, report from the New Indian Express, entitled [The unending war of Kalinga](#)¹⁷.

Tata strongly defends its activities in the state and claims it is providing great benefits for the people who have been displaced, many of whom are now in what they describe as [“rehabilitation colonies”](#).¹⁸



Photo of Tata Steel Paribar Colony from [Odisha 360.com](#)¹⁹

They have also provided new [medical facilities](#)²⁰ for displaced families:

“Tata Steel extends healthcare services in Orissa to 500 villages under its Corporate Social Responsibility (CSR) plan. The hospital was set-up for the families affected in its green field steel project at Kalinganagar and also for the people in the periphery villages.”

The rehabilitation of 1200 families mentioned in the Telegraph apology is referenced in this [2007 story](#)²¹:

“Tata Steel is likely to start the construction work of its greenfield steel project in Orissa within two months. “We have got necessary clearances. **Work to rehabilitate more than 1,200 families** have been completed and now we are going to start the construction by the end of this year,” Tata Steel Kalinganagar project General Manager N A Ansari told PTI.

Tata Steel is seeking to increase the production of steel from 27 MT to 45 MT by 2015 and it will be **achieved through greenfield projects**, he said and pointed out, “Kalinganagar is the first such greenfield project undertaken by the company outside **Jamshedpur.**”

Jamshedpur is a model city set up around their first steel plant by the founder of Tata over a hundred years ago. It does not have a municipality, but is managed by Tata and is the headquarters of Tata Steel. Services, utilities and transport systems are all provided by Tata and they promote the city as an example of their philanthropy and benevolence.

In 2008 Tata had again hoped that they [could start work](#)²² on building the controversial steel plant:

“Tata Steel, which is awaiting the Orissa government's approval for iron ore mining lease, will start construction work on its 6 million tonne per annum (mtpa) green field project before the end of March 2008.

The steel major has also made ‘good progress’ with respect to land acquisition for its 5-mtpa project in Chhattisgarh's Bastar district. In an exclusive interaction with FE on Tuesday, Tata Steel managing director B Muthuraman said, “We are going to start work on the Kalinganagar project before the end of March 2008. All the problems have been sorted out.”

Land-related controversies that led to the death of some tribals in a firing incident in 2005 have held back the project so far. **Company sources said a majority of the 950 families had, with the cooperation of the state government, already been shifted from the 3,400-acre industrial plot.** (*Note how agricultural land has been re-designated as an industrial plot*).

Only now does it appear that Tata will finally get their [new steel plant](#)²³:

“The company has already placed orders worth Rs 6,373 crore (\$1.4 billion) for equipment and civil structures for the project. The first consignment of equipment, Steel Melting Shop (SMS) for the project has reached Kalinganagar from Germany recently,” Chowdhary, said.

“We have received 80 per cent of the required land from the State Government and the balance will be received soon. We will start construction work next month,” Tata Steel India's Chief (Corporate Affairs and Communication), Sanjay Chowdhary, told PTI over phone.

This report was dated 23 Mar 2010. Corus at Redcar ceased production in February 2010. It seems the [Orissa plant](#)²⁴ will manufacture [slab steel](#)²⁵, similar to the Redcar product.

ANOTHER TATA PROBLEM

Tata Steel isn't the only Tata company that has had problems in establishing industrial plants in agricultural areas; [Tata Motors](#)²⁶ decided to pull out of a planned factory site for the new Tata Nano “people's car”, at Singur in West Bengal.

“The West Bengal state had witnessed a large-scale agitation over land acquisition in Singur for the Tata's Nano car project. The unit was later shifted to Gujarat. Singur is among the most highly fertile agricultural land in West Bengal. Consequently, almost the entire local population depends on agriculture with approximately 150,000 making their livelihood directly from it. Singur came in limelight when Tatas ceremonially started the construction of the plant to manufacture the world's smallest and cheapest car Nano at Singur on 21 January 2007.”

This was another [land grab issue](#)²⁷ for the local people, as with the steel projects in Orissa:

“The political situation in Singur is complex, and it is difficult to predict the outcome. On the one hand, people have refused to accept compensation and are strong on their demand for the return of their land, while on the other, the work in the Tata compound is going on at a brisk pace, unaffected by public outrage.”

Tata decided to pull out from the project and moved to the state of Gujarat, but they have not given up the land in West Bengal as [reported here](#).²⁸

“Even after Tata Motors moved out of Singur in 2008 to Gujarat's Sanand, the company isn't giving up its leasehold rights on the vacant premises. In fact, the company has renewed the lease for yet another year in spite of West Bengal chief secretary Asok Mohan Chakrabarti's announcement that the government would take up the matter with Tata Motors to return the unutilised land to its owner, West Bengal Industrial Development Corporation (WBIDC).”

SUSTAINABLE DEVELOPMENT IN INDIA

Dr Pachauri is a strong proponent of Sustainable Development and it is the watchword of the UN. It is difficult to think of any activity these days that does not have the word “Sustainable” in it. [Sustainable development](#)²⁹ has been defined as balancing the fulfilment of human needs with the protection of the natural environment so that these needs can be met not only in the present, but in the indefinite future. Teri promotes itself as an icon of sustainable development, via its [Teri Business Council](#)³⁰. It describes it thus:

TERI-BCSD (Business Council for Sustainable Development) India is the regional network of World Business Council for Sustainable Development (WBCSD). Currently a network of 94 motivated and environmentally conscious corporate houses, TERI-BCSD India as part of its mandate takes an active role in creating platforms for the corporate sector to enhance their efforts towards a more sustainable path of production and consumption.

Tata, also, promote a public profile of philanthropy and sustainability, shown by the comment at this conference: Stresses on Sustainability Reporting Practice for [Corporate Sustainability](#)³¹

During the discussion, Mr. Kishor Chaukar, of **Tata Industries**, said, **“Sustainability reporting reaffirms a company’s faith on the well-being of the community around which they function, as business and community are interlinked.”**

Dr Pachauri’s vision of sustainability in rural areas revolves around carbon trading. He campaigns endlessly for cap and trade legislation in the US and promotes the EU scheme. He vigorously denies that his involvement with carbon trading exchanges is anything other than altruistic, in his bid to save the planet from western industrialisation.

Chicago Climate Exchange and TERI August 21, 2006 – CCX™ and TERI [Announce Partnership](#)³² to Develop Greenhouse Gas Emission Offsets in India –

The Chicago Climate Exchange® (CCX) and The Energy and Resources Institute (TERI) entered into an agreement to develop the greenhouse gas emission offset market in India. New Delhi-based TERI is a leading global think-tank and India’s premier organization involved in environmental and energy policy.

As part of the agreement, **TERI will facilitate the registration of offsets projects** primarily from the Indian Subcontinent. The Chicago Climate Exchange greenhouse gas emission reduction and trading program is supplemented by growing **project-based emission offsets portfolio**, which includes agricultural soil sequestration, methane capture and destruction, forestry and renewable energy and energy efficiency offsets.

Commenting on the agreement, **Dr R K Pachauri**, Director-General of TERI said, “We look forward to this initiative for **identifying projects that make a real difference in**

the context of sustainable development of rural areas of our country, while offering opportunities for offsetting carbon.

This partnership with CCX, while focusing on appropriate sectors of the economy, will also underscore that **markets can work for the poor**, if the intent and the design is right, and we are encouraged by this prospect.”

[The Indian government](#)³³ is also promoting sustainable development, in this Teri press release:

“The honorable ministersaid that on forests and climate change, India is going to double its **afforestation** targets as a part of Greening India Mission, one of the missions under the National Action Plan on Climate Change. Issues will be addressed, such as “Poverty alleviation using agro-forestry models providing an important opportunity for small and medium farmers to gain from the market value of the products as well as from the carbon markets.”

The farmers of Orissa claim they make a comfortable living from their farming activities, the deepest poverty is in the slums of the big cities, which are increasing, because of forced influx from the countryside due to rural industrialisation.

Afforestation, of course will qualify for more money under the CDM. Deforestation to facilitate industrialisation, as in Orissa, will also produce money under the CDM, if the companies can put together a suitable emissions reduction scenario.

These public statements about sustainable development in India seem a little at odds with the reality, as in [this project in Orissa](#)³⁴ by The Pohang Iron and Steel Company, (POSCO, South Korea)

“POSCO had signed a memorandum of understanding June 22, 2005 for a 12 million tonne steel plant near the port town of Paradip, with an investment of \$12 billion — the largest foreign direct investment in India.

The project requires about 4,004 acres, of which 2,900 acres is forest land. The state government **has received final clearance** from the central forest and environment ministry **for acquiring the forest land.** But there has been no progress on the ground, as thousands of villagers have been protesting against the project, saying it will displace them from their homeland and ruin their betel leaf farms.”

POSCO has committed to compensatory afforestation elsewhere in the state, for which they will likely be eligible for CDM funds. The state government say they have already identified land for the purpose, which on past form, has a great chance of being currently under cultivation by peasant farmers, who will then be removed from their land.

This was the view of the Clean Development Mechanism in 2008, of an [Orissa commentator](#)³⁵, who was acutely critical of the way in which he claimed the CDM had been corrupted:

“The CDM has ended up being a tool for rich industrialists of developing countries to garner further income without any extra effort, investment or concern for climate change mitigation or sustainable development. At the same time, it has become a perfect hoodwinking tool for industrial establishments of the western countries who are required to reduce their emissions as per the Kyoto Protocol agreement. In the process, any true endeavors by genuine parties are hitting many blockades and GHG emission reduction targets are missing by quite a margin.

Maximum ‘frauds’ are being manipulated in the ‘energy efficiency’ categories. These types of projects mostly use the heat generated by their main unit for electricity generation. They get such heat free of cost. In the process their investments for power generation also reduces. Yet, to earn from CDM, they claim that they have chose to use waste heats of their plants instead of going for coal or other polluting fuels and have bore huge additional investments to mitigate GHG emissions. Through clever blackmailing and fact hidings they are earning huge sums from CDM.

The irony is that most CDM projects belong to ‘energy efficiency’ category. Out of the total 35 projects form Orissa that the national CDM Board had approved till the February this year, as high as 74 per cent belong to this category. In spite of having tremendous potential, Orissa does not have even one CDM project that invests in afforestation or renewable and clean energy source (barring few hydro-electric projects).”

The value of CDM to Indian business cannot be under-estimated, in Orissa state alone, CDM is a [growth industry](#).³⁶

“With the awareness about the Clean Development Mechanism (CDM) growing in the state, more and more companies are participating in the CDM related activities in Orissa. While only 5 companies participated in CDM programmes in 2008, this has increased to 53 at present. Out of the 53 companies participating in the CDM programme, 13 have already received Certified Emission Reduction (CER). This includes Tata Sponge Iron Ltd, Orissa Sponge Iron Ltd and JK Papers.”

Nationally, The [Indian CDM authority](#)³⁷ currently lists 1,557 CDM projects.

TATA AND DR PACHAURI

The final part of the Telegraph apology relates to Dr Pachauri, chairman of the IPCC and accepts that Tata has no relationship with him. This re-iterates the statement from TERI at the time of the article in December 2009, when Dr Pachauri had requested an apology from the newspaper. This is an extract from that Teri response:

“Hence, in no way is TERI responsible for the work of the Tata Group just as the Tata Group is in no way responsible for the functioning of TERI. As regards CDM projects in India and carbon markets in India and China TERI is in no way connected with or responsible for any of the Tata companies and their operations, including any CDM projects. TERI as an independent institution of excellence and is highly regarded universally.”

I think no-one would have a problem in accepting that they are independent legal entities with separate management and funding. They do, however, have many interlinked activities, which it is difficult to construe in any other way than as a “relationship”. After almost thirty years at the helm, Teri is Pachauri and Pachauri is Teri and there are many instances of Tata and Teri joint involvement. For instance, is it not a relationship, if Tata have directors on the [board of Teri](#)³⁸?

The Teri website lists Dr Jamshed J Irani, Director of Tata Sons Limited, and Mr S Ramadorai, Vice Chairman Tata Consultancy Services Limited, as members of the Teri advisory board. [Tata Sons](#)³⁹ is the promoter of all key Tata companies and holds the bulk of shareholding in these companies.

Dr Pachauri is Honorary Chairman of a three man [advisory board](#)⁴⁰ of ICX, the Indian offshoot of the Chicago Climate Exchange. Listed as members of the 21 member ICX Technical Design Committee are Tata Motors, Tata Chemicals and Tata Power, along with The Energy and Resources Institute, (Teri.).

Dr Pachauri is also on the advisory board of the Chicago Climate Exchange, where Tata Motors, Tata Steel and Tata Power are members.

Dr Leena Srivastava, Executive Director (Operations) for TERI and Senior Vice President of TERI-NA (North America), Washington, DC, was also a member along with Ratan Tata, of an Advisory Group on Energy and Climate set up by UN Secretary General, Ban Ki Moon in June last year to try and formulate UN policy for Copenhagen.

Dr Pachauri is a member, with Ratan Tata, of the Indian Prime Minister’s Advisory Committee on Climate Change.

The Teri web site has a list of [on-going Teri projects](#)⁴¹, which includes this one: “Demonstration of Mechanism to carry out effective reclamation of the overburden sites”
Sponsor(s): Tata Chemicals Limited, Start Date: January 2009.

The [Teri Business Council](#)⁴² for Sustainable Development, India, lists these Tata companies as members, Tata Chemicals Ltd, Tata Motors Ltd, Tata Power Company Ltd, Tata Quality Management Services, Tata Steel Ltd and Tata Teleservices Ltd.

If Tata are so keen to separate Dr Pachauri from the Tata name perhaps they should ask him to educate his newly adopted **Yale Climate and Energy Institute**, although one would have expected him to have seen a transcript of his [Yale Environment 360](#)⁴³ interview before publication:

Amid Mounting Pessimism A Voice of Hope for Copenhagen, 6 Nov 2009

Speaking with Roger Cohn, editor of Yale Environment 360, **Pachauri – who is director of the Yale Climate and Energy Institute and the Tata Energy Research Institute in India** – laid out the three requirements for success in Copenhagen, and

said the world community would be making a “grave mistake” if it fails to act in Copenhagen. Said Pachauri, “I don’t think the world can afford the luxury of not arriving at an agreement.”

CAP AND TRADE

The Tata story is not really about a global company taking business decisions to move production around its locations, in order to maintain profitability and capitalise on government assistance. After all, motor manufacturers have been doing this for years.

What the whole story highlights, is the illusory nature and distorting economic impacts of attempting to control carbon emissions by issuing “permits to pollute” which can then be sold on the open market. Most of the populations in the West do not even realise that these things exist and that they are paying for them, directly in taxes and indirectly, with jobs.

Whilst environmentalists are asking us to contract our economies and go back to a “simpler” life style, in the developing nations our money is funding rapid industrialisation and destruction of the natural environment, including forests. At the same time, those benefiting from carbon trading recognise the need for a “floor-price” for carbon, (read “tax-payer”) to prevent this bubble from bursting and are pressing politicians for economy-sapping legislation in order to get a guaranteed price for their virtual product.

In retrospect, one wonders why The Daily Telegraph ever felt the need to apologise.



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