

Boom or bust?

The U.S. accounts for a fraction of the world population but uses a disproportionate amount of natural resources.

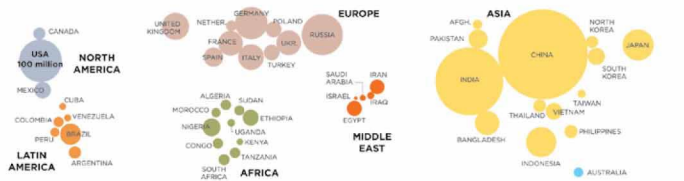
As developing nations grow, can the world expect their consumption growth to track that of the U.S.?

The top 45 countries in current population, plus Cuba and Israel, are represented on the graphic below.

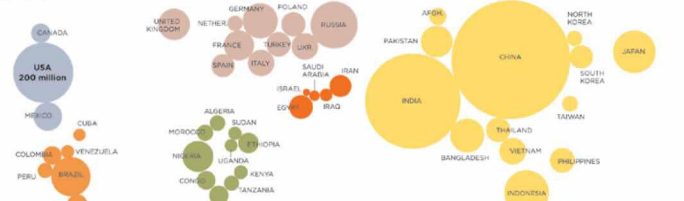
How we fit in the planet

	Population, 2005	Carbon dioxide emissions, 2001 (Metric tons per capita)	Annual water withdrawals, 2000 (Cubic meters per capita)	Gross national income per capita, 2004 (in dollars)	Energy consumption per capita, 2001 (Kilograms oil equivalent)	Annual paperboard and paper consumption (Pounds per capita, 2002)
United States	300 million	19.8	1,682	\$39,710	7.921	678
World	6.5 billion	3.9	633	\$8,540	1.631	115

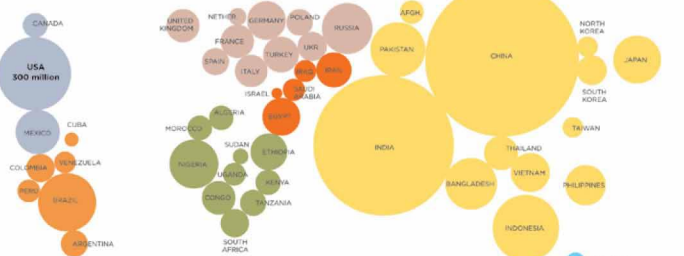
1915 (Estimated world population: 1.8 billion)



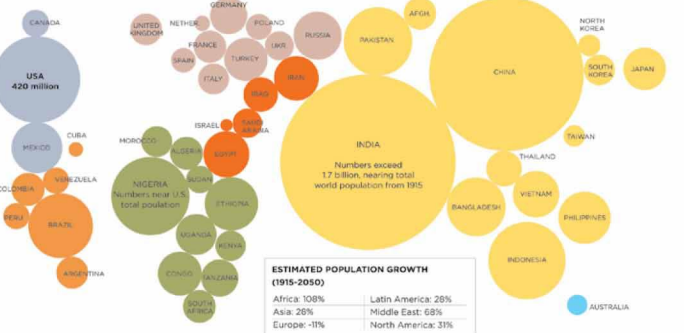
1967 (3.5 billion)



2006 (6.5 billion)



2050 (Projected: 9.4 billion)



Focus less on warnings, more on prospects for the masses, says **JOHN TIERNEY**

In 1968, the year after the U.S. population reached 200 million, Linus Pauling, Jonas Salk and other scientific luminaries signed their names to a full-page advertisement. It pictured a beautiful baby in diapers who was labeled, in large letters, "Threat to Peace."

"It is only being realistic," the scientists warned, "to say that skyrocketing population growth may mean the world we live in." They shared the concerns of Paul Ehrlich, who was on the best-seller lists warning of unprecedented famines overseas in the 1970s and food riots on the streets of America in the 1980s.

Last week, when the 300 millionth American was born, the parents were not worried about a national shortage of food. If anything, they'll worry about their child becoming obese. There is more food available per person — in America and the rest of the world — than ever imagined by the 1960s doomsayers, Malthus or the ancient Greek philosophers who discussed the need for population control.

"Overpopulation" is history's oldest environmental crisis, and it's the most instructive for making sense of today's debates about energy and climate change. It's a case study of intellectual arrogance, and of the perils of putting too much faith in a "scientific consensus" of experts infatuated with their own forecasts.

Four decades ago, scientists were so determined to prevent famines that they analyzed the feasibility of putting "fertility control agents" in public drinking water. The physicist William Shockley suggested using sterilization to impose a national limit on the number of births.

Planned Parenthood's policy of refusing voluntary birth control was called a "tragic ideal" by the ecologist Garrett Hardin. Writing in the journal *Science*, Mr. Hardin argued that "freedom to breed will bring ruin to all." He and others urged America to adopt a "lifeboat ethic" by denying food aid, even during crises, to countries with rapidly growing populations.

Those intellectuals didn't persuade Americans to adopt their policies, but they had more impact overseas. Under prodding from Westerners like Robert McNamara, the head of the World Bank, countries adopted "fertility targets" to achieve "optimal" population size. When an Indian government official proposed mandatory sterilization for men with three or more children, Mr. Ehrlich criticized the United States for not rushing to help.

"We should have volunteered logistical support in the form of helicopters, vehicles and surgical instruments," he wrote, and added: "Coercion? Perhaps, but coercion in a good cause."

India's enraged voters stopped the government from pursuing coercive policies, but the Chinese couldn't prevent their rulers from imposing a one-child-per-family rule. It was ostensibly voluntary, but the penalties were so severe that there were reported cases of forced abortions and infanticide.

Now China is facing a new problem: a shortage of young workers to support an aging population. The one-child-family rule turned out to be both an assault on personal liberty and a public-policy mistake. The parents made short-term sacrifices that left them worse off in the long run — the same risk we run with policies designed to curb global warming many decades from now.

Of course, the graphs projecting future temperatures could turn out to be more accurate than the old graphs forecasting food production and population growth. Global warming is a real danger, and in some ways, controlling carbon dioxide is a more daunting problem than growing more food. It's worth paying for some insurance against drastic climate change.

But we need to balance uncertain future benefits against certain costs today. Most steps to combat global warming will be expensive and will slow economic growth, inevitably affecting poor people around the world. Many of them will be sick and more of their children will die. They'll be less educated and live in less technologically advanced societies.

If the past is any guide, the chief plagues and disasters afflicting future generations will be different from the ones forecast by Al Gore or any other popular prophet. The best insurance policy is to build free, prosperous societies of smart, adaptable people.

In the long debate about overpopulation and famine, none of the gloomy projections by intellectuals proved to be as prescient as an old proverb in farming societies: "Each extra mouth comes attached to two extra hands. No matter what problems be ahead, the good news is that America now has 600 million hands to solve them."



SOURCES: U.S. Census; The CIA Factbook; Library of the United States Environment; Library of Congress; U.S. National Report on Population and the Environment

MICHAEL HOQUE, SERGIO PFCANHA/Staff Artist; DARRY TOBER/Staff Research Librarian

How did we get here?

But more important, where are we going? Our economy is a mess, with seemingly no end in sight. Can it be fixed? We take an in-depth look at the biggest factors in our nation's ills and possible ways to cure them

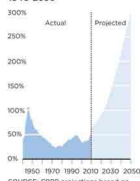
By **JIM LANDERS**
Washington Bureau
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It's a sick feeling to know you've lost control of your debts but have to keep borrowing to get by. In fiscal 2008, U.S. taxpayers shelled out more than \$253 billion in interest on the public debt. In another 10 years, U.S. Budget Director Peter Orszag estimates, interest payments could exceed \$774 billion.

The way things are going, more than half of those interest payments will be paid to foreign governments, led by China.

And after 2019, it just gets worse. The Center on Budget and Policy Priorities estimates the public debt will be three times as large as the economy by 2050 (see Figure 1).

Fig. 1: Debt as a share of GDP, 1940-2050

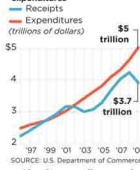


SOURCE: CBPP projections based on CBO data

What's behind this mountain of debt?

Deficits, of course (Figure 2). The federal government has spent more than its income for all but four of the last 40 years. The last surplus was in fiscal 2001 (Figure 2), and that vanished as the government responded to recession with tax cuts and counterattacks for 9/11 with a war on terrorism.

Figure 3: Federal receipts and expenditures (trillions of dollars)



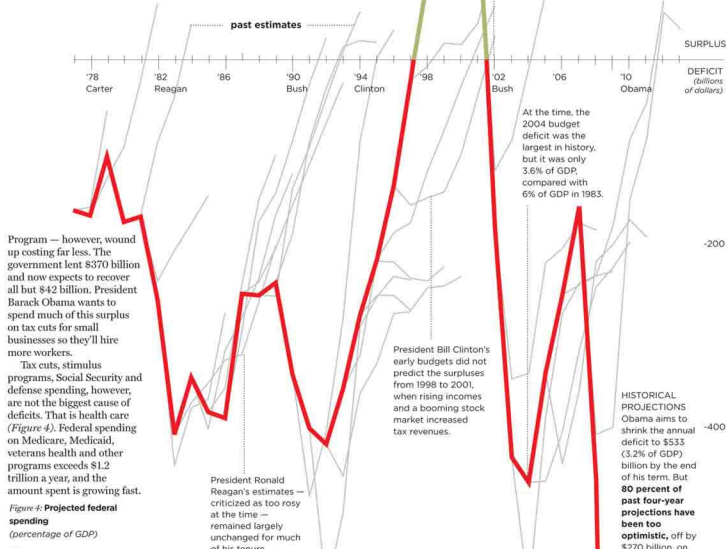
The chasm really opened, however, in last year's financial panic. The budget deficit for the year that ended Oct. 1 was \$1.4 trillion — 10 percent of the economy. The red ink flowed from a major banking bailout and a steep drop in tax receipts because of the recession. Thanks to fewer tax receipts and a \$787 billion economic stimulus plan, a similar deficit is in the works for the current fiscal year.

Over the next 10 years, the Obama administration expects deficits to add \$9 trillion to the public debt. Federal debt projections can be wildly wrong. President George W. Bush's administration came into office projecting a \$1.228 trillion surplus from 2001 to 2004. By 2005, however, that surplus had changed into a deficit of \$850 billion.

Much of the turnaround was due to the cost of wars in Afghanistan and Iraq. But it also came about because of the administration's two big tax cuts and the addition of a largely unfunded Medicare prescription drug benefit.

The Bush administration's \$700 billion bank bailout — the Troubled Asset Relief

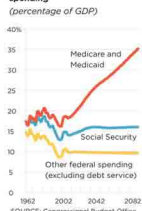
Figure 2: U.S. surplus or deficit (in today's dollars)



Program — however, wound up costing far less. The government lent \$370 billion and now expects to recover all but \$42 billion. President Barack Obama wants to spend much of this surplus on tax cuts for small businesses so they'll hire more workers.

Tax cuts, stimulus programs, Social Security and defense spending, however, are not the biggest cause of deficits. That is health care (Figure 4). Federal spending on Medicare, Medicaid, veterans health and other programs exceeds \$1.2 trillion a year, and the amount spent is growing fast.

Figure 4: Projected federal spending (percentage of GDP)



When health care costs rise, the government pays out more for federal health programs. The government's share of health spending is only half of the nation's medical bill, however. The \$2.5 trillion in total health care spending represents a tax loss of more than \$250 billion a year.

Companies pay most of the cost of their employees' health insurance. Wages are taxed, but health insurance benefits are not. So when health care costs rise, employees get less taxable pay and more untaxed insurance benefits, leaving less for the government.

The amount spent on health care is also going to rise over the next decade as millions of baby boomers reach age 65. Budget forecasters say the Medicare trust fund for hospital expenses will be exhausted by 2017.

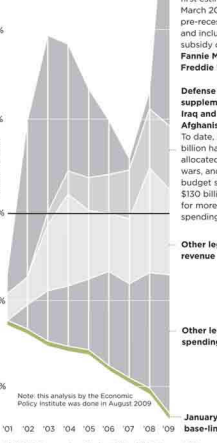
Obama has said his strategy for reducing the deficit is to tackle health care first and then take on the rest of the deficit. In China last month, he told Fox News that adding to the deficit could cause a loss of confidence in the U.S. economy and a "double-dip recession." Earlier this year, he said the government had "no choice" but to cut the deficit.

Republicans, however, say Obama has ignored that guidance by saying he'll put money that wasn't spent on rescuing the banks into jobs programs.

How trillion-dollar deficits were created

To understand the looming deficits, the Economic Policy Institute analyzed Congressional Budget Office numbers of the budget surplus or deficit for the years 2001-09.

The prime driver of the current deficit is the economic slowdown, responsible for just under half of the deterioration. Revenues have dropped from an estimated 18.8% of GDP in 2007 to an estimated 14.9% of GDP in 2009, meaning a large increase in the federal budget deficit of the past year and a half is both unavoidable and economically necessary. It is necessary because, in order for the federal government to decrease the deficit, it would be forced to enact counterproductive funding cuts or to raise revenues at an economically vulnerable time.



Note: This analysis by the Economic Policy Institute was done in August 2009. SOURCES: Congressional Budget Office, White House; CNN; The New York Times; Consumer Price Index

American Recovery and Reinvestment Act

Includes federal tax cuts, expansion of unemployment benefits and other social welfare provisions.

Troubled Asset Relief Program

TARP was passed by Congress in October 2008 and was recently extended until Oct. 3.

Economic and technical

This accounts for roughly 45% of the deterioration of the 2009 deficit since first estimated in March 2007 — pre-recession — and includes the subsidy costs of Fannie Mae and Freddie Mac.

Other legislative revenue

Other legislative spending

January 2001 base-line estimates

Historical trends

Except for periods of war or major economic downturns, the Federal budget was generally in surplus during America's first 150 years.

In the nation's first 60 years, cumulative budget surpluses and deficits created a surplus of \$70 billion (roughly \$9 billion in today's dollars).

The Civil War, Spanish-American War and Depression of the 1890s resulted in a cumulative debt of \$1 billion (roughly \$18 billion today).

Between 1901 and 1916, the budget hovered close to a zero balance every year.

World War I spurred deficits totaling \$23 billion (\$274 billion today).

Throughout the Roaring '20s, the country had a budget surplus, totaling \$76 billion (roughly \$18 billion today).

The Great Depression and World War II brought unprecedented deficits. Cumulative debt stood at \$16 billion in 1930 (\$198 billion today) but grew to \$242 billion by 1946 (\$2.5 trillion today).

During much of the postwar period, the same pattern persisted: Large deficits were incurred only in time of war (Korea and Vietnam).

The 2000 budget surplus of \$227 billion (2.4% of GDP) was the largest ever. Over the previous three years, \$363 billion in total federal debt had been paid down, the largest U.S. debt pay-down ever.

The budget dropped from a surplus of \$128.2 billion in 2001 to a deficit of \$157.8 billion in 2002.

In February 2008, President George W. Bush's budget predicted a surplus by 2012.

At the time, the 2004 budget deficit was the largest in history, but it was only 3.6% of GDP compared with 6% of GDP in 1983.

President Bill Clinton's early budgets did not predict the surpluses from 1998 to 2001, when rising incomes and a booming stock market increased tax revenues.

President Ronald Reagan's estimates — criticized as too rosy at the time — remained largely unchanged for much of his tenure.

HISTORICAL PROJECTIONS: Obama aims to shrink the annual deficit to \$533 (3.2% of GDP) billion by the end of his term. But 80 percent of past four-year projections have been too optimistic, off by \$270 billion, on average.

2010 estimate: \$1,381 trillion 9.6% of GDP

2009 deficit: \$1.4 trillion. Relative to the GDP, the budget deficit is roughly 10%, its highest since World War II.

Our debt

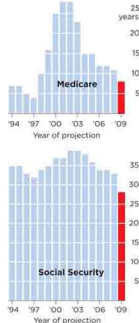
Congress will soon debate raising the ceiling on the federal debt. The last time this happened was in the first days of the Obama administration, when the ceiling was raised to \$12.104 trillion to cover the cost of the administration's \$757 billion economic stimulus plan. Before then, the debt ceiling was raised in the waning days of Bush's administration to cover \$700 billion in bailout funds for the nation's financial sector.

Current projections show federal borrowing will push the debt to more than \$18 trillion by 2014.

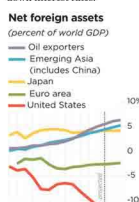
Federal debt is divided into two parts. About 40 percent (\$4.4 billion) is debt the government owes itself — mainly money borrowed from the Social Security and Medicare trust funds (Figure 5). The rest — \$7.709 trillion as of Dec. 7 — is called public debt and is owed to both U.S. and foreign lenders. Foreign governments hold \$3.7 trillion of U.S. government debt. China is the U.S. government's biggest creditor, with roughly \$1.2 trillion in Treasury bills and bonds issued by federal mortgage agencies.

Some analysts warn that budget deficits of more than \$1 trillion a year will soon force the Federal Reserve to raise interest rates to keep foreign lenders interested. Higher interest rates would weaken the U.S. economy at a time when federal spending is likely to keep climbing. Federal spending is expected to climb much faster than any recovery in tax revenue because of inflation in medical spending and the retirement of the baby-boomer generation. Analysts are nearly unanimous in warning that this pattern cannot be sustained. The way out will require higher taxes, lower spending, cuts in retiree health and welfare benefits or a combination of all three.

Change can also come from economic growth and consumer behavior. In a declining economy with high unemployment, Americans have turned from borrowers to savers (Figure 8). They reduced consumer debt by \$126.7 billion in the first nine months of this year. Total consumer debt at the end of September was \$2.47 trillion.



Appetite for this debt is sensitive to interest rates and the value of the dollar. Last year's global financial crisis caused many foreign investors to buy U.S. debt with the assumption that it was a safe place to put money. That extra demand pushed up the value of the U.S. dollar while pushing down interest rates.



The dollar has since lost more than 15 percent of its value against the euro (Figure 6).



When the dollar falls in value, foreign governments holding dollars lose. Several governments have started buying gold this year to curb the losses (Figure 7). Even though the federal government holds auctions for Treasury bills practically every working day of the year, the foreign appetite for U.S. debt is still strong and interest rates are quite low.

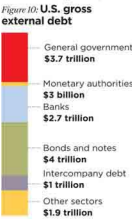


Personal savings (as a percentage of disposable income) rose from 4% in 2004 to 6% in 2009. Deficits (as a percentage of GDP) rose from 2% in 2004 to 6% in 2009.



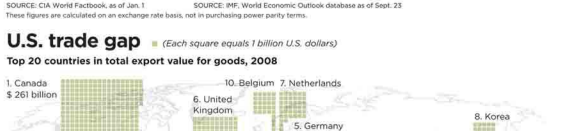
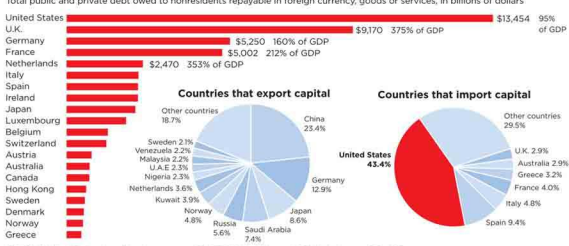
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U.S. trade Government debt is just one part of what America owes the world. The total external debt of the United States was \$13.454 trillion on Sept. 30 (Figure 9). The government's share of that amount was \$3.7 trillion. The rest is money foreigners invest in the country and lend to Americans (Figure 10).

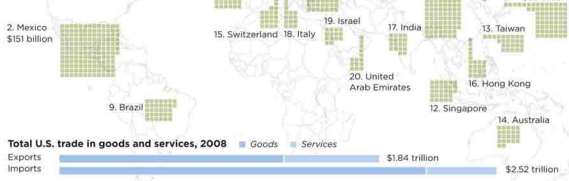


This external debt finances what we borrow to buy things from abroad. Year by year, this is known as the current account. Thanks to big deficits in trade, the current account has been in deficit for a long time. The current account

World's external debt



U.S. trade gap



deficit reached its highest point so far in 2006, when it hit \$790 billion. Last year, it was \$665 billion. In 2009, it is expected to be \$485 billion.

The fall in the current account deficit is generally regarded as temporary and reflects the national recession that began in December 2007. Unless the United States changes its economy in fairly fundamental ways — by becoming a nation of savers rather than borrowers and by boosting exports in a major way — the nation's external debt could balloon. If we go back to the big trade deficits and borrowing of 2006 and 2007, the Peterson Institute of International Economics in Washington has forecast U.S. external debt of \$50 trillion by 2030. The interest on that much debt would be \$2.5 trillion a year, sent out of the country to foreign creditors.

The United States is the world's biggest trading nation. We import more than anyone else, and we are the third-largest exporter (after China and Germany). Last year, we imported \$2.52 trillion of goods and services. We exported \$1.8143 trillion. That created a trade deficit of \$677.1 billion. Exports were up 12 percent last year over 2007, while imports rose 7.4 percent. That strong export performance narrowed the trade deficit by \$33 billion. Texas, the nation's top exporting state, did not hit a recession until almost a year after the rest of the country, in part because of this strong export performance.

Both imports and exports have plunged this year, as consumers at home and around the world have tightened their belts. The U.S. trade deficit for 2009 is expected to be less than \$400 billion, the lowest deficit since 2001. Even at those lower levels, trade deficits are a drag on economic growth and job creation. The Commerce Department's latest revision shows the economy grew 2.8 percent between July and September. But the trade deficit during those three months pulled economic growth down by 0.83 percentage points. Without the trade deficit, economic growth would have been nearly a third greater.

Imports give consumers a broad selection of less expensive goods, which makes their money go further. But a nation that consumes more than it makes is a borrower. Foreign funds are needed to finance trade and current account deficits. Invested in factories and other productive enterprises, such funds are a boon. If they are used for consumption — government deficits, household borrowings — a nation digs itself deeper into a hole.

A trade surplus, on the other hand, boosts a nation's economic performance. China and many other Asian nations have used exports to boost economic growth and create jobs for decades (Figure 11).

Many U.S. analysts argue that China has stayed on this course well past the point where its own domestic consumption should be powering the economy. They argue that China has kept its export orientation by holding down the value of its currency.

China's economy grows this year and its national savings climb, the Chinese currency has declined against other currencies in step with the U.S. dollar. China allowed its currency to fall 20 percent against the dollar between 2006 and 2008, but it has now linked its currency to

the dollar's value (Figure 12). Many U.S. and European analysts say economic equilibrium would require China to raise the value of its currency 20 percent. That shift by itself would boost U.S. exports by \$100 billion to \$200 billion, according to the Institute for International Economics.

Since much of the world fell into recession, China has kept the renminbi effectively constant against the dollar.

Even as China's economy grows this year and its national savings climb, the Chinese currency has declined against other currencies in step with the U.S. dollar. China allowed its currency to fall 20 percent against the dollar between 2006 and 2008, but it has now linked its currency to

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Old age dependency ratios The higher the dependency ratio, the fewer working people there are to pay for the elderly. Even with the baby boomers retiring in large numbers over the next two decades, the U.S. demographic challenge doesn't look so bleak by comparison.

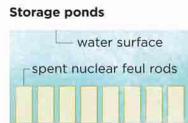


NOTE: This chart is based on the fertility rate remaining unchanged. SOURCE: data4u.org

MICHAEL HOUGE/Staff Artist: mhogue@tdilbanews.com

How nuclear waste is currently stored

Roughly **90%** of the world's used nuclear fuel is stored in ponds, usually at the reactor sites. Other storage is in dry casks or vaults with air circulation and the fuel is surrounded by concrete.



The ponds are usually about **23 feet deep**, to allow at least 10 feet of water over the used fuel to fully shield it from the outside air. The fuel is extremely hot, and the water cools the spent fuel.

Disposal plan for the U.S.

More than **161 million Americans live within 75 miles** of sites that currently store nuclear waste (locations shown on map). In 2002, Congress approved the site of **Yucca Mountain** in Nevada as a single underground burial facility for the Nation's nuclear waste. If built, it would work similarly to the Finnish site below.

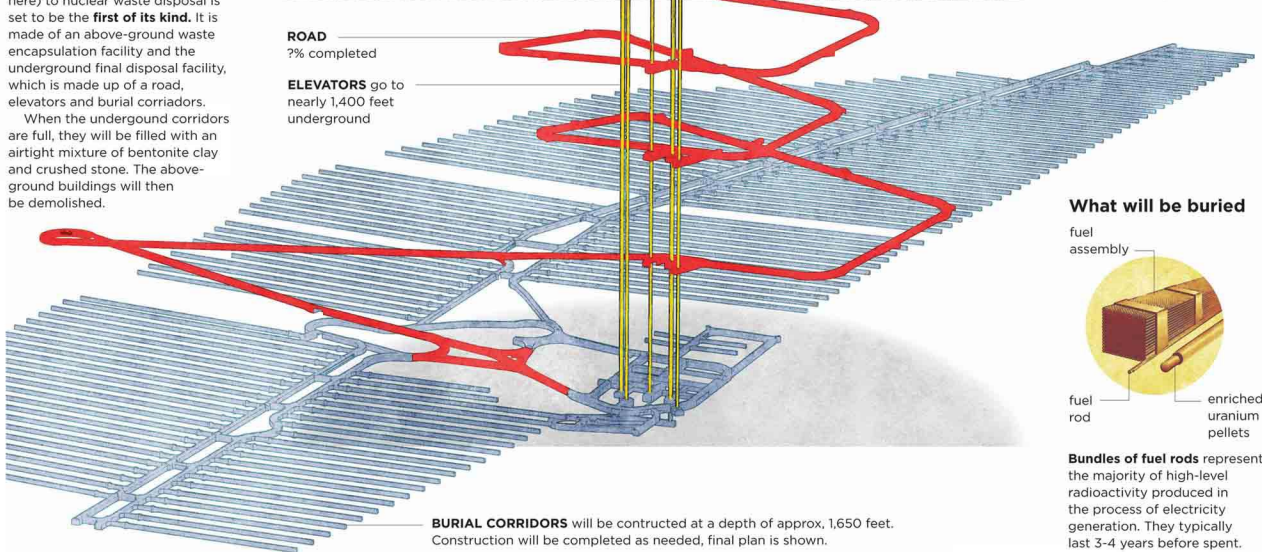
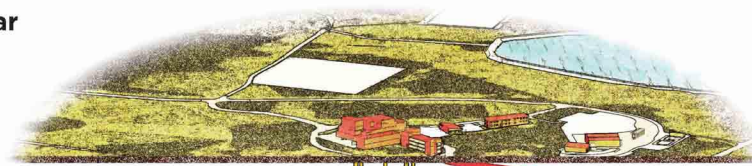


Underground nuclear disposal facility

International consensus is that deep geological disposal of spent nuclear fuels is the safest solution to the nuclear problem.

The **Finnish solution** (shown here) to nuclear waste disposal is set to be the **first of its kind**. It is made of an above-ground waste encapsulation facility and the underground final disposal facility, which is made up of a road, elevators and burial corridors.

When the underground corridors are full, they will be filled with an airtight mixture of bentonite clay and crushed stone. The above-ground buildings will then be demolished.

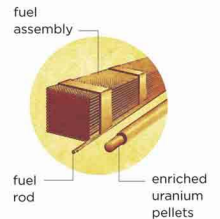


Estimated costs

Olkiluoto spent fuel facility (shown here) **\$7.5 billion**

Yucca Mountain: \$55 billion
Some of the reasons Yucca costs are higher: More fuel storage, more robotics and much more litigation.

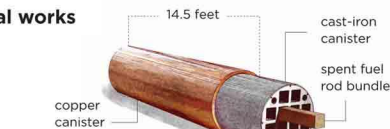
What will be buried



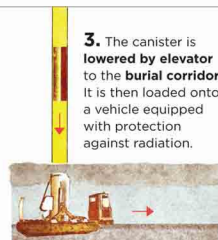
Bundles of fuel rods represent the majority of high-level radioactivity produced in the process of electricity generation. They typically last 3-4 years before spent.

How nuclear waste burial works

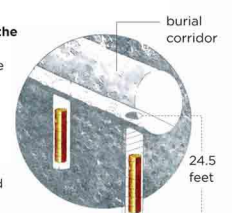
1. The **spent fuel rod bundles** are transferred to the encapsulation facility in massive transfer casks



2. The fuel rods are packed into double-layered **metal canisters**, then lids are welded to form a water-and airtight cask



4. The canister is buried in a **hole at the bottom of the corridor floor**. Once the canister is in place, the hole is packed with **bentonite clay**. Then, the corridor is **sealed** off with a mixture of stone and bentonite clay.



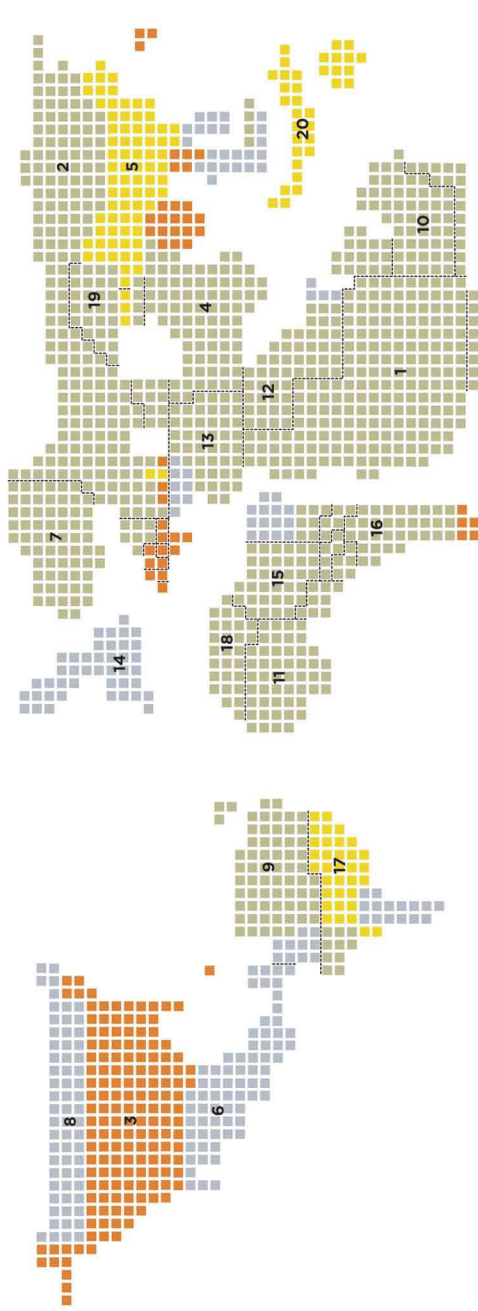
World oil production and consumption

■ 1 square = 50,000 barrels per day
 Oil consumption as a percentage of a nation's oil production: ■ 0-49% ■ 50-99% ■ 100-199% ■ 200% +

Top producers

In millions of barrels per day, 2007

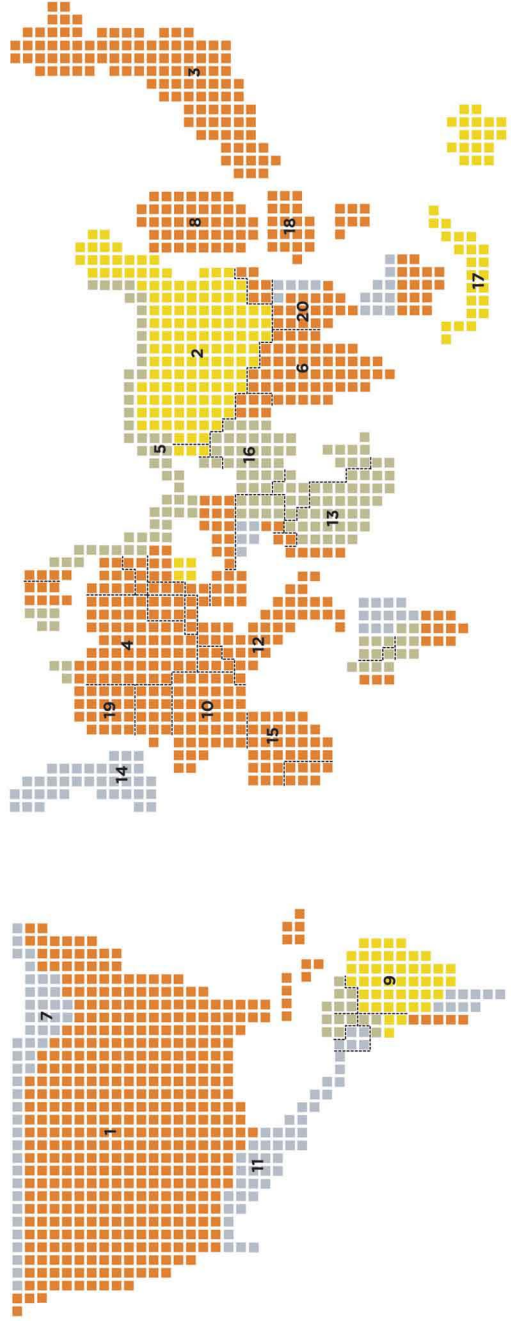
1. Saudi Arabia..... 9.5
2. Russia..... 9.4
3. United States..... 7.6
4. Iran..... 4.0
5. China..... 3.6
6. Mexico..... 3.4
7. Norway..... 3.2
8. Canada..... 3.1
9. Venezuela..... 3.1
10. United Arab Emirates. 2.5
11. Nigeria..... 2.5
12. Kuwait..... 2.4
13. Iraq..... 2.1
14. United Kingdom..... 2.1
15. Libya..... 1.7
16. Angola..... 1.6
17. Brazil..... 1.6
18. Algeria..... 1.4
19. Kazakhstan..... 1.3
20. Indonesia..... 1.1



Top consumers

In millions of barrels per day, 2007

1. United States..... 20.7
2. China..... 6.5
3. Japan..... 5.6
4. Germany..... 2.7
5. Russia..... 2.5
6. India..... 2.5
7. Canada..... 2.3
8. Korea, South..... 2.1
9. Brazil..... 2.1
10. France..... 2.0
11. Mexico..... 2.0
12. Italy..... 1.9
13. Saudi Arabia..... 1.8
14. United Kingdom..... 1.8
15. Spain..... 1.6
16. Iran..... 1.5
17. Indonesia..... 1.2
18. Taiwan..... 1.0
19. Netherlands..... 0.9
20. Thailand..... 0.9



Obama's Green Bargain



Last year, around this time, the U.S. president was extolling the virtues of solar power. Now, he's talking about coal and nuclear plants. What happened?

One year ago, Barack Obama came into office promising a "green job" revolution. In a coup for environmentalists, the new U.S. president laid out a vision for weaning the United States off fossil fuels and ushering in a cleaner, more prosperous future. "We know the country that harnesses the power of clean, renewable energy will lead the 21st century," he said to a February joint session of Congress. "We invested solar technology, but we've fallen behind countries like Germany and Japan in producing it. New plug-in hybrids roll off our assembly lines, but they will run on batteries made in Korea." He vowed to combat pollution, announced a massive investment in ecofriendly technologies, and asked Congress to send him a bill to regulate greenhouse gas emissions.

But on Wednesday night, during Obama's State of the Union address, environmentalists cringed. Instead of touting, say, solar jabs and wind turbines, Obama spoke about nuclear power, oil, gas, coal, and biofuels—all of which have significant environmental drawbacks. He barely mentioned renewable energy sources. The future, he said, in effect, would rely on many of the filthy energy sources of the past.

Some of Obama's environmental supporters issued statements praising the more inclusion of climate and energy in the speech. But many were openly critical of the few, not-so-new, and not-so-clean types of energy he chose to support. But instead, Friends of the Earth, a global green advocacy group, called it a "kick in the gut to environmentalists."

What changed Obama's tune so dramatically? In short, political reality caught up with him. A year ago, Obama—and the world—believed Congress would pass a simple, strong cap-and-trade bill. Now, it seems that won't happen.

Thus, on Wednesday, Obama was speaking not to his core base of support for climate legislation, but to the few Republicans and several Democrats to whom he'll need to make concessions in what the White House has called the "Grand Bargain."

In his speech, Obama hinted at what this deal might entail. Creating new clean energy jobs, he said, "means building a new generation of safe, clean nuclear power plants in this country." It also means "making tough decisions about opening new offshore areas for oil and gas development," and investing in biofuels and "clean coal" technologies. His statement on a comprehensive energy and climate bill—shorthand for legislation that includes a cap on carbon dioxide emissions—came almost as an afterthought to the energy components.

For the past few months, several centrist Democrats have lobbied against putting forward a bill that caps carbon at all. These senators, including Mary Landrieu of Louisiana and Ben Nelson of Nebraska, favor instead a bipartisan energy bill (which Alaska Republican Lisa Murkowski helped write) that would open more areas to oil and gas drilling, expand investments in nuclear power, and put in place a modest renewable electricity standard, without capping carbon. These senators' protests have only grown louder since Republican Scott Brown won Democrat Ted Kennedy's Senate seat.

So far there is only one Republican publicly backing climate and energy efforts: Lindsey Graham of South Carolina. He is working with powerful senators John Kerry of Massachusetts and Joe Lieberman of Connecticut to draft legislation, though they have yet to disclose any specifics. But Graham has made it clear that he intends to push for a bill that includes major incentives for nuclear energy, expanded offshore drilling, and advanced coal technologies,

which he thinks might bring along some wavering Republicans. "What does offshore drilling do for you in terms of votes? I've got a pretty good idea it helps," Graham told reporters on Wednesday. "If we can make the energy piece attractive enough for Republicans, there's going to be more than a handful that would agree to emissions controls."

Graham, an ardent supporter of nuclear energy and offshore drilling, isn't the only one who sees trading investment in these environmentally unfriendly measures for a vote for capping carbon as the only way forward. Some of the more mainstream environmental groups, too, seem to be warming to the idea that if they want something done on climate, they're going to have to swallow less-than-ideal energy components.

"The Senate has a unique opportunity here for the grand bargain on energy that has eluded it to date," says Jeremy Symons, senior vice president for conservation and education at the National Wildlife Federation. By marrying efforts to cap pollution with expanded domestic energy initiatives, "measures that quite frankly the environmental groups won't be as happy with," they might actually get them passed.

Although, reading Obama's addresses to Congress from a year ago and this week, one might think Obama had flip-flopped on energy entirely, the truth is that the White House has had this shift in mind for months. Last May, for instance, a senior administration official floated the idea of linking cap and trade "serious" and "short-term" increases in domestic oil production in an interview with the New Yorker.

Plus, the Obama administration has always been decidedly pro-nuclear—a contentious energy solution among environmentalists, given that it produces no

carbon emissions, but is costly and resource-intensive and creates radioactive waste. The Department of Energy has been speeding up and streamlining a loan-guarantee program for nuclear energy over the course of the past year.

"And the 'Grand Bargain' bill would arguably be better than nothing. For one, it would call Republicans' bluff on energy. Ever since the first climate legislation in 2003, every time a cap-and-trade measure was introduced, Republicans would revive a so-called plan that consists mostly of expanding the use of fossil fuels, with a few nods to renewables. Democrats would counter by saying their bills were also all-inclusive. 'Now, the Democrats' probable legislation really is that, the bill that seems likely to emerge in the Senate this year is much more fossil-fuel friendly than past ones."

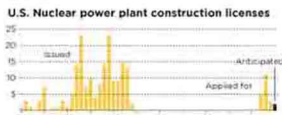
It's not entirely clear, though, whether there are many votes to mine on the Republican side. "My impression is that right now Mitch McConnell's strategy is to oppose everything," says Dan Lashof, director of the climate center at the Natural Resources Defense Council, of the Senate minority leader. But Republicans who seem like potential votes for a bill—Maine's Olympia Snowe and Susan Collins, and John McCain of Arizona among them—have supported cap-and-trade bills in the past without the major handout to fossil-fuel interests.

The "Grand Bargain" is a major gamble, as it could mean swallowing a lot of bad energy policy in return for few votes, while at the same time alienating the relatively small base of devoted supporters Obama has on this issue. It certainly will not please the United States' international partners, many of whom have already committed to much stronger carbon-capping and clean-energy measures. But it might be the only way forward.

Growth in nuclear power



Map key
 ● Existing nuclear plants
 ○ Applications for a new power plant on existing site
 ● Applications on new sites
 Size indicates 2008 capacity of sites, which may have several reactors. 4 billion watts



Source: Nuclear Regulatory Commission, American Nuclear Society, Energy Information Administration

Offshore Oil

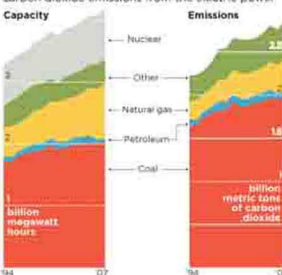
The Obama administration will decide whether to allow expanded exploration off the coasts. The official estimate is that areas that were previously off limits contain about 18 billion barrels of undiscovered oil. But oil speculators argue that this underestimates the potential, because exploration has been curtailed in these areas for three decades.



Source: Minerals Management Service, U.S. Department of the Interior

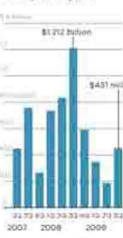
U.S. electricity generation and emissions

Coal fuels half of all electricity generated in the U.S., but contributes more than two-thirds of all carbon dioxide emissions from the electric power



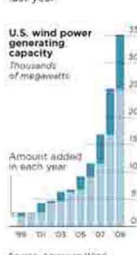
Solar-energy investments

Global venture-capital investments in solar-energy technologies rose in the third quarter after failing for a year.



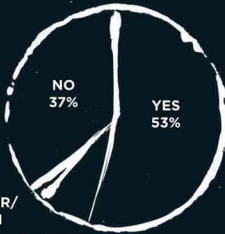
Wind Power

Almost 10,000 megawatts of wind power-generating capacity were added to the U.S. total last year.



40 ACRES AND A GAP IN WEALTH

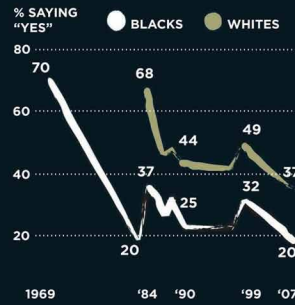
ARE BLACKS STILL
A SINGLE RACE?
QUESTION ASKED TO BLACKS *



NEITHER/
BOTH
3%

DON'T
KNOW
7%

ARE BLACKS BETTER OFF
NOW THAN 5 YEARS AGO?

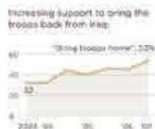
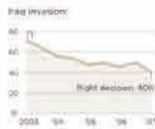


A SHIFT TO THE LEFT

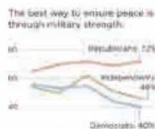
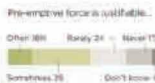
Decreasing support for traditional social values and rising concerns about global engagement set a favorable landscape for Democrats, according to a survey by the Pew Research Center

WAR, TERRORISM AND FOREIGN POLICY:

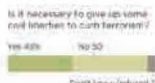
Fewer consider invasion of Iraq the right decision; most want troops back



Most Americans maintain their support for pre-emptive strikes

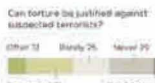


... and many are willing to give up rights to fight terror

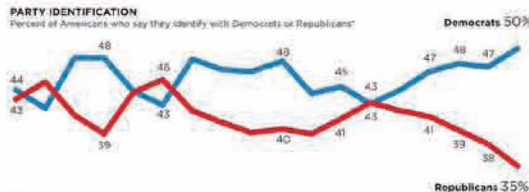


66% Think that most countries that have gotten help from America and are resenting us

77% Say we should pay less attention to problems overseas and concentrate on problems here



POLITICS: Americans are identifying more with Democrats



NOTE: Parties represent actual 2009 based on all three surveys of the general public conducted in that calendar year. 2009 results based on surveys conducted in January, February and March.

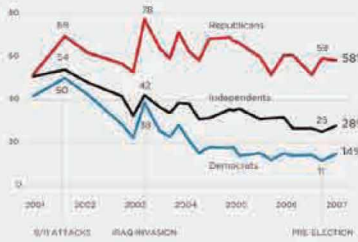
79% Think elected officials in Washington are touch with the people pretty quickly

79% Like political leaders who are willing to make compromises to get the job done

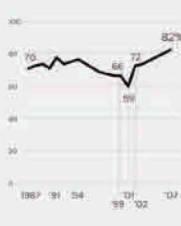
45% The government is really run for the benefit of all

72% Believe America's strength is based on its business success

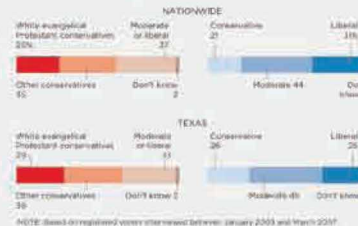
PEOPLE WHO SAY THEY ARE SATISFIED WITH THE WAY THINGS ARE GOING IN THE COUNTRY



MORE PEOPLE SAY THEY ARE INTERESTED IN LOCAL POLITICS



POLITICAL PROFILES



RELIGION, SOCIAL AND RACIAL ISSUES:

More support for social safety net, less for traditional values

69% It is the responsibility of the government to take care of people who can't take care of themselves

69% Poor people have become too dependent on government assistance programs

ABLS might be God's punishment for immoral social behavior

76% I have old-fashioned values about family and marriage

20% Women should return to their traditional roles in society

79% We all will be called before God at the Judgment Day to answer for our sins

Increasing acceptance of interracial dating and of homosexuals

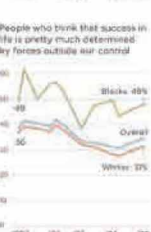
It's all right for blacks and whites to date



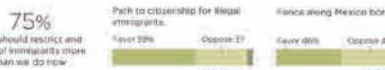
School boards should be able to fire homosexual teachers



People who think that success in life is pretty much determined by forces outside our control



IMMIGRATION: Tougher borders, but path to citizenship OK



ENVIRONMENT: More support for ecological causes



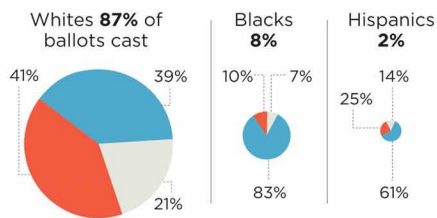
NOTE: This survey was conducted in March and based on telephone interviews conducted under the direction of Princeton Survey Research Associates International among a national sample of 2,007 adults. For other more info: 1/23/09, Jan. 6

A SHIFT IN DEMOGRAPHICS

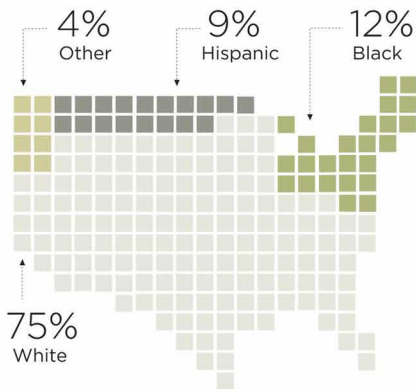
UNITED STATES

Voters, 1992

■ Bush ■ Clinton ■ Perot

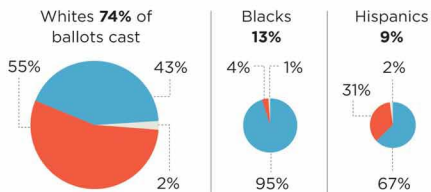


Population, 1992

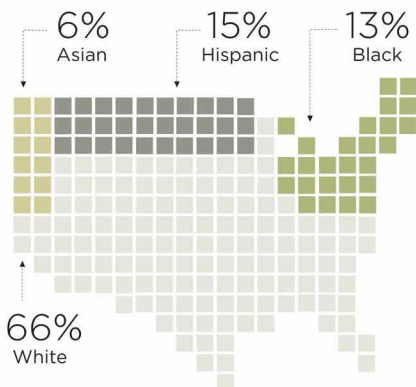


Voters, 2008

■ McCain ■ Obama ■ Other



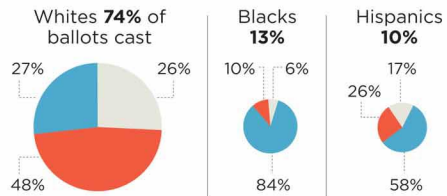
Population estimates, 2008



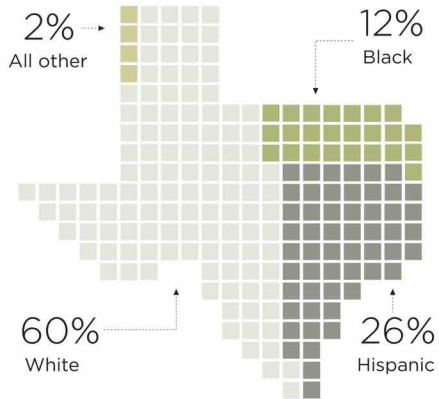
TEXAS

Voters, 1992

■ Bush ■ Clinton ■ Perot

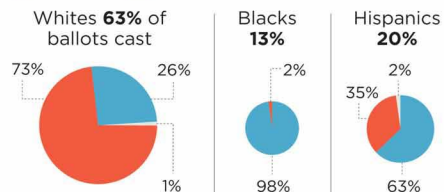


Population, 1992

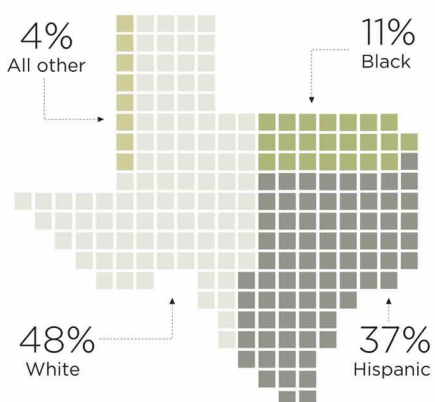


Voters, 2008

■ McCain ■ Obama ■ Other



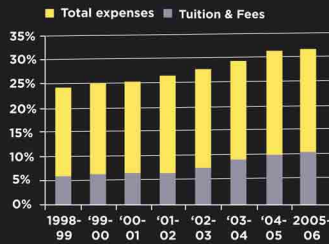
Population estimates, 2008



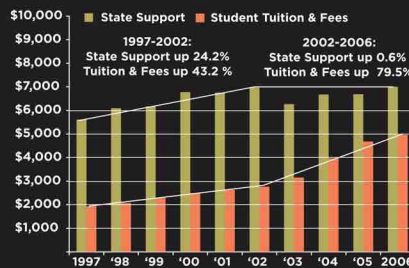


WORTH THE COST?

Costs for Texas college students as a percentage of median family income:



State appropriations per college student for basic educational operations have been essentially flat since 2002, while tuition and fees have risen.



More than **90%** of Texas students attend public colleges and universities

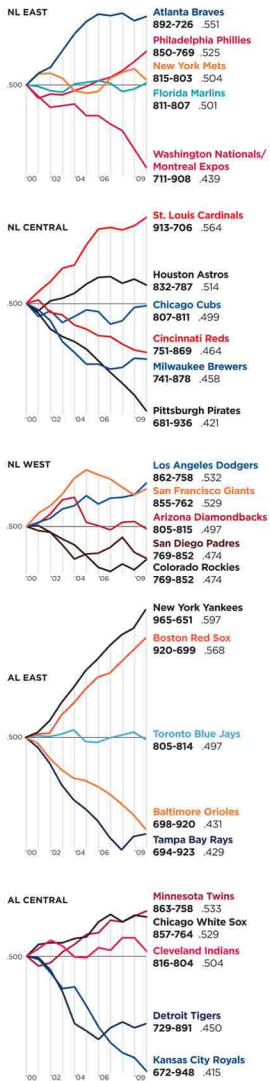
Texas public higher education is approaching the national average for public tuition and fees:

\$5,491 **\$4,962**
Nationally Texas

By law, at least 20 percent of every tuition increase must be set aside for student financial aid.

MLB's best: 2000-09

Cumulative records by division: '00-09



Best of the decade

HITS (cumulative totals, 2000-2009)

Ichiro Suzuki	2,030
Derek Jeter	1,940
Miguel Tejada	1,860
Todd Helton	1,756
Vladimir Guerrero	1,751

HOME RUNS

Alex Rodriguez	435
Jim Thome	368
Albert Pujols	366
Manny Ramirez	348
Carlos Delgado	324

BATTING AVERAGE (minimum 3,000 PA)

Albert Pujols	.334
Ichiro Suzuki	.333
Todd Helton	.331
Vladimir Guerrero	.323
Brian Bonds	.322

PITCHING

WINS

Andy Pettitte	148-88
Randy Johnson	143-78
Jamie Moyer	140-84
Roy Halladay	139-69
Tim Lincecum	137-76

ERA (minimum 1,000 IP)

Pedro Martinez	3.01
John Santana	3.12
Roy Oswalt	3.23
Jake Peavy	3.26
John Smoltz	3.27

SAVES

Mariano Rivera	397
Jason Lohngassen	284
Billy Wagner	284
Francisco Cordero	250

Rangers' best of the decade

HITS (cumulative totals with Texas, 2000-2009)

Michael Young	1,662
Henk Blalock	943
Mark Teixeira	746
Rafael Palmeiro	622
Alex Rodriguez	569

HOME RUNS

Rafael Palmeiro	157
Alex Rodriguez	156
Mark Teixeira	153
Henk Blalock	152
Michael Young	137

BATTING AVERAGE (minimum 2,000 PA)

Alex Rodriguez	.305
Michael Young	.302
Mark Teixeira	.293
Ian Kinsler	.279
Rafael Palmeiro	.274

PITCHING

WINS

Kenny Rogers	63-45
Kevin Millwood	48-46
Vicente Padilla	43-34
Joaquin Benoit	30-26
Scott Feldman	28-24

ERA (minimum 400 IP)

Kenny Rogers	4.43
Kevin Millwood	4.57
Scott Feldman	4.58
Joaquin Benoit	4.79
Rick Helting	4.83

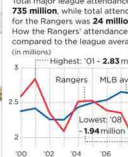
SAVES

Francisco Cordero	117
C.J. Wilson	52
Almon Otuola	36
John Wetteland	34
Frank Francisco	30

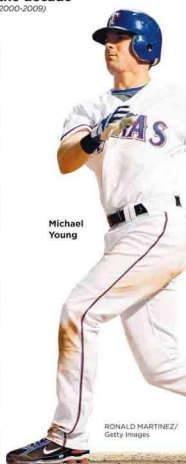
American League edge



The AL won 6 of 10 World Series



MLB attendance (2000-09)



Top seasons of the decade

HITS

Ichiro Suzuki	262 (04)
Ichiro Suzuki	242 (01)
Darin Erstad	240 (00)
Ichiro Suzuki	238 (07)
Ichiro Suzuki	225 (09)
Ichiro Suzuki	224 (06)
Juan Pierre	221 (04)
Michael Young	217 (06)
4 tied at	216

Hrs

Brian Bonds	73 (01)
Sammy Sosa	64 (01)
Ryan Howard	58 (06)
Luis Gonzalez	57 (01)
Alex Rodriguez	57 (02)

BATTING AVERAGE

Todd Helton	.3721 (00)
N. Garciaparra	.372401 (00)
Ichiro Suzuki	.3726 (04)
Brian Bonds	.370 (02)
Joe Mauer	.365 (09)

PITCHING

WINS

Randy Johnson	24 (02)
Curt Schilling	23 (02)
Barry Zito	23 (02)
Roy Halladay	22 (03)
Cliff Lee	22 (08)

ERA

Pedro Martinez	1.74 (00)
Roger Clemens	1.87 (05)
Zack Greinke	2.85 (09)
Pedro Martinez	2.22 (03)
Chris Carpenter	2.24 (09)

SAVES

Francisco Rodriguez	62 (08)
Eric Gagne	55 (03)
John Smoltz	55 (02)
Mariano Rivera	53 (04)
Eric Gagne	52 (02)

Top Rangers seasons of the decade

HITS

Michael Young	221 (05)
Michael Young	217 (06)
Michael Young	205 (04)
Michael Young	204 (03)
Alex Rodriguez	201 (01)
Michael Young	201 (07)

Hrs

Alex Rodriguez	57 (02)
Alex Rodriguez	52 (01)
Rafael Palmeiro	47 (01)
Alex Rodriguez	47 (03)
Rafael Palmeiro	45 (02)
Mark Teixeira	43 (05)

BATTING AVERAGE

Michael Young	.331 (05)
Frank Catalanotto	.330 (01)
Michael Young	.322 (08)
Milton Bradley	.321 (08)
Ian Kinsler	.319 (08)

PITCHING

WINS

Kenny Rogers	18 (04)
Scott Feldman	17 (09)
Rick Helting	16 (00)
Kevin Millwood	16 (06)
Vicente Padilla	15 (06)

ERA

Kenny Rogers	3.46 (05)
Kevin Millwood	3.67 (09)
Kenny Rogers	3.84 (02)
Scott Feldman	4.08 (09)
Ryan Drese	4.20 (04)

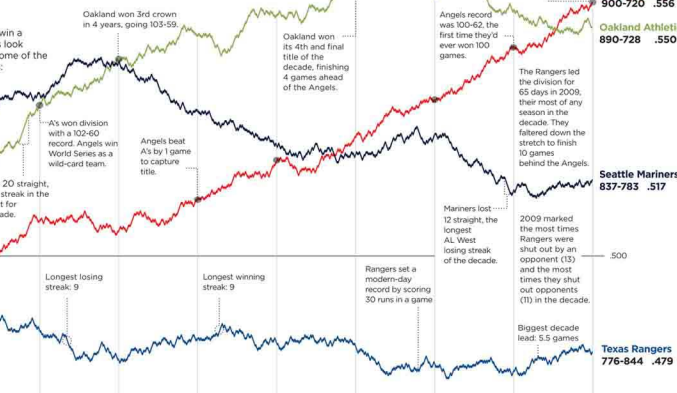
SAVES

Francisco Cordero	49 (04)
Francisco Cordero	37 (05)
John Wetteland	34 (00)
Almon Otuola	32 (06)
Jeff Zimmerman	28 (09)

A decade in the AL West

Texas is the only AL West team that did not win a division title in the decade, but recent trends look promising for the Rangers. Here's a look at some of the division's highs and lows of the past 10 years:

- Seattle finished 116-46, the 8th-best record in MLB history.
- Seattle was a wild-card playoff team.
- Oakland won division.
- Oakland won its 3rd crown in 4 years, going 103-59.
- A's won division with a 102-60 record. Angels win World Series as a wild-card team.
- Angels beat A's by 1 game to capture title.
- Angels record was 100-62, the first time they'd ever won 100 games.
- The Rangers led the division for 65 days in 2009, their most of any season in the decade. They fell down the stretch to finish 10 games behind the Angels.
- Mariners lost 12 straight, the longest AL West losing streak of the decade.
- 2009 marked the most times the AL West was shut out by an opponent (15) and the most times they shut out opponents (11) in the decade.
- Biggest decade lead: 5.5 games.



SOURCES: Dallas Morning News research, baseball-reference.com, mlb.com

MICHAEL HOGUE/Staff Artist

Budget Deficit

Uncle Sam has depended on credit for his annual budget in all but five of the last 46 years. Does the nation's growing income (GDP) justify the spending spree?

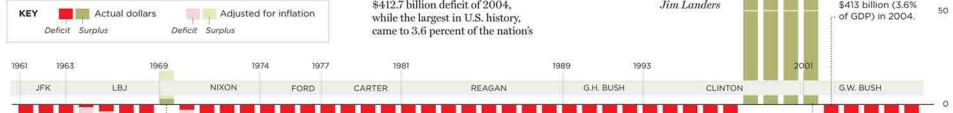
The second term of the Clinton administration was the last time federal taxes equaled or exceeded spending. Federal accounts dropped into the red again after the terrorist attacks of Sept. 11, 2001 put huge demands on military and homeland security spending just as President Bush's tax cuts began to take effect. Big government spending programs such as Social Security, Medicare and Medicaid are typically associated with Democrats. But the old-fashioned thrift tied to Republican politics changed during the presidency of Ronald Reagan, when the President and

GOP leaders in Congress tried to stunt government growth by chopping taxes. Instead, deficits grew. The resulting campaign to pass a constitutional amendment to require a balanced budget lingers in some conservative circles. After Bill Clinton became president, Treasury Secretary Robert Rubin argued that eliminating the deficit would boost economic growth. The result was four years of budget surpluses — from 1998 through 2001 — during Mr. Clinton's second term. But the Bush administration brought back the deficit; it peaked at \$412.7 billion in 2004. Paul

O'Neill, Secretary of the Treasury until he was fired in 2002, wrote a memoir saying he expressed alarm about the deficit spending, but was told by Vice President Dick Cheney: "You know, Paul, Reagan proved deficits don't matter." Some argue that the deficit, while regrettable, has declined as a percent of the economy along with the federal government's share. Lower taxes spurred economic growth, so the country as a whole has grown larger and faster than deficit spending. Although federal deficits have been huge under the Bush administration, it's important to consider them against the size of the economy as a whole. The \$412.7 billion deficit of 2004, while the largest in U.S. history, came to 3.6 percent of the nation's

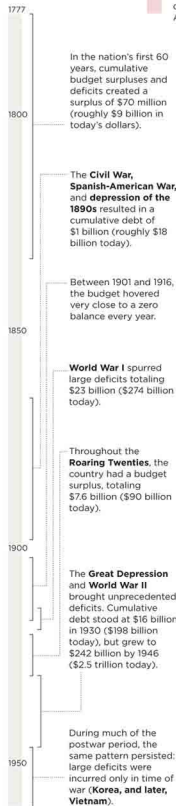
gross domestic product. The \$207.8 billion deficit of 1983 was much larger in economic terms, equating 6 percent of GDP. Since 2004, economic growth has brought in higher tax revenues, lowering the deficit to \$158 billion in fiscal 2007. But the Congressional Budget Office warns that deficits will start growing again unless the U.S. finds a way to restrain health care spending. Medicare and Medicaid now account for 4.6 percent of GDP, and, according to the CBO, could rise to 20 percent of the economy by 2050 — not so much because of the growing number of older Americans as because of health care inflation.

Jim Lenders



HISTORICAL TRENDS

Except for periods of war or major economic downturns, the Federal budget was generally in surplus during America's first 150 years.



1969: Nixon began to withdraw troops from Vietnam, and the war officially ended in April, 1975.

1982: Large tax cuts were enacted, partly in response to recession. The cuts were accompanied by increases in defense spending. The tradition of large deficits only in times of war or economic downturn was broken during much of the 1980s.

Deficits averaging \$206 billion were incurred between 1983 and 1992. These unprecedented peacetime deficits increased the federal debt from \$789 billion in 1981 to \$3 trillion in 1992 (\$4.4 trillion in today's dollars).

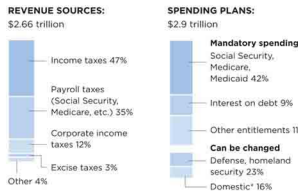
The economy slowed down in 2001, exacerbated by the terrorist attacks of September 11th. Poor economic performance, together with tax cuts and spending in response to the terrorist attacks resulted in a return to deficits.

According to estimates from Congress' Joint Economic Committee, costs of the wars in Iraq and Afghanistan will total \$1.6 trillion — roughly double the amount the White House has requested.

While the 2004 budget deficit was the largest in history, it was only 3.6% of GDP, compared to 6% of GDP in 1983.

BUSH'S 2008 BUDGET PROPOSAL

It has a \$2.9 trillion price tag and a \$239 billion deficit.



NOTES: Figures do not total 100% due to rounding. *Includes spending for education, transportation, crime, environment, parks, aid to cities, arts, science, technology and housing.

HIGHLIGHTS

- Medicare, Medicaid: Cut \$91 billion over 5 years (includes \$13 billion in legislated cuts).
- Make tax cuts permanent: Cost \$16 trillion over 10 years.
- War on terror: \$141.7 billion, plus \$93 billion additional for this year.

SPENDING IN 2007

Major categories (estimated)

Social Security	\$586 billion
National Defense	\$327 billion
Income security	\$367 billion
Medicare	\$392 billion
Health	\$280 billion

ABOUT THE SERIES

TRADE DEFICIT (last week)

The difference between U.S. imports and exports.

BUDGET DEFICIT (today)

The amount federal government spending exceeds the revenue it takes in each year.

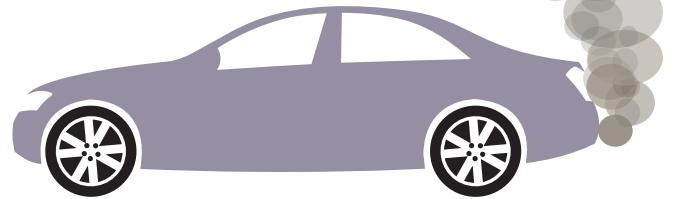
NATIONAL DEBT (next week)

The cumulative total of these budget deficits over the years.

© Dallasnews.com/extra: Last week's trade deficit graphics.

Electric vehicles promise cleaner air, but there are trade-offs

Plug-in hybrid electric vehicles, which draw electricity from the power grid, promise cleaner air. That's true for greenhouse gas emissions. When you compare carbon dioxide from a new gasoline vehicle to the emissions created by power plants to make electricity for an electric car, electricity wins easily. But in Texas, electric vehicles would be responsible for more nitrogen oxide pollution than new gasoline vehicles, thanks to the state's reliance on coal-fired power plants.



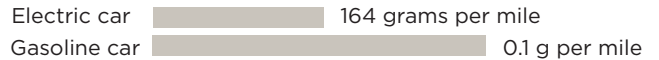
Nitrogen oxide emissions cause smog and can contribute to heart and lung problems.

NOx emissions per mile



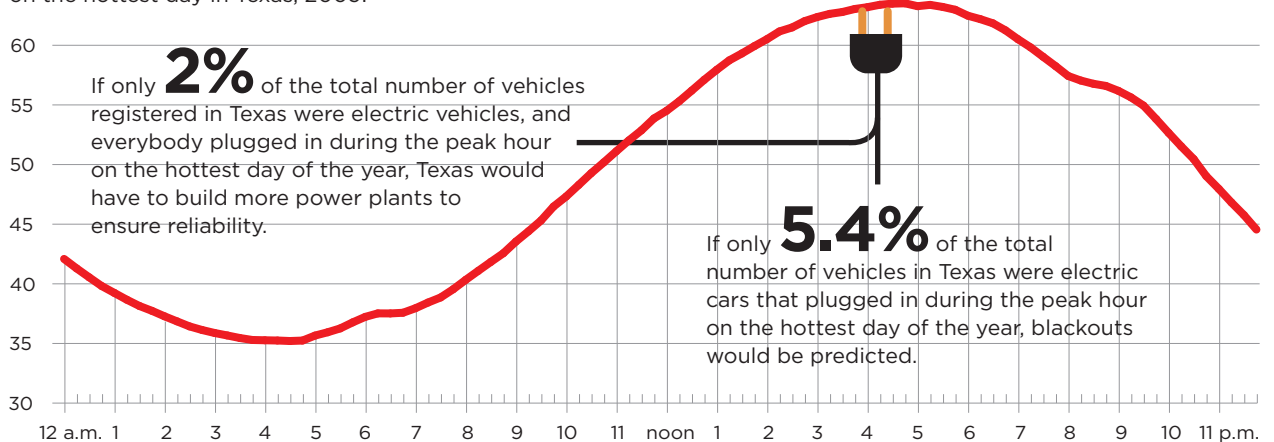
Carbon dioxide emissions contribute to global warming.

CO2 emissions per mile



Can the Texas power grid support electric cars?

This chart represents this peak amount of power used by consumers on the hottest day in Texas, 2009.



Texas energy production sources

Texas power plants last year emitted, on average, 0.497 grams of nitrogen oxide (NOx) per kilowatt hour produced.

