The Quiet Reversal of U.S. Climate Change Policy

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This paper calls for an immediate and extensive Congressional and national debate about the scope of climate change and the role of the U.S. in addressing this issue before passing any international laws.

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Christopher Douglass and Murray Weidenbaum

Introduction

At the United Nation's global climate change conference in Geneva on July 17, 1996, State Department officials suddenly reversed the U.S. government's long-standing policy on global climate change. Speaking before the Assembly of Delegates, Under Secretary of State for Global Affairs Timothy E. Wirth announced, "The United States recommends that future negotiations focus on an agreement that sets a realistic, verifiable and binding medium-term emissions target."1 (emphasis added). Until then, the United States had rejected compulsory emissions controls.

Only 10 of the nation's 53 major daily newspapers thought the announcement important enough to cover.2 But, if government officials have their way, this sudden reversal in U.S. global climate change policy could dramatically affect the life of every American. After the debate ends, binding emissions standards could cost the United States enormous amounts of wealth and, perhaps, some of its sovereignty.

If the more stringent proposals become international law, the United States' economic growth could slow to a crawl. An economic study sponsored by the Global Climate Coalition (an industry-sponsored watchdog group) projects a 3 to 3.5

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percent drag on the American economy, which has recently grown only around 2.5 percent a year.³

If America’s corporations had to meet an international emissions standard, an international agency would be necessary to set the standard and to enforce its implementation. Setting a just and equitable standard would prove an extremely difficult undertaking given the different economic circumstances and natural resources of each nation. State Department officials have publicly stated their doubt that a common measure could judiciously apply to all countries.⁴

The costs and benefits of greenhouse gas mitigation have yet to be properly debated by the American public and its governmental representatives.

For the standard to be binding, this regulating agency must have the power to punish businesses, governments, and other organizations that fail to meet the targets. This is a frightening prospect for industries and localities that already wade through bureaucracies and regulations imposed by their own federal and state governments. If this new agenda were to become international law, a substantial amount of regulatory power would shift from individual nations to a global governing agency.

It might be argued, however, that the seriousness of the threat to the earth’s ecosystem requires this tremendous cost. Perhaps the present generation has a responsibility to future generations to take these steps. This may, or may not be, the case. The costs and benefits of greenhouse gas mitigation have yet to be properly debated by the American public and its governmental representatives. The environmental and economic implications are too significant to let the issue be decided without substantial public debate.

History of Negotiations

The global climate change issue is of fairly recent origin. It was not until the late 1980s, when reports implicated human activity for the depletion of the ozone layer, that much of the public came to believe that human action could indeed affect the atmosphere. In 1988, the coupling of a Midwestern drought and a congressional hearing chaired by then-U.S. Senator Timothy Wirth forced the issue to the fore. At that hearing, prominent climatologist James Hansen testified that he was “99 percent” sure that global warming was occurring.⁵

That same year, the United Nations and the World Meteorological Organization established the Intergovernmental Panel on Climate Change (IPCC). They designed the IPCC to provide a “consensus” scientific perspective on global climate change and to scientifically inform the decisions of policymakers. In 1990, 154 nations organized themselves as the Intergovernmental Negotiating Committee (INC) to develop a worldwide treaty in response to IPCC analyses of climate change.⁶

In 1992, environmental ministers meeting under United Nations auspices produced a “treaty” document called the Framework Convention on Climate Change (FCCC) at the U.N. Conference on Environment and Development in Rio de Janeiro. That document has provided the foundation for all subsequent U.N. conferences on global climate change. To date 159 countries have signed the Framework Convention, including the United States. Approving the Framework Convention gives countries membership in the Conference of Parties which, in turn, gives them a seat at the table in future climate negotiations.

The Framework Convention imposes two key stipulations on member nations. First, it calls for capping greenhouse gas emissions at 1990 levels. Second, it requires a periodic report on each nation’s net emissions of greenhouse gases. The exact language (Article 4) of the Framework Convention states,
Each of these Parties shall communicate ... detailed information on ... projected anthropogenic emissions ... with the aim of returning individually or jointly to their 1990 levels these anthropogenic emissions of carbon dioxide and other greenhouse gases. Noticeably absent from this statement, and the entire document, are both a time frame for attaining 1990 emissions levels and mechanisms to enforce the emissions target.

Domestic Action

In response to the goal set forth in the Framework Convention, the Clinton administration unveiled its $1.9 billion Climate Change Action Plan in October 1993. When introducing the plan on the White House lawn, President Clinton said,

On Earth Day I made a commitment to reduce our emissions of greenhouse gases to 1990 levels by the year 2000. In concert with all other nations, we simply must halt global warming. It is a threat to our health, to our ecology and to our economy.

Secretary of State Warren Christopher has affirmed his department’s role in supporting this global environmental policy. In his Earth Day 1996 address at Stanford University, he said:

Our administration has recognized from the beginning that our ability to advance our global interests is inextricably linked to how we manage the Earth’s resources. That is why we are determined to put environmental issues where they belong: in the mainstream of American foreign policy.

Despite the strength of these statements from the Clinton administration, Under Secretary Wirth’s stance at the Geneva Conference of Parties surprised both environmental groups and industry. Until that day, U.S. officials had resisted any measures beyond voluntary restrictions.

In fact, just a month before the Geneva conference, a senior State Department official had denied even the possibility of universal standards and binding emissions targets in his testimony before the House Subcommittee on Energy and Power. On June 19, 1996, Deputy Assistant Secretary for Environment and Development Rafe Pomerance said,

In our view, the significant differences in national circumstances and individual national approaches to these matters suggest that few, if any, individual measures are likely to be applicable to all countries. We do not intend to make any quantitative commitments or support any policy measures.

Less than a month later in Geneva, Under Secretary Wirth reversed this position by announcing the U.S.’s support for a drastic new policy measure. Wirth declared, “Let me make clear the U.S. view: The science calls upon us to take urgent action. We believe that circumstances warrant the adoption of a realistic but binding target.”

The Science

The source of this compelling science is the IPCC’s Second Assessment Report. Interestingly, this May 1996 report scales back projections of global warming from the IPCC’s 1990 Assessment Report. The 1990 report projected global warming of 3.5 to 8 degrees Celsius by the year 2050. The 1996 assessment estimates a warming effect of 1.8 to 6.3 degrees Celsius by 2100.

However, the Second Assessment Report also contains a statement which has galvanized policymakers and to which Under Secretary Wirth appeals. The report states:

Our ability to quantify the human influence on global climate is currently limited because the expected signal is still emerging from the noise of natural variability, and because there are uncertainties in key factors. These include the magnitude and patterns of long-term natural variability and the time-evolving pattern of forcing by, and response to, changes in concentrations of greenhouse gases and aerosols, and land surface changes. Nevertheless, the balance of evidence suggests that there is a discernible human influence on global climate. (emphasis added)
When the IPCC published this report, several prominent scientists cried, "Foul!" Led by Dr. Frederick Seitz, former president of the National Academy of Sciences, these critics claim that the leaders of the IPCC altered the technical report after it had garnered approval from its scientific board of advisors. Dr. Benjamin D. Santer, lead author of the report, replied that the alterations were purely cosmetic, made only to provide a better summary for policymakers. Dr. Santer maintained that the essence and substance of the report was unchanged.

At least 25 percent of experts believe, despite a lack of evidence, that global warming is occurring.

Dr. Santer’s response has not silenced the critics. They continue to claim that the “cosmetic” changes significantly altered the report. They note the deletion of such statements as, “None of the studies cited above has shown clear evidence that we can attribute the observed changes to the specific cause of increases in greenhouse gases.” Moreover, in the final editing new statements were inserted, such as, “The observed trend in global mean temperature over the past 100 years is unlikely to be entirely natural in origin.”

The critics’ charges raise special concern in view of the tendency of some scientists to overstate the threat of global warming. In 1991, the Gallup organization polled a random sample of 400 climatologists and atmosphericists. Only a minority of those surveyed, 41 percent, agreed with the statement that “currently available scientific evidence substantiates its [global warming’s] occurrence.” Nevertheless, a clear majority of the respondents, 66 percent, affirmed their belief in the occurrence of global warming. Thus, at least 25 percent of these experts believe, despite a lack of evidence, that global warming is occurring. Apparently, even scientists are swayed by nonscientific beliefs.

Why would such a large percentage of scientists respond in this nonscientific way? A benign explanation is that taking such a position represents the triumph of the heart over the mind. Another theory is that of Dr. Richard S. Lindzen, a distinguished astrophysicist at M.I.T., who notes that potential financial support encourages many scientists to support the global warming theory. He says that this bias is “unconscious” and even “natural.”

Seitz and his colleagues at the George Marshall Institute offered a similar explanation before the House Committee on Science, saying:

Fundamental research on global climate change can become entangled with the temptation to support preordained answers that may be linked to the process of securing continuing funding. This perversion of the scientific process could undermine the most important element of research in global climate change: obtaining the best affordable research on the fundamental physics of global climate.

Harvard planetary scientist Charles L. Harper, Jr. contends that, “the scientific ‘consensus’ the [IPCC] report presents may have more to do with the politics of fear than with objective science.”

This wide-ranging criticism of the IPCC report calls into question the supposed “scientific consensus” that the report is designed to provide.


The Geneva Conference of Parties in July 1996 used the 1996 IPCC report as its scientific foundation. After 10 days of deliberations, the conference produced a two-page ministerial declaration which endorses the IPCC report and affirms the need for binding timetables. The declaration garnered approval by a large majority of participating nations but was never put to a vote.

Fourteen nations, many of them members of
the Organization of Petroleum Exporting Countries (OPEC), vociferously contested the ministerial declaration due to its affirmation of the IPCC report and its stance on binding emissions targets. The ministerial declaration uses the IPCC report’s language to state, “The balance of evidence suggests a discernible human influence on global climate.”

United States delegates played a large part in writing the declaration, but some U.S. officials desired an even stronger statement. Assistant Secretary of State Eileen Claussen stated,

[The U.S.] wholeheartedly endorses this declaration and agrees that we must now move faster and set legally binding targets in Kyoto [location of the next Conference of the Parties meeting]. We could have gone farther.

Emboldened by the IPCC report and the near consensus of support, ministers called on their governments to “instruct their representatives to accelerate negotiations on the text of a legally-binding protocol or another legal instrument to be completed in due time for adoption at the third session of the Conference of the Parties [in December 1997].”

Emission Reduction Costs

A legally binding protocol to restrict carbon emissions, whatever its form, will have substantial impacts on the American economy. Economist William Nordhaus of Yale University estimates that emissions stabilization at 1990 levels, as proposed by the Framework Convention, would generate a net discounted cost of $7 trillion.

Dr. Lawrence Horwitz of the economic consulting firm DRI/McGraw Hill analyzed the annual economic effect of greenhouse gas mitigation. He estimates that a carbon tax of $100 a ton, which could lower emissions levels to near 1990 levels, would cost the American economy $203 billion each year. According to his calculations, a $200-a-ton carbon tax (which would ensure emissions below 1990 levels) would cost the American economy 4.2 percent of its gross domestic product, or $350 billion a year in reduced production of goods and services.

Some of the most significant effects cannot be expressed in dollar terms. For example, Horwitz projects that 520,000 jobs would be lost each year from 1995 to 2010 under a $100-a-ton carbon tax. Under a carbon tax of $200 a ton, the American economy would lose an average of 1.1 million jobs annually over that 15-year period.

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If a carbon tax fell solely on industrialized nations and not on developing nations, total worldwide greenhouse gas emissions would be likely to rise, not fall.

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Some proposals seek to limit greenhouse gas emissions even further. The Alliance of Small Island States (AOSIS) believes that its member countries will face grave danger from rising ocean levels if global warming occurs. Therefore, they have proposed that by 2005 developed countries stabilize their emissions at 20 percent below 1990 levels. To accomplish this aim, carbon taxes would need to be in excess of $280 a ton. According to economic consultants for the Global Climate Coalition, this would cost the U.S. economy $262 billion to $305 billion each year.

Whichever means of curtailing carbon emissions is used, limiting emissions will degrade living standards. Moreover, if a carbon tax fell solely on industrialized nations and not on developing nations, as is currently the plan in every protocol before the Framework Convention, total worldwide greenhouse gas emissions would be likely to rise, not fall. If emission reduction standards become law in industrialized nations, total consumption of carbon-emitting goods will fall. Thus, the price of goods such
as oil is likely to substantially decline on the world market. However, the lower prices of these goods would encourage poorer developing countries – with much less fuel efficient technology – to increase their use of fossil fuels, resulting in a net increase in greenhouse gas emissions.28

Moreover, as the world becomes increasingly industrialized over the next century, the United States’ share of greenhouse gas emissions is expected to shrink from 20 percent to 10 percent. Economists estimate that by the year 2100 the developing countries of the world will be emitting three-quarters of the earth’s greenhouse gases.29

Yet the current deliberations on global warming policy ignore these facts. The United Kingdom’s most recent proposal states,

We believe that agreement by developed countries to reduce total greenhouse gas emissions by a figure in the range of 5-10 percent below the 1990 base year by 2010 would be a credible and appropriate outcome of the Berlin Mandate process.30

The developing countries of the world continue to bear no responsibilities under these protocols.

Under the Berlin Mandate, adopted in April 1995 by the major industrialized countries, responsibility to stop greenhouse gas emissions is markedly different for developed than for developing countries. The developed, industrialized nations (known as “Annex 1 Participants to the Framework Convention”) are the 27 members of the Organization for Economic Cooperation and Development (OECD) plus the former Communist bloc countries. Developing countries have no binding commitments at all. Proposals that ignore the role of developing countries will place severe economic strains on developed nations while achieving negligible net decreases in worldwide emission levels.

Should We Buy “Greenhouse Insurance?”

The Geneva Ministerial Declaration states that the IPCC’s report “provides a scientific basis for urgently strengthening action at the global, regional and national levels.”31 Indeed, it seems intuitive that action should be taken now against this colossal threat. Yet there are important reasons to proceed with caution. A study by Douglas Holtz-Eakin and Thomas Selden of Syracuse University finds that the marginal propensity to emit carbon shrinks as economies grow and develop. According to their report, if economies continue to grow at their present rates, the annual emissions growth will fall from its 1955-85 average of 3.2 percent a year to 1.8 percent annually for the period 1990-2025.32 Thus, any efforts which limit economic growth unwittingly slow down progress toward carbon emissions reduction.

And a report by T. Wigley, R. Richels, and J. Edmonds in the scientific journal Nature notes that it is far less costly to allow emissions to rise for a decade or more prior to restricting greenhouse gas emissions. They give three reasons for their conclusion:

1. Positive marginal productivity of capital. With the economy yielding a positive return on capital, the further in the future an economic burden (here, emissions reduction) lies, the smaller is the set of resources that must be set aside today to finance the burden.

2. Capital Stock. Stock for energy production and use is typically long-lived (for example, power plant, housing and transport). . . . Time is therefore needed to reoptimize the capital stock.

3. Technical progress. There is ample evidence for past and potential improvements in the efficiency of energy supply, transformation and end-use technologies. Thus, the availability of low-carbon substitutes will probably improve and their costs drop over time.33

Some scientists agree that to act immediately and urgently, as the Ministerial Declaration advocates, would be premature. William Nierenberg of
the Scripps Institute of Oceanography said in testimony before the Subcommittee on Energy and Environment of the House Committee on Science,

There is no question in my mind that the current anthropogenic growth of carbon dioxide in the atmosphere is bound to influence climate...[but] one can now safely wait...before taking action.\textsuperscript{34}

\section*{Conclusion}

The United States is backing into a basic change in its global warming policy without the national debate that an issue of this magnitude warrants. A speech by an under secretary of state is hardly the appropriate vehicle for a polar shift in governmental policy on such a major issue.

\textit{Congressional committees with appropriate jurisdiction should immediately schedule intensive hearings on the sudden shift in official United States global warming policy.}

Several key points deserve substantial public airing:

1. Does the degree of scientific certainty about the threat of global warming outweigh the heavy costs carbon-mitigation efforts will impose on the American economy?

2. Has the administration carefully examined the economic consequences of its global warming policy? Effects on economic growth, employment, inflation, international competition, income distribution, regional economics, and specific industries each require study.

3. Has the administration determined how it will limit greenhouse gas emissions? What specific mechanisms will be used?

4. What was the basis for the dramatic shift in policy? What policy process or procedure was followed?

Americans should have the opportunity to hear a well-ordered debate on global climate change before a treaty is established. Because the U.S. delegation is the driving force behind these negotiations, the public and its congressional representatives should have a hand in guiding the process.

To this end, Congress should hold intensive hearings soon, preferably prior to the next meeting of the Ad-Hoc Group on the Berlin Mandate in December 1996, at which time the specific restrictions are likely to be put forth. Certainly such hearings should be held before the next Conference of Parties meeting in December 1997. Merely to state that Congress would have the opportunity to rule on a final version of a treaty is unsatisfactory because it will then be too late to modify the agreement. At that late stage, Congress would be limited to an up or down vote.

International global climate change policy is likely to have more widespread effects on the people and the economy of the United States than many of the issues that now occupy a more central stage in Washington. Congress should act now to frame and to guide the international debate on global climate change before international agreements become set in the stone of international law.
Notes


2. The authors conducted a search of Nexis-Lexis’s "major paper index" which contains 53 American newspaper dailies (according to a telephone interview conducted August 2, 1996 with a Nexis-Lexis researcher).


7. Anthropogenic emissions are emissions produced by human activity; Article 4, Section 2 (b), Framework Convention on Climate Change, 1992.


11. Wirth, pp. 1, 5.


13. Ibid.


27. Mary Novak, p. 2. Calculations of this nature, whether by Nordhaus, Horwitz, or others, are bound to vary because they depend on making assumptions about future responses, such as interest rates and the speed of technological advancement, which are unknowable at present.

28. For another discussion of the costs of mitigation, see Michael A. Toman, John Firor, and Joel Darmstadter, "Climate Change and Its Consequences," Resources (Resources for the Future), Summer 1996, pp. 10-13.


30. Paper No. 7, United Kingdom submission to the Framework Convention on Climate Change, "Quantified Emission Limitation and Reduction Objectives for Inclusion in a Protocol or Another Legal Instrument."


