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*Earth Summit, Global Warming,
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Science, and Emotion*

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**Earth Summit, Global Warming, and the Citizen:
Economics, Science, and Emotion**

by Murray Weidenbaum

A barrage of news stories, editorials, and even business advertisements is proclaiming that this is our last chance to save the planet.¹ This message is interspersed with urgent pleas to combat the imminent danger of global warming and for the United States to rescue the forthcoming Earth Summit by taking the leadership of that controversial venture.

Wrapping the whole subject of environmental policy in a veneer of hysteria seems to work in terms of getting public attention, but it does not set the stage for enacting effective public policy. Succumbing to unrestrained emotionalism is precisely why the United States has spent hundreds of billions of dollars on environmental concerns in recent years and has so little to show for it — aside from creating full employment for environmental consultants and environmental lawyers.

Simple-minded rhetoric about losing the planet turns off many people. Using such emotional language is just an excuse for sloppy thinking. It is far more productive to turn to specific environmental issues. Let us first tackle the global warming question and then examine the Earth Summit imbroglio.

**Responding to the Concern Over
Global Warming**

The U.S. government is currently being urged to take a world leadership role in the debate on global warming by adopting a specific timetable for reducing CO₂ (carbon dioxide) emissions by a fixed amount. The proponents of this approach are disappointed by our country's willingness to adhere only to a more general statement "aimed" at preventing dangerous disruption of the world's climate. It is hard to quarrel with the notion of leadership.

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However, it is disillusioning to examine the very limited scientific and economic support for committing the United States to taking more drastic action right now.

Given the often vitriolic nature of the public debate on environmental matters, I may be castigated for showing a cavalier attitude toward Mother Earth. Yet economists do care about ecological matters. We breathe the same air and drink the same water as real people. But our professional role is to bring the wet blanket to the party — by asking embarrassing questions.

The Evidence

For starters, what is the evidence that the planet is warming?² The answer to this key question should be embarrassing to the uncritical advocates of "saving the planet."

Scientists tell us that the greatest temperature increase occurred *before* the major rise in greenhouse gas concentration. That rise in yearly temperature was followed by a 35-year long decrease, from 1940 to 1975. There was a measurable increase in average yearly temperatures during the five-year period 1975-1980. But, in spite of record increases in greenhouse gases during the 1980s, average temperatures have hardly changed since 1980.

Moreover, it is hard to find evidence of adverse effects of the modest increase in atmospheric greenhouse gas concentration which has occurred. Patrick Michaels of the University of Virginia reports such benign results as a longer growing season and fewer frosts.³ In comparison, when climate cooling was a public issue, a study by the Department of Transportation calculated a huge national cost associated with such cooling.⁴

Physicist Fred Singer reminds us that earlier historical periods of climate cooling caused large agricultural losses and even famines. Year-to-year changes at any specific location are far greater and more rapid than what might be expected from greenhouse warming. Nature, crops, and people have already adapted to such large short-term swings.⁵

Politeness should not prevent us from reminding the current critics that, during the 1970s, the alarmists were warning the world about the dangers of global cooling. The July 1975 issue of *International Wildlife* warned about "the threat of a new ice age." The

publication went on to declare that this new danger "must now stand alongside nuclear war as a likely source of wholesale death and misery for mankind."⁶

Literally, the critics blow hot and then blow cold (or rather vice versa). My favorite example is a researcher who linked air pollution with global cooling:

The continued rapid cooling of the earth since World War II is also in accord with the increased global air pollution associated with industrialization, mechanization, urbanization, and an exploding population. . .⁷

To say that scientific basis for global warming danger is somewhat short of certainty is too kind. Professor Robert C. Balling, Jr., director of the Office of Climatology at Arizona State University, reports a growing consensus within the scientific community that the actual temperature rise due to global warming will be less than one degree Celsius over the next century. That is down very considerably from earlier estimates.⁸

Such a small change would be indistinguishable from natural climate fluctuations. According to the George C. Marshall Institute (a think tank headed by some of the nation's most distinguished scientists), temperature changes of this minor magnitude are common in the Earth's recent history and are not a cause for concern.⁹

Sensible Actions

In view of the uncertainties about the nature of the global warming problem, what should we do? The sensible actions to take are those that are helpful even if the enhanced greenhouse effect does not exist. An example is improving energy efficiency.

Here is an area where good macroeconomic policy dovetails with good environmental policy. Macro policy makers are concerned about the low level of investment in the economy, a key cause of our sluggish growth rate. One way to deal with that situation is to restore the investment tax credit eliminated in 1986.¹⁰

Bringing back the investment credit would generate a double whammy. It would quicken the growth rate. A higher level of economic output both increases living standards and generates the resources to deal with environmental problems. Just compare the dismal

ecology of Eastern Europe under the economic failure of communism with the healthier environment of Western Europe under capitalism.

In addition, the added incentive to new capital formation would encourage the replacement of old, less efficient (and often more polluting) capital equipment. The result would be more efficient power plants and machinery and other key energy savers.

Do We Need a Carbon Tax?

The high road of incentives is in sharp contrast to the common suggestion for dealing with global warming by enacting a stiff carbon tax. On its surface, that sounds like just a specialized excise tax. But, in practice, the new tax would be imposed primarily on coal, which is used mainly to produce electric power. Public utilities would have little choice but to pass on the increased cost of fuel to rate payers, homeowners, and business users alike. A carbon tax would amount to a specialized and regressive value-added tax. Moreover, it would provide a windfall to OPEC, because it would increase our dependence on foreign oil for our energy supply.

The effects of a carbon tax on income and employment in the United States would be very negative. The new tax would hit the economy before the offsetting "recycling" of the tax proceeds. CONSAD Research Corporation estimates that, even in the long run, there likely will be two million fewer jobs in the most heavily impacted industries and communities.¹¹

The electric power industry would be hardest hit in terms of cost increases. But the ramifications of the heavy new tax would also fall on the companies that supply goods and services to the electric utilities and the many more industries that use electricity. Electric power is a significant input in virtually all manufacturing. Increasing the production cost of key industrial sectors of the American economy would harm national productivity and reduce our international competitiveness.

Ultimately, some new employment will be stimulated because of an increased demand for alternative energy technology and products. But those new jobs more likely will be positions for the children of today's workers than for the current generation of employees.

Conclusion

There is little risk in delaying our response to the century-old problem of global warming. Even under the scariest scenarios, the annual changes in the global climate are very small. According to the Marshall Institute, a five-year delay will cause an increase in the world's temperature by, at most, an additional one-tenth of a degree over the next century.¹² Given the intellectual resources being devoted to global climate research, our scientific understanding should be substantially improved within that five year time frame.

Instead of adopting panicky and premature actions that would at best only slow down the further growth of CO₂, it makes sense to use the same resources — a hundred billion dollars a year or more¹³ — to increase our economic strength. In that way, the United States will have the resources to devote to global warming and other environmental issues if and when sensible remedies are shown to be needed, and are developed.

Why "Earth Summit" May Be a Big Fizzle

Meanwhile, the planners for Earth Summit, the UN-sponsored world meeting scheduled in Rio de Janeiro this June, seem anxious to place the blame for the likely shortcomings on the United States. After all, in many ways, our national delegation is playing the reluctant dragon in the various preparatory meetings leading up to Rio (technically, the UN Conference on Environment and Development).

Nevertheless, examining the plans for Earth Summit reveals that, if the poorly designed effort fails, it will be the fault of the people running the show. No unwarranted sense of guilt should propel the United States to embrace the overly ambitious agenda developed by the conference planners — such as a grandiose Earth Charter. I believe that it is unfortunate that the federal government apparently is agreeing to the many provisions of the "watered

down" global climate draft treaty, notably some type of commitment to finance the environmental actions of other nations.

There are at least six good reasons why this excessively ballyhooed conference ("the largest meeting in the history of the world") is unlikely to achieve its goals:

1. *The man in charge, Canadian Maurice Strong, has set the wrong tone.* He is using the most hysterical rhetoric heard since the height of the Cold War. In the official UN materials, he warns of "the environmental crisis which threatens the collapse of the planet."¹⁴ Here's another gem of his, "We need to hold governments accountable and they need to be told what we want."¹⁵ (That's supposedly a UN staffer speaking to sovereign nations.)

2. *The conference planners have not seriously thought through what is feasible to accomplish at an international confab.* Otherwise, how could they have written such gibberish as, "Before agreeing on what must be done, the conference must devise plans for sustainable economic development"?¹⁶ Nor is it the fault of the United States that the conference promoters drafted a lofty "Earth Charter" which proclaims, "Institutions at all levels of society must adopt practical forms of problem solving at the most basic, workable level to remain true to the requirements of universal responsibility and participation."¹⁷ Alas, that was no temporary misstep.

Surely a new level of bombast is achieved in the April 1992 draft of the declaration of principles by national leaders attending Earth Summit. Here is proposed Principle 21: "The creativity, ideals and courage of the youth of the world should be mobilized to forge a global partnership in order to achieve sustainable development and insure a better future for all." The only wonder is that the governments of nations other than our own have not simply laughed at such sophomoric theorizing.

3. *The conference leaders are unable to say no to any pressure group.* The proposed agenda covers a weird assortment of actual and imagined ills and challenges. Very few relate to the environment. Eradication of poverty, birth control, improving the quality of life, "cross-cultural issues," and changing the incentives and penalties that motivate economic

behavior are a few examples of the diversity of the issues Earth Summit will attempt to address.¹⁸ All this sets the stage for an unworkable meeting.

4. *The conference proposals pay little heed to science or economics, although they give lip service to both.* Of course, Americans are put off by a draft of a charter that contains blank checks such as, "Wealth and progress must be democratically redefined."¹⁹ Given the large number of very small nations that dominate UN conferences, that high-blown language is a facade for redistributing income and wealth. It is sad that a conference supposedly dealing with environment and development ignores the creation of income and wealth.

When the proposal drafters tackle issues with important economic implications, they are oblivious to the rudiments of economic analysis. They give virtually no attention to the role of the price system in avoiding resource depletion. The Rio planners seem oblivious to the adjustment process that has successfully worked over the centuries. As specific resources become scarce, their prices rise; enterprises are encouraged to develop alternatives and consumers to shift the pattern of their purchases.

As for the impact of science on Earth Summit, the effort to force the participating nations into a straitjacket approach to global warming ignores the substantial new research on the part of scientific experts in this field.

5. *The conference planners cannot make up their minds as to the purpose of the Rio meeting.* Sometimes, they opt for a media circus with a cast of tens of thousands, including official governmental representatives, supporting technical experts, and members of certified nongovernmental organizations. That category includes ecologists, architects, scientists, business executives, feminists, student leaders, indigenous Indians, and social workers.

A few of the brainstormers are truly wild — such as getting women from the Rio slums to surround the conference hall and bang cooking pots and pans. Supposedly, that cacophony will represent the reality that the delegates should respond to. On other occasions, however, the preparatory commission has encouraged the preparation of serious papers intended for a far more technical audience than is being assembled in Rio.

6. Finally, the conference "ingroup" is ambivalent about the role of the United States.

They berate this nation for not taking the leadership — but they insist that we promote their ill-designed agenda. A leading advocacy group for Earth Summit, the U.S. Citizens' Network on the United Nations, does not hide the underlying agenda of the conference planners.

The Network's Guide to Earth Summit states that the proposed Earth Charter would, on the one hand, "guarantee the rights of countries in the South [a euphemism for the developing nations] to continue their policies of economic development." However, the charter would "safeguard against destructive practices in the North" [the industrialized nations].²⁰

It is nonsensical to expect the United States to take the lead in an effort to absolve the developing nations from all blame for environmental problems while placing the onus solely on the developed countries.²¹ There is no factual basis for this dichotomy, which occurs all through the Earth Summit material.

Then consider again the views of the U.S. Citizens' Network on the United Nations, ". . . we're really trying to restructure society in a peaceful way . . . we're trying to figure out how to do it right."²² Why should the United States want to take the lead in pushing such hokum?

Final Thought

A carefully crafted effort for international cooperation on environmental matters might have achieved some real progress. But that would have meant focusing on a more specific and realistic agenda of environmental improvement than is being planned for Earth Summit. It would require the planners to forego the temptation to remake the world by raising such grand issues as unifying the peoples of the globe and changing the fundamental nature of economic institutions. But the attitude of omniscience and omnipotence on the part of the conference planners reveals, in the words of the late Friedrich Hayek, their fatal conceit.

NOTES

1. A full page ad gushes forth, "The way we look at it, this could be our last chance to do something to help the Earth, and we don't plan to blow it." *Fortune*, August 26, 1991, p. S-35. The October 28, 1991 issue of *Business Week* advertises a conference on "Saving the Planet." The National Audubon Society is quoted as saying that Earth Summit will be "the most important meeting in the history of mankind" (Rose Gutfeld, "Earth Summit Has Put Bush on the Spot," *Wall Street Journal*, April 7, 1992, p. A2).
2. See S. Fred Singer, "Global Warming: Do We Know Enough to Act?", in Kenneth Chilton and Melinda Warren, editors, *Environmental Protection: Regulating for Results* (Boulder: Westview Press, 1991), pp. 35-37; Robert C. Balling, Jr., *The Heated Debate: Greenhouse Predictions Versus Climate Reality* (San Francisco: Pacific Research Institute, 1992); *Global Warming Update: Recent Scientific Findings* (Washington, D.C.: George C. Marshall Institute, 1992).
3. Patrick J. Michaels, "Greenhouse Disaster?", submitted to *Science*, 1990.
4. R. d'Arge et al, in CIAP Monograph 6, DOT-TST-75-56 (Washington, D.C.: U.S. Department of Transportation, 1975).
5. Singer, "Global Warming," pp. 41-42.
6. Nigel Calder, "In the Grip of a New Ice Age," *International Wildlife*, July 1975. These and other pertinent quotations appear in Dixy Lee Ray, "Up in the Air," *Eco-Logic*, March 1992, pp. 16-17.
7. Reid Bryson, "Environmental Roulette," in John P. Holdren and Paul R. Ehrlich, eds., *Global Ecology: Readings Toward a National Strategy for Man*, 1971.
8. Balling, *Heated Debate*.
9. *Global Warming Update*.
10. Murray Weidenbaum, *A Bipartisan Approach to Economic Policy*, Occasional Paper 100 (St. Louis: Washington University, Center for the Study of American Business, 1991).
11. Wilbur Steger, *Jobs-At-Risk: Near Term Economic Effects of Global Climate Policy Options* (Pittsburgh: CONSAD Research Corporation, 1992).
12. *Global Warming Update*.
13. Alan S. Manne and Richard G. Richels, "Global CO₂ Emission Reductions — the Impacts of Rising Energy Costs," *Energy Journal* (1991, Vol. 12).
14. United Nations Conference on Environment and Development, *Earth Summit In Focus, Number 1*, UN Document DPI/1160 (New York: United Nations Department of Public Information, September 1991), p. 1.
15. *Ibid.*, p. 8.
16. *Ibid.*, p. 1.

17. See Angela Harkavy, "The Results of PrepCOM III: The Third Preparatory Committee Negotiating Session for UNCED" (Washington, D.C.: U.S. Citizens' Network For UNCED, November 1991).
18. United Nations Conference on Environment and Development, *Earth Summit In Focus, Number 3*, UN Document DPI/1161 (New York: United Nations Department of Public Information, September 1991).
19. Harkavy, "Results of PrepCOM III."
20. *An Introductory Guide to The Earth Summit* (San Francisco: U.S. Citizens' Network on the United Nations, 1991), p. 16.
21. "No to Ecological Bankruptcy," *International Business*, December 1991, p. 89.
22. Lucia Mouat, "Small Steps to Saving the Planet," *Christian Science Monitor*, March 12, 1992, p. 4.