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THE ROAD TO KYOTO: HOW THE GLOBAL CLIMATE TREATY FOSTERS ECONOMIC IMPOVERISHMENT AND ENDANGERS U.S. SOVEREIGNTY

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"The forthcoming Conference...on Climate Change...in Kyoto...is the next occasion where the Environmentalists will seek to build their Berlin Wall. That Wall will take the form of an international institution...empowered to monitor, and regulate, the CO_2 emissions of the countries who sign the Kyoto Protocol, and, presumably impose penalties upon those countries...."

—NR Evans, Executive Officer, WMC Resources Ltd., Australia[2]

Chicken Little is back and the sky is falling. Or so suggests the Clinton Administration, poised to finalize the elements of a new, far-reaching international agreement on "greenhouse gas" emissions in Kyoto, Japan, in December. The United Nations Framework Convention on Climate Change (UNFCCC), signed by over 150

1 The authors wish to thank research intern Alan Silverleib, a 1996 graduate of Johns Hopkins University, for his significant contribution to this paper. Alan has since left Heritage to begin graduate studies at Harvard University. We also wish to acknowledge the untiring efforts of Janice A. Smith and Evelyn Elmers of The Heritage Foundation's Domestic Policy staff.

2 NR Evans, "Conservatives and Environmentalism," statement before the International Conservative Congress, Washington, D.C., September 28, 1997.

countries following the 1992 Earth Summit in Rio de Janeiro, attempts to prevent a climatic catastrophe brought on by global warming. However, the Administration is planning on inserting restrictions on emissions[3] that will lock the United States in a costly and lopsided agreement that will affect every aspect of the U.S. economy—from how Americans feed their families and heat their homes to what cars they will drive. Ultimately, the treaty's restrictions will force Americans to sacrifice their personal and economic freedom to the whims of a new international bureaucracy. The long-range economic and political consequences will be devastating.

On October 1, 1997, President Bill Clinton told more than 100 meteorologists that he was convinced by scientific theories that the climate is warming because of increased emissions, and that the consequences "won't be good."[4] By championing the global warming treaty, the Administration seeks to pacify a vociferous lobby which frequently has made unsubstantiated predictions of environmental doom, but only rarely has been challenged to justify them. Perhaps the most disturbing aspect of this rush to impose the UNFCCC's economically devastating, legally binding, and internationally enforceable limits on the American people, however, is that there is still no consensus in the scientific community either on the causes of global warming or on the extent to which it may threaten future generations. For example:

- A 1992 Gallup poll found that only 17 percent of the members of the Meteorological Society and the American Geophysical Society think global warming in the 20th century has been the result of greenhouse gas emissions, principally carbon dioxide from burning fossil fuels.[5]
- Only 13 percent of climate scientists polled in a 1992 Greenpeace survey believe that runaway global warming will occur as a consequence of continuing current patterns of energy use.[6]
- Scientists in a May 1997 article in *Science* estimated that it will be a decade or longer before they will know whether human activity is, in fact, causing climate changes.[7]

Despite such admissions from the scientific community, environmentalists continue to espouse the need to cut back on man-made emissions of greenhouse gases like carbon dioxide or face deadly consequences later. Do it, they exhort, or the atmosphere will warm to the point where melting ice caps cause devastating floods and drought-induced crop failures trigger global famine. Do it, they admonish, so that future generations will not be forced to live in a world permanently damaged by environmental recklessness and an obsession with economic growth at the expense of all else. Do it, they promise, because the costs are minimal and the benefits incalculable.

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3 Timothy E. Wirth, Under Secretary of State for Global Affairs, remarks before Subcommittee on Energy and Power, Committee on Commerce, U.S. House of Representatives, July 15, 1997.

4 Randall Mikkelson, "Forecasters Get a Day at the White House," Reuters News Service, October 1, 1997.

5 H. Sterling Burnett, "Myths of Global Warming," National Center for Policy Analysis *Brief Analysis* No. 230, May 23, 1997, p. 1.

6 *Ibid.*

7 Richard A. Kerr, "Greenhouse Forecasting Still Cloudy," *Science,* Vol. 276 (May 16, 1997), p. 1042; also available on the Internet at *http://www.umi.com/pqdwe...Deli=1+Mtd=2+ReqType=309.*

But Americans and Congress should be responding: Is it really this simple? Is the science behind the global warming phenomenon this precise? Will the economic costs really be minimal? Will countries be judged equally and fairly in the quest for "safer" skies? Who will write the new regulations? The Kyoto Protocol to the UNFCCC to be considered in December will impose economically devastating, legally binding limits on U.S. citizens and businesses. Considering the far-reaching consequences of the treaty, the facts about climate change, greenhouse gases, and international emissions regulations must be brought to light.

Congress, as the most accurate reflection of the will of the American public, needs to take action now. Specifically, it should:

- **Reaffirm and enhance the principles outlined in Senate Resolution 98.** The United States should not sign any global climate change treaty with mandatory emission reduction targets that fails to hold developing countries to the same standards or results in serious harm to the U.S. economy. The Administration should be required to submit a cost-impact statement and an explanation of the legislative and regulatory requirements resulting from any global warming accord requiring Senate approval.
- **Hold the Administration accountable through public hearings on the scientific, economic, and political issues surrounding global warming.** Well-publicized hearings would shed light on such issues as the scientific assumptions behind the global warming theory, the economic ramifications of binding emissions reductions, and national sovereignty. The Clinton Administration should be made to explain to the American people its rationale for moving forward with negotiations on the treaty in light of the profound lack of scientific evidence on global warming.
- **Attend, monitor, and as much as possible participate in international negotiations to ensure that U.S. interests are protected.** Experience shows that the Clinton Administration cannot be trusted to be forthright with Congress on the position it will take in treaty negotiations. Clearly, the Administration feels free to contradict its statements before Congress when it is negotiating abroad. Members of Congress should attend the negotiating sessions to ensure that the Administration adheres to all of its commitments.
- **Do not agree to any treaty that is unfavorable to U.S. interests.** Any global warming treaty that binds the United States to specific, mandatory emissions reductions and is enforced by bureaucrats at the United Nations (U.N.) is unacceptable. The Senate should use its constitutional power of advice and consent to block further moves toward finalization of the global climate treaty.

HOW REAL IS THE GLOBAL WARMING THREAT?

As recent articles have indicated,[8] it may take scientists more than a decade to determine whether, and how, human activity may be causing changes in the climate. Global warming and global cooling are general historical trends. The global warming theorists believe that man-made gases will warm the Earth's atmosphere to dangerous levels, thereby endangering life on the planet. Although many Americans are familiar with the

8 *Ibid.*

topic of global warming, few understand its scientific elements, and their understanding is complicated by a general confusion between global warming and what is known as the "greenhouse effect."

The term *greenhouse effect* refers to the Earth's release of certain gases, called greenhouse gases, which enable the atmosphere to retain some of the heat received from the Sun instead of reflecting all of it back into space. These gases, which include carbon dioxide, methane, nitrogen oxide, and water vapor, have the same effect as the glass exterior of a greenhouse: They are able to maintain a higher average temperature and a more even temperature on the Earth's surface than otherwise would be the case. The temperature created by this greenhouse effect makes plant and animal life possible. Contrary to popular belief, *all* scientists agree that the greenhouse effect is desirable. Without it, life as it exists today would end because global temperatures would plummet to an average of -18° Celsius, or 0° Fahrenheit.

The theory of *global warming* (technically known as the "enhanced greenhouse effect"), however, rests on a claim that certain gases released by human activity will warm the planet significantly beyond normal greenhouse levels. These gases include carbon dioxide, other gases released naturally into the atmosphere,[9] and chlorofluorocarbons (CFCs), the man-made gases associated chiefly with refrigeration. The supposed need for an international global warming treaty is based on a belief that the human-released gases so enhance the greenhouse effect that undesirable changes in weather patterns will ensue, leading to crop failures, flooding, and other disasters that will take decades to reverse. Thus, the Clinton Administration would argue, to prevent the "sky from falling," action must be taken now.[10]

The Lack of Scientific Consensus

The scientific community is not so certain of imminent climatic disaster. Extensive polling of the scientific community has revealed a continuing, deep skepticism about the looming environmental catastrophe predicted by the media, extremist environmental organizations, and allies of the "public interest." In fact, over 100 noted scientists, including the former president of the National Academy of Sciences, signed the 1995 Leipzig Declaration stating that costly actions undertaken to reduce greenhouse emissions are not justified by the available scientific evidence.[11]

There are two major reasons that such skepticism is justified:

First, the educated opinions of scientists increasingly take a back seat to the agenda of politicians on this issue. In 1995, after months of extensive scientific debate and a lengthy peer review process, a U.N.-appointed commission produced an initial draft report on the issue of global warming which concluded that "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 gas emissions."[12] This clearly stated conclusion must not have pleased U.N. officials. As noted by James Sheehan of the Competitive Enterprise Institute,

9 Water vapor, the primary greenhouse gas, is not increased by human activity. Water vapor and clouds account for 98 percent of the greenhouse effect.

10 John Shanahan, "Clinton's 'Voluntary' Global Warming Plan: Expensive, Ineffective, and Unnecessary," Heritage Foundation *Backgrounder* No. 995, August 3, 1994, p. 3.

11 Frances B. Smith, "The Global Warming Treaty: For U.S. Consumers—All Pain, No Gain," National Center for Policy Analysis, August 20, 1997, p. 2.

between the writing of this initial draft and the release of the final edited version, a number of significant alterations substantially transformed the report's tone.[13] Sentences questioning global warming theory had been deleted or changed, and new lines inserted that pointed to a very different conclusion: "Implicit in these global mean results is a weak attribution statement—if the observed global mean changes over the last 20 to 50 years cannot be fully explained by natural climate variability, some (unknown) fraction of the changes must be due to human influences."[14]

Such distortions in the report were quickly condemned by a host of leading scientific authorities. In an article for *The Wall Street Journal,* former National Academy of Sciences President Frederick Seitz argued that the changes violated standard scientific procedures and were "a disturbing corruption of the peer review process" which could "deceive policymakers and the public into believing that the scientific evidence shows human activities are causing global warming."[15]

Second, the scientific community has learned from its own past record on making predictions about global warming. All too often, its own opinion was shaped by knee-jerk reactions to short-term weather patterns. In the 1950s, for example, the previously obscure global warming theory gained some prominence when the country was faced with a string of unusually hot summers. A decade later, as temperatures dropped, a fear arose that the increased amount of dust generated by the rising level of human economic activity would usher the Earth into a new ice age. As a prominent producer of scientific television documentaries observed in a July 1995 issue of *International Wildlife,* "The facts have emerged in the recent years and months, from research into past ice ages. They imply that the threat of a new ice age must now stand alongside nuclear war as a likely source of wholesale death and misery for mankind."[16] *Science Digest* declared: "At this point, the world's climatologists are agreed on only two things: That we do not have the comfortable distance of tens of thousands of years to prepare for the next ice age, and that how carefully we monitor our atmospheric pollution will have a direct bearing on the arrival and nature of this weather crisis."[17]

As temperatures began to climb again in the late 1970s, the imminent threat of a new ice age was replaced by the threat of global warming. In June 1988, physicist James Hansen, chief of NASA's Goddard Institute for Space Studies, testified before the U.S. Senate that the full force of human-induced global warming had arrived.[18] He argued that "global warming is now sufficiently large that we can ascribe with a high degree of confidence a cause and effect relationship to the greenhouse effect." In support of this argument, he predicted that 1988 would be the warmest year on record, barring any "remarkable and

12 Draft Report, IPCC Working Group I, Fifth Session, *Detection of Climate Change and Attribution of Causes,* October 9, 1995, pp. 8, 13.

13 James M. Sheehan, "The Global Warming Hype Is Purely Political," *The Orange County Register,* October 11, 1996.

14 Intergovernmental Panel on Climate Change, "Detection of Climate Change and Attribution of Causes," *Climate Change 1995: The Science of Climate Change* (Cambridge University Press, 1996), p. 430. Contribution of Working Group I to the Second Assessment Report of the Intergovernmental Panel on Climate Change.

15 Sheehan, "The Global Warming Hype Is Purely Political."

16 Nigel Calder, former editor, *New Scientist,* from "In the Grip of a New Ice Age," *International Wildlife,* July 1975, quoted in Anna J. Bray, "The Ice Age Cometh: Remembering the Scare of Global Cooling," *Policy Review* No. 58 (Fall 1991), p. 82.

17 Douglas Colligan, "Brace Yourself for Another Ice Age," *Science Digest,* February 1973.

18 Testimony before Committee on Energy and Natural Resources, U.S. Senate, June 23, 1988.

improbable" cooling. Ironically, almost immediately after Hansen made his highly publicized remarks, the "remarkable and improbable" did occur as a massive cold front settled over Siberia, bringing average Northern Hemisphere temperatures downward.

Given this shaky record on forecasting global climate changes correctly, it is understandable that caution is now the watchword in scientific attempts to identify the problem of global warming—if indeed there is one. As J. Murray Mitchell of the National Oceanic and Atmospheric Administration noted in 1976, "The media are having a lot of fun with this situation. Whenever there is a cold wave, they seek out a proponent of the ice-age-is-coming school and put his theories on page one.... Whenever there is a heat wave...they turn to his opposite number, [who predicts] a kind of heat death of the earth."[19]

Taken together, these statements from the scientific community show there is little professional consensus on global warming. Those who wish to take a cool, critical look at the global warming theory and the science behind climate change would do well to tune out the hysterical predictions in the media and the gloomy warnings of the environmental movement.

The Nebulous Myths About Global Warming

Currently, there are only two universally accepted facts that address the theory of global warming:

First, since the dawn of the pre-industrial age around 1750, atmospheric concentrations of greenhouse gases such as carbon dioxide, methane, and nitrous oxide have increased by roughly 30 percent, 145 percent, and 15 percent, respectively.

Second, over the past 120 years, the average global temperature has risen approximately 0.5° Celsius, or 0.9° Fahrenheit.[20]

There still is, however, no conclusive evidence—either historical or scientific—linking these facts together or indicating that they necessarily serve as a prelude to any unnatural temperature increases in the future. Several key observations reinforce this point:

- Almost two-thirds of the global temperature variation over the past 100 years actually occurred *before* the post–World War II increase in CO_2 emissions.[21]
- Global satellite technology and data—the most reliable measurement of climate change—have shown that over the past 18 years, there actually has been a global cooling of 0.09° degrees Celsius.[22]
- The temperature increases already experienced over the past 120 years are well within the natural range of known temperature variation for the previous 15,000 years.[23]

19 Bray, "The Ice Age Cometh."
20 Business Roundtable, "Rush to Judgment: Understanding Global Climate Change," April 1997, pp. 2–3.
21 William F. O'Keefe, chairman, Global Climate Coalition, quoted in "Administration's Climate Policies Could Kill 500,000 Jobs Annually," *Business Wire,* March 25, 1997.
22 Robert C. Balling, "Calmer Weather: The Spin on Greenhouse Hurricanes," CEI Environmental Studies Program, May 1997, p. 14.
23 Burnett, "Myths of Global Warming."

Indeed, the history of global climate change has always been one of significant temperature fluctuation. The last major ice age ended only a few thousand years ago and was followed by a series of much warmer centuries. In the 11th century, when the Vikings colonized Greenland, it was a thriving, verdant land with an extensive forest covering. Only 300 years later, the Vikings abandoned their colony as icebergs surrounded the island. An era of cooler global temperatures lasted until the mid-19th century, when the current period of warming began. Thus, global patterns of temperature fluctuation are common and are very likely to continue.

One apocalyptic claim advanced by the most obstinate advocates of stricter emissions standards is that human-caused global warming will create an environmental catastrophe along coastal regions through higher sea levels and increased hurricane activity. But this claim, too, has been called into doubt by a number of reputable scientists, including those appointed to the U.N. Intergovernmental Panel on Climate Change (IPCC) to study the causes and effects of global climate warming. These scientists pointed out that, although sea levels are indeed rising around the globe (albeit not uniformly), they have risen over 300 feet over the past 18,000 years—

The Use of Computer Modeling to Predict Warming Trends

Uncertainties surround the use of computer modeling to simulate trends in the Earth's climate in order to predict climatic changes in the future. Currently, climate forecasters predict global warming trends by constructing mathematical models which recreate the global climate process as closely as possible. After running the model, they test it by comparing its results with the traditional climate record.

Two unresolved problems raise questions about the validity of predictions resulting from this modeling: (1) the lack of computer power to run a complete model and (2) an incomplete base of knowledge of how the real climate system works. According to an article in the May 1997 issue of *Science,* there are no fewer than 14 orders of magnitude of scale in the climate systems, ranging from the planetary scale down to the scale of one of the little aerosol particles on which water vapor can change phase to a liquid (or cloud particle). Currently, researchers are only able to model the two largest orders of magnitude: the planetary scale and the scale of weather disturbances. In order to construct a complete climate system model incorporating all 14 scales, researchers will need much greater computer power than is now available. In fact, it has been estimated that they will need 10^{36} to 10^{37} more power before the global climate change models will be complete.

Even if there were enough computer power available to run a complete model, researchers would still disagree over vital climate change questions, such as the overall impact of clouds on the Earth's climate. Robert Cess, a modeler and cloud specialist from the State University of New York at Stony Brook, has stated that "It's not clear to me that we have clouds right by any stretch of the imagination."[1] For example, a climate model developed at the British Meteorological Office's Hadley Center for Climate Prediction and Research predicted that an Earth with twice the pre-industrial level of carbon dioxide would warm by a potentially devastating 5.2° Celsius. But when the Center's modelers subsequently made two alterations in the model's clouds—how fast precipitation fell out of differing cloud types, and how sunlight and radiant heat interacted with clouds—the model's response to a doubling of carbon dioxide dropped dramatically, from 5.2° Celsius to a far more modest 1.9° Celsius.

1 Richard A. Kerr, "Greenhouse Forecasting Still Cloudy," *Science,* Vol. 276 (May 16, 1997).

long predating any possible human impact. Rising sea levels are a natural occurrence between ice ages; in fact, the current rate of increase is slower than the average rate over an 18,000-year period.

Recent data also undermine the theory that human-caused climate changes will lead to frequent tropical cyclones or intense hurricanes. Since the 1940s, the National Oceanographic and Meteorological Laboratory has documented a decrease in the intensity and number of hurricanes. From 1991 to 1995, relatively few hurricanes occurred; even the intense 1995 hurricane season did not reverse this downward trend.[24] A 1996 IPCC report on climate change predicted that a significant worldwide increase in tropical storms is unlikely.[25] Factors other than ocean temperature, including wind speeds at various altitudes, play a much larger role than previously thought. Therefore, while some regions may experience an increase in storm activity in the future, others are just as likely to experience a decrease.[26]

A report published in the U.N.'s *Climate Change Bulletin* said that of 400 climate scientists surveyed in Germany, Canada, and the United States, the vast majority could not agree with the statement that "global warming is a process that is already underway." In Canada, 67 percent of the climate scientists could not agree with that statement; in Germany, 87 percent of the scientists could not agree with it; and in the United States, 97 percent could not agree with a statement that global warming is already occurring.[27] With such uncertainty surrounding the theory on which international global warming policy is based, the wisdom of committing the United States to a potentially economically debilitating course of action is at best questionable. Considering that a 1995 analysis by climatologists T. M. L. Wigley, R. Richels, and J. A. Edmonds concluded that world governments could wait up to 25 years to take action without inflicting any additional harm on the environment,[28] the Clinton Administration's pressure to sign on to the Kyoto Protocol should be a concern. Congress should insist that the government take the time necessary to perfect the science of measuring the impact of emissions on climate before it accepts the new global agreement's emissions standards.

THE CURRENT GOVERNING AGREEMENTS

Since 1992, the driving force behind the international movement to impose further restrictions on emissions of carbon dioxide and other greenhouse gases has been the United Nations Framework Convention on Climate Change (UNFCCC). Signed by the United States, the European Economic Community (EEC), and the representatives of over 150 countries following the U.N. Conference on Environment and Development (the Rio Earth Summit), the Convention entered into force in March 1994. Its ultimate goal was to stabilize the atmospheric concentrations of greenhouse gases at levels that will prevent interference in the climate system.

24 Jonathan H. Adler, "Hurricane Hype," Competitive Enterprise Institute, *CEI Update,* Vol. 10, No. 6 (June 1997).

25 Intergovernmental Panel on Climate Change, "Summary for Policymakers: The Science of Climate Change—IPCC Working Group I," available on the Internet at *http://www.ipcc.ch/cc95/wg1.htm#five.*

26 Burnett, "Myths of Global Warming."

27 Henry Lamb, "Climate Change Policies Cost More Than Money," Presentation of the Environmental Conservation Organization to National Mining Association Mining Convention, September 30, 1997.

28 Burnett, "Myths of Global Warming."

The U.N. Framework Convention on Climate Change

The 1992 United Nations Framework Convention on Climate Change committed 36 "Annex I" countries (generally, the industrialized world) and the European Community[29] to a non-binding goal of reducing greenhouse gas emissions to 1990 levels by the year 2000 (see Appendix). However, "Annex II" nations, including India, China, Brazil, Indonesia, and South Korea, were not given any specific emissions reduction goals. Instead, Annex II nations would be required only to report "emissions inventories" of greenhouse gases. Furthermore, only Annex I nations would be responsible for financing the implementation of the UNFCCC and for providing developing nations with the necessary technical assistance to reduce their greenhouse gases as they industrialize their economies.[30] Although the UNFCCC instituted only voluntary goals, the Clinton Administration and various environmental groups have acted as if they were binding.

THE ADMINISTRATION'S U.S. CLIMATE CHANGE ACTION PLAN

In October 1993, the Clinton Administration unveiled the U.S. Climate Change Action Plan (CCAP), the domestic policy blueprint for U.S. compliance with the UNFCCC. Though the goal of reaching 1990 emissions levels by the year 2000 was non-binding, the CCAP established the government's intention to meet this goal. The CCAP requires both increased federal spending and increased federal regulatory activity and includes a broad range of initiatives designed primarily to encourage companies and households—by persuasion, by education, and in some instances by compulsion—to reduce greenhouse gas emissions such as carbon dioxide and methane. These reductions would be accomplished by such means as reducing energy consumption (which produces greenhouse gases) and limiting methane releases from dumps or landfills.

In all, the CCAP included 44 different initiatives ranging from mandates that household appliances and buildings be more energy-efficient to increased government funding of the Green Lights Program, an educational program of the Bush Administration to show companies how they could reduce energy consumption and save money. Other initiatives aimed at persuading companies to reduce emissions without legislative mandates included federally funded programs on Source Reduction, Pollution Reduction, and Recycling. One initiative even sought to reduce methane emissions by regulating cow flatulence (through improved techniques of beef production).[31]

The costs of the Administration's Climate Change Action Plan have been estimated to be much higher than the official Administration estimates of $63.4 billion.[32] It is also projected that emissions will be 13 percent or more above the promised target.[33] Yet in spite of the government's best efforts, it is becoming more likely that the United States, along with most of the other Annex I countries, will be unable to reach the goal of 1990 emissions levels by the year 2000.

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29 Annex I countries include the members of the Organization for Economic Cooperation and Development (OECD) and East European states.

30 Business Roundtable, "Rush to Judgment," p. 7.

31 Shanahan, "Clinton's 'Voluntary' Global Warming Plan," p. 3.

32 *Ibid.*

33 Fred Hiatt, "No Credible Goal for Global Warming," *The Washington Post,* June 11, 1997, p. A23.

The Berlin Mandate. Despite progress toward the voluntary emissions goals, the representatives at the first Conference of Parties to the UNFCCC (COP–1), which had convened in Berlin in 1995 to track progress under the terms established at Rio de Janeiro in 1992, decided that voluntary provisions were not effective and began to consider legally binding commitments. Though no substantive changes in the UNFCCC were adopted in Berlin, several significant steps toward legally binding emissions requirements were taken. Under the new guidelines, Annex I countries reaffirmed their goal to reduce greenhouse gas emissions to 1990 levels by the year 2000. Further, the Annex I countries pledged to implement policies sufficient to meet specific limitation and reduction objectives within declared deadlines. The Berlin Mandate also chastised Annex I countries for not sending financial and technical assistance in support of treaty objectives to the Annex II countries as previously agreed.

The Berlin Mandate created a subsidiary Convention body—the Ad Hoc Group on the Berlin Mandate, or AGBM—and tasked it with negotiating the terms of the post-2000 treaty and setting the agenda for future meetings on the UNFCCC. Since its inception, the AGBM has met every few months to reach an agreement for presentation at the upcoming third Conference of Parties (COP–3) in Kyoto on December 1, 1997.

The Clinton Administration officially announced U.S. support of mandatory, legally binding emissions controls at the July 1996 COP–2 meeting in Geneva, convened to consider the Second Scientific Assessment Report of the IPCC. This support for legally binding commitments essentially ended any possibility of keeping emissions controls voluntary. As a result, any UNFCCC agreement reached in Kyoto is likely to contain language that would impose mandatory emissions restrictions on Annex I countries. These controls could include carbon taxes or new regulations created to reduce greenhouse gas emissions. Despite growing levels of emissions from Annex II countries, as part of the developing world, these countries would be exempt from mandatory emissions controls.

The Clinton Administration's Compulsory Emissions Controls Proposal. The Ad Hoc Group negotiations have created a new series of divisions, both within the United States and with its traditional European allies. At home, the Clinton Administration caused a stir by abandoning a long-held U.S. position supporting voluntary emissions reductions in favor of a new proposal including compulsory emissions controls. Currently, the Administration insists that five key components must be included in any global warming treaty emerging from the Kyoto conference. These components, based on a series of principles announced at COP–2 and elaborated in early 1997, require:

- The creation of compulsory "emissions budgets" for industrialized countries. Details such as the size or duration of these budgets are not clear, although multiple emissions budget periods would be created and would include a second period in which emissions must be equal to or less than the first period to ensure continued progress toward the Convention's objective.
- The ability of countries to "bank," "borrow," or "trade" emissions under an international emissions permit system. "Joint implementation" would be provided to allow countries without emissions budgets to create and transfer emissions reduction "credits" achieved by qualified projects.

- Strengthening the obligations of developing countries by encouraging them to adopt the emissions budgets voluntarily; requiring them to identify and adopt measures to mitigate net greenhouse gas emissions (the so-called no-regrets measures that can be justified without regard to their role in reducing greenhouse gas emissions); and establishing a process for reviewing country reports and improving emissions reduction strategies.
- Setting a specific date by which all parties, including developing countries, would incur emissions obligations.
- The establishment of both a long-term goal and an occasional review of the agreement as scientific understanding of the issue of global climate change expands.[34]

Although it is comprehensive, the Administration's proposal does not address several crucial details, perhaps because its staff failed to reach consensus on those issues. The most glaring omission pertains to the question of the size and duration of emissions budgets—a major point of contention within the Administration as well as with various member states of the European Union (EU). Although such agencies as the Environmental Protection Agency (EPA) and member states of the EU push for a shorter three-year budget period, economic agencies within the U.S. government such as the Treasury and Energy Departments promote a longer timetable of, say, ten years in order to provide the maximum level of flexibility as countries attempt to adapt to the new climate change requirements. The EU has proposed an eventual reduction of carbon dioxide, methane, and nitrous oxide emissions to 15 percent below 1990 levels by 2010. The Administration has not supported this proposal, and is more likely to push for fewer mandatory reductions.

Meanwhile, members of the Alliance of Small Island States (AOSIS) want to go even further than the EU, claiming they will face the most severe danger if global warming leads to higher ocean levels. AOSIS members are pushing for stabilization of greenhouse gases at 20 percent below 1990 levels by 2005, a scenario which is highly improbable given the costs it would force on Annex I states. Finally, such countries as Australia and Norway take an entirely different route, proposing a system of differentiated targets for reducing greenhouse gases, which would mean that overall reduction targets would be allocated among the developed states according to their individual circumstances.[35] Thus, even at this late point, there is no consensus on how to proceed in finalizing the UNFCCC.

WHAT'S AT STAKE FOR THE UNITED STATES

Despite a combination of low inflation, increased productivity, and relatively low unemployment, the U.S. economy is holding at a stable but historically low growth rate of 2 percent. However, even this modest economic growth could not be maintained under the UNFCCC. New emissions control standards would raise electricity prices by from 40 percent to 50 percent, the price of gasoline by 70 cents per gallon, and the cost of primary metals from 4 percent to 10 percent, in addition to causing massive layoffs.[36] The economic consequences of moving forward on the proposed post-2000 global warming treaty

34 Business Roundtable, "Rush to Judgment," p. 8.

35 *Ibid.*, p. 7.

36 Richard L. Lawson, "Global Warming Treaty Could Freeze U.S. Economic Growth," Washington Legal Foundation *Legal Backgrounder,* Vol. 12, No. 16 (May 2, 1997).

would be devastating for Americans. In fact, a study performed by the Argonne National Laboratory for the U.S. Department of Energy[37] in February 1997 predicted that the protocol now being discussed would cause:

- 20 to 30 percent of the basic chemical industry to move to developing countries within 15 or 20 years;
- All primary aluminum smelters to close by 2010;
- A 30 percent decline in the number of steel producers at a cost of 100,000 jobs;
- Domestic paper production to be displaced by imports;
- A 20 percent reduction in the output of petroleum refiners; and
- The closing of between 23 percent and 35 percent of the cement industry, which is significant because many cement plants are major employers in small communities.

This study was suppressed by the Clinton Administration for several months, and it continues to be ignored. The Clinton Administration is trying to debunk the use of economic modeling to capture the magnitude of the treaty's economic impacts. Recently, the Administration's Interagency Analytical Team released a draft report entitled "Economic Effects of Global Climate Change Policies." The study was supposed to determine the economic impact of the Kyoto Protocol, but the team failed to reach any conclusions. Janet Yellen, chairman of the President's Council of Economic Advisers, testified before Congress that "the effort to develop a model or a set of models that can give us a definitive answer as to the economic impacts of a given climate change policy is futile."[38] Amazingly, even as the Administration is dismissing the use of economic models because their output is a function of the assumptions put into them, it holds up its own global warming models—which function precisely the same way, with output dependent on assumptions —as gospel truth, not subject to question or debate.

The Treasury Department, however, recently raised concerns about the economic impact of the Administration's plan to achieve mandatory reductions in greenhouse gas emissions by establishing emissions budgets for the UNFCCC parties and allowing them to buy and sell emissions rights among themselves. It is also concerned about the amount the United States would have to pay for emitting carbon dioxide and about the potential financial costs of purchasing permits.[39] Regardless of how the Administration chooses to implement the emissions targets, it will be a no-win proposition for the U.S. economy.

The Economic Fallout: Higher Costs, Lower GDP

The Administration has proposed using tradeable permits as the mechanism for allocating a targeted level of greenhouse gas emissions. The permit system could be an entirely domestic program or an international program. An alternative to a tradeable permit structure would be a direct tax on the carbon emitted from each unit of fossil fuel used. If the tradeable permit scheme and the carbon tax system are able to limit emissions to the same level, then the market price of a permit should equal the carbon tax.

37 Cheryl Hogue, "Raising Energy Prices Dramatically Would Harm Six U.S. Industries, DOE Finds," Bureau of National Affairs, July 15, 1997.

38 James M. Sheehan, "Economies Be Damned," *ecologic*, July/August 1997, p. 15.

39 "Treasury Officials Cast Doubt on Key Element of White House Climate Plan," *Inside EPA*, Vol. 18, No. 39 (September 26, 1997), p. 8.

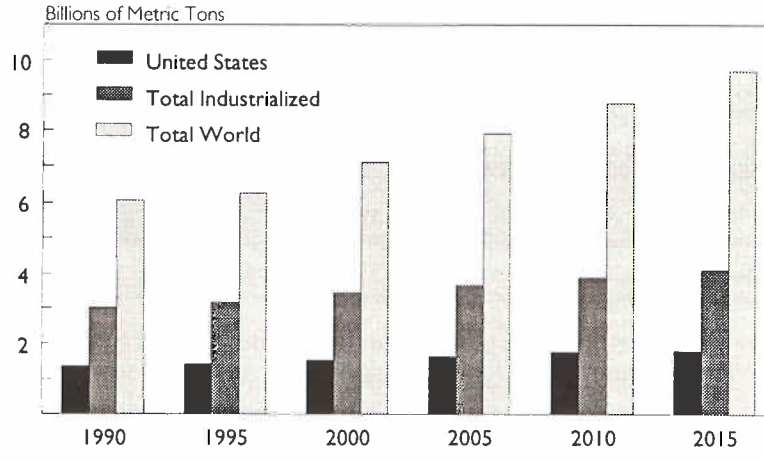
Based on this supposition, several studies have tried to estimate the economic impact of a permit scheme. According to a recent analysis completed by WEFA, Inc.,[40] for example, in order to meet the targeted emissions level, domestic tradeable carbon permit fees of $200 per metric ton would be required by 2010. More specifically:

> Achieving a dramatic reduction in carbon emissions would require substantial investments by both consumers and businesses to improve energy efficiency and to substitute low carbon energy sources for higher carbon energy sources. Because energy-using equipment and facilities have a long life, a great deal of equipment would be replaced long before it would have been without carbon permit fees. These investments would require the diversion of funds from savings and/or investments, which would have provided other benefits such as education, health care, or new productive equipment, etc.[41]

Based on its analysis, WEFA concludes that under the Administration's plan:

- Lost aggregate income (GDP) in the year 2010 alone would be more than $227 billion (in 1992 dollars), approximately equal to the country's total federal, state, and local expenditures on elementary and secondary education.
- The cumulative loss in real GDP to the United States from 2001 to 2020 would amount to $3.3 trillion. Rising energy costs would put the economy on a permanently lower growth path.
- Carbon emissions are projected to be 27 percent above 1990 levels by 2010 and 46 percent above 1990 levels by 2020. Stabilizing U.S. carbon emissions would have only a "minuscule" impact on global concentrations of carbon (see Chart 1).

Chart 1



Source: *Global Climate Change Policy, U.S. Living Standards and Environmental Quality*, WEFA, Inc., 1997, p. 2.

40 An econometric research firm, known formerly as Wharton Econometric Forecasting Associates, Inc.

41 Mary H. Novak, "Global Climate Change, U.S. Living Standards, and Environmental Quality: The Impact on Consumers," paper prepared for a symposium sponsored by the American Council for Capital Formation Center for Public Policy Research, Washington, D.C., September 24, 1997, p. 1.

- To meet target emissions levels, intra-country tradeable carbon permit fees of $200 per metric ton would be required in 2010. Consumers would see price increases of 30 percent to 55 percent over baseline projections by 2010 and 40 percent to 90 percent by 2020 (see Table 1).

Table 1

Price Impact in U.S. of Carbon Permit Fee Required to Stabilize and Maintain Emissions at 1990 Levels by 2010 (Percent Increase from Baseline)

	2005	2010	2015	2020
Fee Structure				
Carbon Permit Fee (1996 Dollars/metric ton)	$100	$200	$250	$300
Consumer Energy Price Increases				
Home Heating Oil	27.6%	54.9%	67.4%	79.4%
Natural Gas	24.5	50.0	63.4	79.2
Electricity	28.1	48.3	60.9	70.8
Motor Gasoline	18.0	35.6	43.1	50.1
Increase per Gallon (1996 Dollars)	21.9¢	44.2¢	54.7¢	65.1¢
Business Energy Price Increases				
Commercial Establishments				
Distillate Fuel Oil	37.1%	73.7%	90.1%	105.9%
Natural Gas	28.3	58.1	73.0	90.4
Electricity	29.5	51.8	65.7	76.7
Industrial Facilities				
Residual Fuel Oil	69.9%	138.5%	169.8%	199.9%
Natural Gas	46.4	90.7	110.2	131.7
Electricity	41.1	73.1	89.1	101.0
Trucking and Rail				
Diesel Fuel	21.1%	42.1%	51.8%	61.3%
Increase per Gallon (1996 Dollars)	25.4¢	51.2¢	63.4¢	75.5¢

Source: *Global Climate Change Policy, U.S. Living Standards and Environmental Quality*, WEFA, Inc., 1997, p. 3.

- Whether on a per-person or per-household basis, the cost of adopting the Administration's carbon reduction policy would be great. Real GDP loss would peak in 2010 at $838 per person and $2,061 per household (see Table 2). Cumulatively, between the years 2001 and 2020, the loss of aggregate income per household would average almost $30,000.
- Because average household expenditures on energy are regressive, lower income groups spend a higher proportion of their income on energy. Energy price hikes will hit these families the hardest. Absent any changes in current consumption patterns, the average increase in home energy expenditures would be around $600 per year.

Table 2

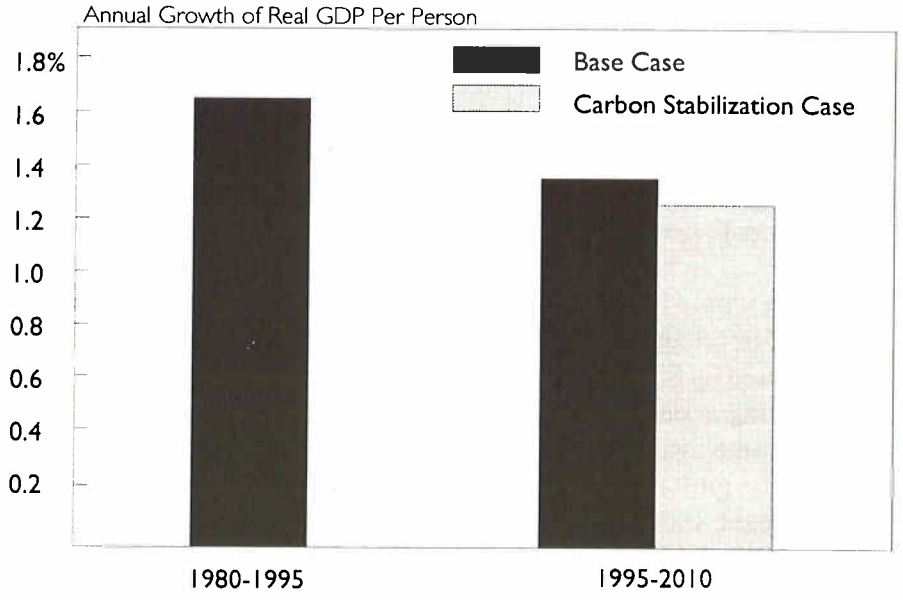
From 2001 to 2020, the Administration's Carbon Reduction Policy Would Cost Each U.S. Household Nearly $30,000

	Real GDP Loss per Person	Real GDP Loss per Household
2005	$445	$1,117
2010	$838	$2,061
2015	$708	$1,715
2020	$665	$1,585
Cumulative Loss: 2001-20	**$12,047**	**$29,464**

Note: Figures are in constant 1996 dollars.
Source: *Global Climate Change Policy, U.S. Living Standards and Environmental Quality,* WEFA, Inc., 1997, p. 6.

Chart 2

U.S. Compound Annual Growth Rates in GDP per Person: Base and Carbon Stabilization Cases



Source: *Global Climate Change Policy, U.S. Living Standards and Environmental Quality,* WEFA, Inc., 1997, p. 6.

In addition to the WEFA report which analyzes the impact of carbon permit fees, other studies show the economic impact of a carbon tax. For example, Dr. Lawrence Horowitz of DRI/McGraw Hill calculates that under a carbon tax of $200 per metric ton, an option necessary to ensure that carbon dioxide emissions stabilize below the 1990 levels, GDP would decline by 4.2 percent, or $350 billion a year in reduced production of goods and services. In human terms, this translates into the loss of 1.1 million U.S. jobs each year over a 15-year period.[42] Even if the carbon tax or the tradeable permit price were cut in half to $100 per metric ton (which still would leave U.S. emissions considerably above 1990 levels in the year 2010), the result would be painful. It would reduce GDP by 2.3 percent, or $203 billion, and cost 520,000 jobs annually.[43] Rising energy costs will put the economy on a permanently lower growth path.

Huge Pains, But No Environmental Gain

All Pain. Increased carbon taxes or tradeable permits for energy use will increase the cost of fuel and translate into higher prices for food, clothing, shelter, medical needs, education, appliances and household goods, savings, and insurance. Fewer dollars will be available for daily needs as more money is spent on utilities and transportation. The annual electric bill would increase from about $858 to $1,166. The annual consumer cost of gasoline would increase from $913 to $1,106.[44] The annual consumer grocery bill would increase from $8,424 to $8,677. Wesleyan University economist Gary Yohe has predicted that under the carbon tax, consumers might "feel like" they were living through the oil price shocks of the 1970s all over again. Global warming policies will cause "relatively large losses" of real income in the poorest 20 percent of the population because the poor pay a larger share of their income for utilities and fuel costs.[45]

The effects across the United States will vary in severity, with a greater impact on the regions that depend heavily on fossil fuels for energy production. Texas, for example, would be hit particularly hard because the fossil fuels of coal, oil, and natural gas supply 96.2 percent of its total energy needs. Average per capita energy consumption in Texas in 1994 was 65.2 percent higher than the national average, largely because of the state's energy-intensive industrial and agricultural activities. Increases in taxes on motor fuels of 50 cents per gallon would add at least $5.368 billion to Texans' annual transportation costs. The higher costs of these fuels for businesses, government agencies, and schools also would be passed on to the consumer through higher prices and taxes. People over the age of 65 and on fixed incomes would be especially hard-hit. Texas would be forced to reduce its 85 percent dependence on coal and natural gas to generate its electricity without having economical alternative sources of energy available. Other sources are not likely to become available in the foreseeable future.[46] Hence, in considering the economic impact of the global treaty, Congress should pay special attention to the impact it is likely to have on each state.

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42 Lawson, "Global Warming Treaty Could Freeze U.S. Economic Growth."

43 Mary H. Novak, "Economic and Energy Sector Implications of Adopting Global Climate Change Policies," WEFA Group, February 5, 1997.

44 Center for Energy and Economic Development, Kyoto Presentation, August 1997.

45 "Climate Change Policies, the Distribution of Income, and U.S. Living Standards," Special Report, American Council for Capital Formation Center for Policy Research, November 1996.

46 Glenn R. Schleede, "Global Warming Policies and Texas: Impact of Potential Greenhouse Gas Emission Limits on the People and Economy of Texas," National Consumer Coalition, September 17, 1997.

As alarming as the economic consequences are, the United States also stands to suffer substantial loss of life if this treaty is adopted. Studies linking income to mortality find that every $9 million to $12 million drop in income induces one statistical death. As noted earlier, the WEFA study concluded that the U.S. economy would suffer a cumulative $3.3 trillion loss of income between 2001 and 2020 if the treaty is adopted. Thus, the estimated loss of income from this treaty would lead directly to between 275,000 and 366,666 lives lost. There also are indirect costs in lives from such an agreement. For example, assuming that treaty restrictions on greenhouse gas emissions will affect automobile fuel efficiency standards and result in higher gas mileage standards, auto makers will be forced to build increasingly smaller and lighter cars and trucks. As experience in the wake of the Corporate Average Fuel Economy (CAFE) standards has shown, such "fuel-efficient" vehicles offer far lower safety protection for their occupants. The current 27.5 miles per gallon fuel economy standard already has been linked to the deaths of between 2,700 to 4,700 Americans a year.[47] Raising the standard to 45 miles per gallon as Vice President Albert Gore and greenhouse activists propose may increase the number of needless deaths as vehicles become far more unsafe for their occupants.

No Environmental or Economic Gain. As Americans are forced to suffer under a strict energy diet and the economic burden of mandatory emissions reduction targets, the lack of binding emissions requirements on developing countries means they cannot be guaranteed that their sacrifices will prove beneficial to themselves or the environment. A February 20, 1997, statement from the AFL–CIO Executive Council speaks to this point:

> [T]he parties to the Rio treaty made a fundamental error when they agreed to negotiate legally-binding carbon restrictions on the United States and other industrialized countries, while simultaneously agreeing to exempt high-growth developing countries like China, Mexico, Brazil, and Korea from any new carbon reduction commitments. As much as 60 percent of global carbon emissions are expected to come from such countries in the next few decades, with China becoming the single-largest emitter in the near future. The exclusion of new commitments by developing nations under the Berlin Mandate will create a powerful incentive for transnational corporations to export jobs, capital, and pollution, and will do little or nothing to stabilize atmospheric concentrations of carbon.[48]

Indeed, instead of curbing greenhouse gas emissions, a carbon tax that is restricted to developed countries alone may actually increase emissions. A recent report from the Center for the Study of American Business (CSAB) concludes that placing a carbon tax solely on industrialized states and not on developing states will result in a net *increase* in total worldwide greenhouse gas emissions.[49] There is a sound economic rationale behind this statement: If stricter emissions reduction standards become law in the industrialized nations, the total consumption of carbon-emitting goods will decline. Therefore, the price of goods such as oil can be expected to decline as well. The lower prices of these goods, however, will encourage the poorer developing countries with much less fuel-efficient

47 Richard J. Crandall and J. Graham, "The Effect of Fuel Economy on Auto Safety," *Journal of Law and Economics,* April 1989, p. 111.

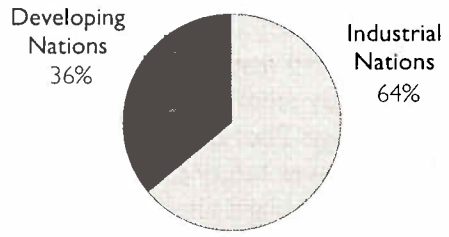
48 "U.N. Climate Change Negotiations," statement by AFL–CIO Executive Council, February 20, 1997.

49 Christopher Douglass and Murray Weidenbaum, "The Quiet Reversal of U.S. Global Climate Change Policy," Center for the Study of American Business, November 1996, pp. 9–10.

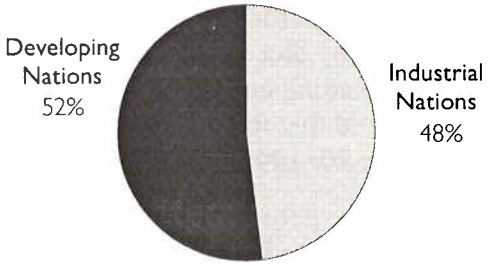
technology to increase their use of fossil fuels. This increased consumption, combined with the anticipated relocation of fossil fuel intensive industries to Annex II countries—a process referred to as "carbon leakage"—will result in the anticipated net increase.

Chart 3

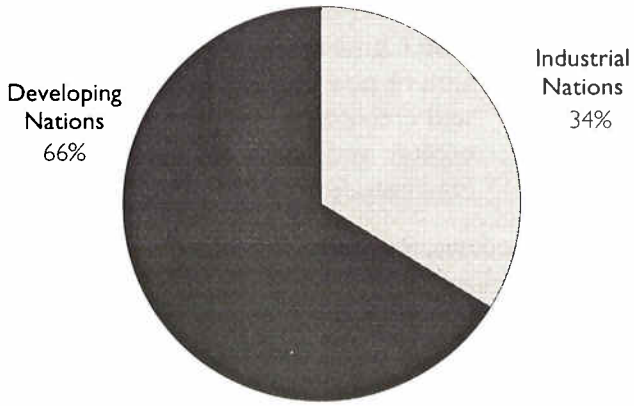
Changing Pattern of CO_2 Emissions in 1990, 2015, and 2100



Total 1990 Emissions: 6 billion tons



Estimated 2015 Emissions: 8.453 billion tons



Estimated 2100 Emissions: 19.8 billion tons

Source: Intergovernmental Panel on Climate Change.

As the CSAB report points out, the U.S. share of greenhouse gas emissions is expected to shrink from 20 percent to 10 percent. Moreover, under current conditions, it is expected that annual emissions from Annex II countries will exceed emissions from Annex I countries by 2016. It is further projected that Annex II emissions will amount to 52 percent of all global emissions by 2020 and that, by the year 2100, developing countries will emit 75 percent of all greenhouse gases.[50] This trend will be exacerbated by the terms of the agreement now under negotiation. If the proposals being negotiated by the U.N. and promoted by the Clinton Administration are

50 *Ibid.*, p. 10.

implemented, the new requirements would place the United States at a competitive disadvantage because the specific emissions reductions levels are not equally binding on developing countries like China, Mexico, and South Korea that have lower labor and production costs.[51] Industries will rush to these countries, to Brazil, and to the rest of the unregulated world.[52] Therefore, excluding Annex II countries from the legally binding requirements of the proposed treaty is fundamentally unfair to American workers and will be economically devastating to all the economies of the developed world.

Renewable Energy Sources: No "Magic Bullets"

The Clinton Administration clearly tries to indicate that taxes and regulation can be implemented with little pain. According to this view, implementing emissions trading, conservation measures, and technology will make economic costs disappear as if by magic. But this ignores reality: Alternatives to fossil fuels cost more to use. If conservation measures were cost-effective, the market would need no encouragement from government to adopt them.[53]

A three-decades-long environmental crusade in Washington known as "eco-energy planning" upholds the premise that government intervention in the energy market is necessary to maximize environmental protection, improve the choices of millions of economic agents in the free market, and, in the end, increase the nation's economic vitality. Eco-energy planning requires taxpayer and ratepayer subsidies as well as government mandates for renewable energy generation. But the broad assumption underlying this crusade is faulty. According a recent report published by the Cato Institute, today's renewable energy plants produce electricity that is, on average, *twice* as expensive as electricity from the most economical fossil-fuel alternative and *three times* as expensive as surplus electricity. Not only are renewable energy sources not economically efficient, but every major renewable energy source has drawn criticism from environmental groups: hydro for river habitat destruction, wind generators for avian mortality, solar for desert overdevelopment, biomass for air emissions, and geothermal for depletion and toxic discharges.[54]

Wind Power at Triple the Cost. The baby of the eco-energy planners is wind power. Marketed as the renewable energy source with no air pollution, this source has been deemed worthy of regulatory preference and taxpayer and ratepayer subsidy. However, the price for wind power in the mid-1990s is around six to seven cents per kilowatt hour when the production tax credit and other subtle cost items are included. This is approximately *twice* the cost of new gas-fired electricity generation and *three times* the cost of existing underused generation.[55] Wind-generated power is a noisy and aesthetic blight, land and material (concrete and steel) intensive, and deadly to thousands of birds that fly in the path of the high-speed blades.[56] Although wind generators are not without promise, market forces, not government subsidies, should bring the cost of wind power generation down to the point where it is both an environmentally attractive and viable source of energy.

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51 Dean Kleckner, "Farm Bureau: Agriculture and Global Warming," *ecologic,* July/August 1997, p. 21.
52 Lamb, "Climate Change Policies Cost More Than Money."
53 Sheehan, "Economies Be Damned," p. 15.
54 Robert L. Bradley Jr., "Renewable Energy Not Cheap, Not 'Green'," Cato Institute *Policy Analysis,* Executive Summary, August 27, 1997.
55 *Ibid.,* p. 8.
56 Tom McClintock, "Draft Paper on Government Subsidy of Renewable Energy Resources," The Claremont Institute, August 22, 1996, p. 8.

Solar Power at Quadruple the Cost. New solar-power capacity is even more costly than wind power—*three times* as expensive as new gas-fired electricity generation and *four times* as expensive as surplus power.[57] Central-station solar requires between five to 17 acres per megawatt generated, compared with gas-fired plants that a decade ago required only one-third of an acre per megawatt and today average as little as 0.04 acre per megawatt.[58] The Department of Energy has spent approximately $5.1 billion (in 1996 dollars) on solar energy since fiscal year 1978, or over $12 million per megawatt. That investment per unit of capacity is some 20 times greater than today's capital cost of modern gas-fired plants.[59]

Other Renewable Energy Sources at Greater Cost. Biomass is electricity generated from burning a variety of sources, such as wood, sludge, municipal solid waste, and other waste products. Today, wood accounts for over 60 percent of input for biomass—a figure that ordinarily would outrage environmentalists. But since biomass combustion is a renewable energy source, thanks to reforestation efforts, its use is acceptable to environmentalists.[60] However, biomass is economically inefficient. Even the projected research and development goal of four cents to five cents per kilowatt hour is higher than the cost of the new gas-fired electricity generation and roughly *double* the price of surplus electricity.[61] Like wind and solar power, biomass currently is an economically inefficient alternative to fossil fuel.

Geothermal refers to steam energy generated by the Earth's core. It has been proclaimed by many as the environmentally sound alternative power source for the next 30 years.[62] Currently, geothermal accounts for 0.5 percent of national power production, far below anticipated output. It not only is a scarce source, but also has negative environmental consequences despite the absence of combustion. Geothermal sites are often located in protected wilderness areas, and depletion can occur where more steam is withdrawn than is naturally rechargeable.[63]

The Importance of Competition. Although the current costs of generating power through alternative energy technology are high, the argument is frequently made that current subsidies eventually will bring prices to a level competitive with conventional sources. However, this is unlikely because market competition is far stronger than protectionism as a motivating factor in technological advance and price reduction. Competitive energy resources consistently have provided lower prices than protected sources.[64] Changes in consumer demand and technology make what is uneconomical today economical in the future. As a study by Shell International predicts, the primary source of energy in the next 50 to 100 years will be renewable sources.[65] If central-station power from wind, solar, or other renewable sources becomes economically viable on its own merits, businesses and consumers will embrace it.

57 Bradley, "Renewable Energy Not Cheap," p. 28.
58 *Ibid.*, p. 29.
59 *Ibid.*
60 *Ibid.*, p. 33.
61 *Ibid.* According to this article, a task force has estimated that $930 million in future Department of Energy subsidies would be necessary to enable biomass to approach commercialization.
62 McClintock, "Draft Paper on Government Subsidy," p. 10.
63 Bradley, "Renewable Energy Not Cheap," p. 35.
64 McClintock, "Draft Paper on Government Subsidy," p. 11.
65 Shell International, "The Evolution of the World's Energy System: 1860–2060," December 1995.

The ideal way to achieve energy affordability, environmental benignity, and resource security is simply to remove government intervention from the marketplace. Allowing the market to favor the types of energy that meet society's needs most economically will be the best incentive for developing truly economical alternatives to the power sources in use today.

ECONOMIC WINNERS AND LOSERS AROUND THE WORLD

A global climate change treaty with enforceable restrictions on emissions would impose massive economic hardship on the global economy. For example, the Australian Bureau of Agricultural and Resource Economics (ABARE) has estimated that adopting such a treaty would curb global GDP growth and result in a 0.8 percent to 1.1 percent reduction in total world output in 2020 below the baseline. The World Bank estimates that the global economy will grow at an average of 2.9 percent from 1992 to 2020.[66] Based on ABARE estimates, including legally binding emissions restrictions in the UNFCCC would cause a reduction in economic growth in 2020 by one-third. In dollar terms, this would be a loss of between $463.3 billion and $637.1 billion.[67]

The actual costs of the treaty's implementation, however, will be much greater. The treaty will retard economic production every year after it is implemented. Assuming that reduction in production remains constant at 1.1 percent of global GDP growth from 1998 to 2020, the cumulative effects could exceed $10 trillion.[68] ABARE's economic analysis shows that the economic effects on the industrialized countries will be particularly severe. Annex I (industrialized) countries would suffer a 1 percent to 1.5 percent decrease in GDP growth, while the developing countries of Annex II would experience only a 0.2 percent to 0.5 percent reduction in output in 2020 from the baseline.

Different economic configurations and reliance on trade, however, will make the effects deviate from country to county within the two country categories. Decreases in production result from several sources. As the Annex I countries reduce fossil fuel consumption, costs of production and consumer prices will increase and trade in fossil fuels and fossil-fuel-intensive products, such as steel, will decrease. The resulting reduction in economic activity decreases consumption, wages, and demand for labor and capital. In addition, fossil-fuel-intensive industries will relocate to Annex II countries. Annex I countries that export fossil fuel (particularly coal) and have significant fossil-fuel-intensive manufacturing sectors will need to modify their power generation facilities to reduce emissions. Large exporters of products that emit high levels of greenhouse gases would be affected more detrimentally than those that export less or not at all.

The United States is only one of the countries that would endure sharp economic penalties from implementation of this treaty. Other major losers include Australia, New Zealand, and Japan. The ABARE analysis indicates that Australia would experience the worst economic damage from the treaty. Australia exports large quantities of fossil-fuel-intensive products, such as steel and aluminum, and relies heavily on coal for electricity. As a result, its projected growth in greenhouse gas emissions would exceed the Annex I

66 World Bank, *Global Economic Prospects and the Developing Countries 1997*, p. 23.

67 This figure was reached by using the World Bank's estimate of 2.9 percent annual GDP growth from 1992 to 2020, yielding a world GDP of $57.9 trillion in 2020. Real world GDP in 1995 was used as the base year.

68 This assumption is conservative. Most economic models predict much greater economic costs in the near term than in the longer term after the economy has adjusted to regulatory shocks.

country average, generating greater costs for treaty compliance than for all other countries. The Australian economy would be hurt by the decreasing demand for fossil fuels—especially coal, one of Australia's largest exports.[69]

New Zealand and Japan also would be affected adversely. New Zealand's coal-intensive electricity sector would be hit hard by the increasing prices for fossil-fuel-intensive imports.[70] Japan already has invested large amounts of capital in renovating its industrial sector to reduce its dependence on fossil fuels. The treaty would require additional investment and render new facilities obsolete.[71]

The Annex I countries least affected would be the former Soviet Union and countries in the European Community. For example, ABARE estimates that the welfare loss for a European is one-sixth that of an American and 1/22 that of an Australian.[72] Furthermore, although wages in the European Community would be required to fall by 4 percent to absorb unemployment generated as a result of the treaty, wages in Australia would have to fall 19 percent below the baseline. These comparatively lower economic costs for the European Community and the former Soviet Union may explain their support for the treaty. Annex II countries also would suffer from the higher costs of production in industrialized countries, which would increase the prices of Annex I exports. And interest rates would likely increase, thereby raising the debt burden of Annex II countries.

The detrimental effects of the treaty, however, will be mitigated by industrial relocation from the Annex I countries. Under the terms of the treaty, the developing countries will have a competitive advantage over industrialized countries because of the exemption from greenhouse gas emissions restrictions. This exemption will lead Annex I greenhouse gas emissions-intensive industries, such as steel, chemical, and mineral refining, to relocate to Annex II countries. This shift will increase both their domestic production and exports of fossil-fuel-intensive products.[73]

As with Annex I countries, there will be winners and losers among the Annex II countries. An independent study conducted by WEFA[74] demonstrates that the treaty will benefit the Asian Tigers and other relatively wealthy developing countries and cripple the economies of fossil fuel exporters in the developing world. Specifically, if the treaty were implemented in its current form, South Korea, Taiwan, and Mexico could be expected to experience an increase of 5 percent in annual GDP growth. Argentina, Brazil, China, India, Indonesia, Hong Kong, the Philippines, Singapore, and Thailand would experience increases of as much as 2 percent in annual GDP growth. Meanwhile, the WEFA model

69 "International Climate Change Policy: Economic Implications for Australia," *Current Issues,* No. 2 (April 1997), from Australian Bureau of Agricultural and Resource Economics (ABARE) Web site at *www.abare.gov.au:80/service/Publications/current_issues/current_issues_2/current_issues2.html.*

70 "International Climate Change Policy: Economic Implications for New Zealand," 1997; summary from Australian Bureau of Agricultural and Resource Economics Web site at *www.abare.gov.au:80/research/Summaries/Consultancy_summaries/NZclimatechange.html.*

71 "International Climate Change Policy: Economic Implications for Japan," *Current Issues,* No. 3 (April 1997), from Australian Bureau of Agricultural and Resource Economics Web site at *www.abare.gov.au:80/service/Publications/current_issues/current_issues_3/current_issues3.html.*

72 "International Climate Change Policy: Economic Implications for Australia," *op. cit.*

73 "The Economic Impact of International Climate Change Policy," Australian Bureau of Agricultural and Resource Economics, ABARE Research Report 1997.4, at *www.abare.gov.au:80/research/Summaries/RR97.4.html.*

74 "A Review of the Economic Impacts of AOSIS-Type Proposals to Limit Carbon Dioxide Emissions," Global Climate Coalition and the WEFA Group, April 15, 1996, p. 23.

also indicates that Algeria, Chile, Colombia, Egypt, and Venezuela would suffer 2 percent to 5 percent reductions in annual GDP growth, and Ecuador, Nigeria, Peru, and Saudi Arabia would suffer a decrease of more than 5 percent.[75]

Economic predictions show that the overall impact of the treaty will be a net decline in global economic growth, resulting in massive loss of wealth and a decline in general welfare. However, these damaging effects will not be distributed equitably. Specifically, the European Community, the former Soviet Union, and most of the wealthier developing countries would suffer minor effects relative to other countries. These other countries, which stand to be hurt the most by the global climate treaty, should recognize the support accorded the treaty by the EC, the former Soviet Union, and wealthy developing countries for what it is: pure self-interest.

SACRIFICING U.S. SOVEREIGNTY TO AN UNKNOWN INTERNATIONAL BUREAUCRACY

The Kyoto conference will consider the issues of monitoring, regulation, and enforcement of emissions targets. The Berlin Mandate altered the focus of emissions goals for Annex I countries from voluntary reductions to mandatory reductions subject to enforcement. Treaty participants have yet to specify what mechanisms for enforcement of these reductions would be used or what system of incentives for compliance would be created. This is a critical shortcoming because enforcement would have a direct impact on the practical effects of the treaty; yet no consensus has been reached on how to address the problem, even though it is a major agenda item in Kyoto.

The Unworkable U.S. Proposal

Recognizing the shortcomings in the UNFCCC, the Clinton Administration has recommended that the treaty operate on an "honor system" with respect to monitoring and enforcement. This proposal, which would be adopted in Kyoto, essentially would set up a panel of independent experts to review the required reports submitted by the countries. The panel would evaluate the information provided by states on treaty compliance and progress in reducing greenhouse gas emissions, and issue its own reports with performance summaries and recommended action for cases of non-compliance. The Administration has suggested that these actions include either predetermined penalties, such as fines, or leaving the action up to the discretion of individual countries.

The Administration's proposal on monitoring and compliance is unlikely either to enforce treaty restrictions or to create sufficient disincentives if violations are reported because it relies on nations to police themselves—an obvious conflict of interest. Countries that were in violation of their targets could not be expected to provide accurate information; they or their domestic industries would be punished. They would be more likely to understate a violation or refuse to report it. This likelihood is greater with the increasing austerity of the penalties. For this reason, predetermined penalties are less likely to be severe; countries that fear they may be subject to them are not going to suggest severe penalties.

75 *Ibid.*

A Powerful New International Bureaucracy

Although the U.S. proposal on monitoring, regulation, and enforcement of emissions standards is weak, the alternative would work against America's best interests. Under the present agreement, the United Nations will have the authority to dictate U.S. energy policy. It may be given the authority to monitor U.S. industries for compliance and to enforce its policies as well. If nations are not to monitor and enforce greenhouse gas emissions restrictions, either a new international bureaucracy must be established to perform these duties or the duties must be given to an existing international institution. In all likelihood, the institution would be affiliated with the United Nations.

To carry out its duties, the designated institution would need access to the sources of greenhouse gas emissions in Annex I countries—namely, businesses and even national defense bases.[76] This would be a costly undertaking. For instance, annual operation expenses for the inspection regime instituted by the Chemical Weapons Convention are estimated at approximately $200 million.[77] Although the UNFCCC would require a similar system for carrying out inspections, it would have to be much larger and more expensive because greenhouse gas emissions are much more prevalent than potential sources of chemicals for warfare.

The UNFCCC would place an expensive regulatory burden on business—in addition to the already huge costs of capital investment or relocation that the treaty would require—because of the numerous reports and inspections required for accurate monitoring. Estimates of the annual regulatory cost to businesses because of the CWC inspection regime, for example, range from $20 million to $200 million.[78] Since the scope of the UNFCCC is much greater than that of the CWC, its regulatory costs are likely to be much greater as well.

Finally, the fact that an international inspection regime might be exempt from U.S. constitutional restrictions on search and seizure of private records of businesses should alarm policymakers. So should the fact that industrial secrets will be at greater risk of espionage since international inspectors would have free access throughout a business or military facility. Neither of these concerns is addressed adequately in the treaty.

By creating an international institution charged with enforcing the treaty and empowered to mete out punishments, the signatory states imply that they are willing to sacrifice their supreme authority on the global stage. They would subsume national sovereignty to an institution that is responsible neither to any nation nor to any individual. As one chief executive officer told the International Conservative Congress in Washington, D.C., in September 1997, "The crucial issue at Kyoto is not an agreement on 1%, 5%, or 15% [reduction in greenhouse gas emissions]. It is whether or not the OECD nations will agree to establishing an institution which will super-cede the authority of the nation-state."[79]

76 The Department of Defense is the largest source of greenhouse gas emissions in the U.S. government and would be subject to inspection and regulations outlined in the treaty. See Frank Gaffney Jr., "Risky Eco-Disarmament...With Opiates," *The Washington Times,* September 16, 1997, p. A15.

77 Baker Spring, "The Chemical Weapons Convention: A Bad Deal for America," Heritage Foundation *Committee Brief* No. 25, March 15, 1996.

78 *Ibid.*

79 Evans, "Conservatives and Environmentalism," p. 6.

Neither of the options for enforcement is desirable. Relying on nations to monitor and punish themselves is undermined by conflict of interest. Establishing an international institution with the power to dictate and compel action by nation-states is the first step toward establishing a global government and, ultimately, destroying the nation-state. Therefore, agreeing to the treaty without a concrete statement of how the treaty will be enforced would be a mistake.

Jeopardizing U.S. Military Readiness. The treaty's likely impact on the ability of the United States to defend itself does not appear to have been considered fully by the Clinton Administration. The U.S. Department of Defense is the largest domestic consumer of fossil fuels. Under the treaty, U.S. military bases could be subject to U.N. inspection. Opportunities for military espionage increase if international representatives are allowed to inspect U.S. planes, ships, and tanks to ensure that they meet emissions standards.

As Center for Security Policy Director Frank Gaffney, Jr., recently pointed out, this mandate could have several serious consequences for the United States: (1) U.S. military readiness would have to be subordinated to ozone impact; (2) realistic training, already suffering from the cumulative effects of budget cuts, would be cut further to keep emissions down; and (3) military hardware would have to be redesigned with fuel efficiency as a major concern. "For example," notes Gaffney, "the thickness of a tank's armor, the size of its gun or the speed with which it can maneuver will no longer be the critical criterion. From now on the Army will have to buy smaller, lighter weight machines in the interest of reducing emissions."[80] Moreover, the use of fossil fuel by the military increases when the United States engages in conflict. Would the United States have to ask the U.N. for permission to go to war if such action involved emissions in violation of the UNFCCC? Despite such concerns and warnings, the Clinton Administration is thinking of issuing an executive order to require federal agencies, including the Department of Defense, to reduce their greenhouse gas emissions.

Feeding an Insatiable Appetite for Power. Both the desire to be the ultimate authority on any number of matters and a distaste for being held responsible to any individual nation are endemic in many U.N. institutions. For example, Elizabeth Dowdeswell, Executive Director of the U.N. Environment Programme (UNEP), recently demanded that UNEP "be equipped and empowered to assume the role as the authoritative voice for the environment. For this to happen, the debate on governance must be resolved—and resolved quickly. Until it is, financial contributions from some governments may be withheld and UNEP's work for the environment would suffer."[81] It is clear from this statement that UNEP does not believe that nations should be able to influence its "work" or have a voice in whether funding is provided. The fact that a nation can hinder UNEP by rescinding its financial support is perceived as an affront to UNEP's authority rather than as an expression of that nation's sovereign right to discourage activities it deems undesirable.

This desire for power and access to the funding necessary to dictate to nation-states is frequently accompanied by an agency's ever-expanding agenda. For example, the agenda at the 19th session of the UNEP Governing Council included plans to expand the Global Programme of Action for the Protection of the Marine Environment from Land Based Activities to all regional seas, create an instrument to force reductions in organic

80 Gaffney, "Risky Eco-Disarmament...With Opiates," *op. cit.*

81 "Ministers Call for Stronger, Revitalized UNEP," *UN Chronicle* No. 2 (1997), p. 49.

pollutants, and create another instrument to supervise international trade in "hazardous chemicals and pesticides."[82]

U.N. involvement in environmental matters is on the rise, and the organization is using the current series of international treaties, conventions, and agreements to expand its influence into domestic affairs. According to James Gustave Speth, Executive Director of the U.N. Development Program, "global governance is a powerful and growing reality [that] will inevitably expand."[83] There currently are 12 multilateral environmental treaties registered at the U.N. (see Table 3). The crown jewel of these arrangements is the U.N. Framework Convention on Climate Change, which, as Speth observes, will become more far-reaching and powerful than the World Trade Organization.

The U.N. and other advocates of global governance, however, cannot act unilaterally. The active support (or careless indifference) of national governments is necessary. States, as representatives of their citizens, are the sources of sovereignty and all global power. Unless they grant some of this power to international institutions like the U.N., dreams of global government remain only dreams.

Table 3

Multilateral Environmental Treaties Registered with the United Nations

1. Convention on Fishing and Conservation of the Living Resources of the High Seas
2. Convention on Long-Range Transboundary Air Pollution
3. Vienna Convention for the Protection of the Ozone Layer
4. Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal
5. Convention on the Environmental Impact Assessment in a Transboundary Context
6. Convention on the Protection and Use of Transboundary Watercourses and International Lakes
7. Convention on the Transboundary Effects of Industrial Accidents
8. United Nations Framework Convention on Climate Change
9. Convention on Biological Diversity
10. Agreement on the Conservation of Small Cetaceans of the Baltic and North Seas
11. United Nations Convention to Combat Desertification in those Countries Experiencing Serious Drought and/or Desertification, Particularly in Africa
12. Lusaka Agreement on Co-operative Enforcement Operations Directed at Illegal Trade in Wild Fauna and Flora

Source: *Multilateral Treaties Deposited with the Secretary-General: Status as of 31 December 1995*, United Nations, New York 1996.

WHAT CONGRESS MUST DO

Considering the devastating economic consequences that can be expected to flow from adoption of this treaty, and without clear evidence that global warming is, in fact, taking place, Congress should strive to bring common sense to the planning process. It makes no sense to place the United States and other developed countries under legally binding

82 *Ibid.*

83 Comments made during Rio +5 Conference hosted by the Earth Council, *ecologic*, July/August 1997, p. 16.

mandates while developing nations are excused with only a promise to negotiate their terms later. Over the next 20 years, these nations will become the world's greatest producers of greenhouse gas emissions. By the year 2015, China will be the world's largest producer of greenhouse gas; yet it faces no restrictions under the UNFCCC. This is unacceptable.

The problem with discussing global warming in general is that no one knows whether it truly poses either a national or global threat; if it does, no one can agree on how large that threat may be. Congress will react to legitimate threats, even if distant; but it should not impose personal and economic hardships on U.S. citizens in response to a "threat" the very existence of which is not yet supported by the evidence. The issues surrounding global warming—whether scientific, political, or economic—are of enormous magnitude, and they deserve the full and undivided attention of the federal government. Yet Congress, the branch of the federal government closest to the American people, has been conspicuously absent from the debate thus far.

The Administration's Strategies. Faced with a potentially uncooperative legislative branch, the Administration increasingly has focused its time and energy on this issue beyond the borders of the United States. It chooses to use the more receptive confines of international and non-governmental organizations (NGOs) to achieve its favored policy goals—goals that otherwise stand little chance of enactment. Under the active encouragement of senior Administration officials such as Vice President Gore, even the State Department plays an increasingly vital role in this strategy. In April, the State Department issued a 10,000-word report on "Environmental Diplomacy." In this report, it stated that "environmental problems are often at the heart of the political and economic challenges we face," and pledged close cooperation with a wide array of international organizations in pursuing a series of initiatives designed to tighten restrictions on activities pertaining to climate change, toxic chemicals, species extinction, deforestation, and marine degradation.[84]

Action on these initiatives has been proceeding swiftly in the second Clinton term. Henry Miller, a senior research fellow at the Hoover Institution, has written that the Administration

> already is implementing the State Department's environmental initiatives in a number of ways—in negotiations of treaties and other agreements; in bilateral and regional diplomacy; in foreign aid from the State Department and the U.S. Agency for International Development; in the CIA's commitment to "environmental intelligence"; and in new "regional environmental hubs" within certain U.S. embassies, which will preach the gospel according to Mr. Gore.[85]

Even as the role of elected legislators is bypassed in this new era of aggressive environmentally based foreign policy, the role of non-elected environmental activists working in so-called non-governmental organizations has been expanded dramatically. Environmental groups like the Sierra Club, the World Wildlife Fund, the World Resources Institute, the National Audubon Society, and the Nature Conservancy have forged close

84 U.S. Department of State, "Environmental Diplomacy: The Environment and U.S. Foreign Policy," April 1997, available on the Internet at *http://www.state.gov/www/global/oes/earth.html.*

85 Henry I. Miller, "Gore Remakes Economics in His Own Image," *The Wall Street Journal,* May 13, 1997, p. A22.

associations with the Administration and with a number of organizations within the United Nations; as a result, they wield a growing coercive influence over the policymaking process. One of the largest NGOs—the International Union for the Conservation of Nature and Natural Resources—receives over $1 million annually from the State Department as well as (through executive order) a host of diplomatic privileges and immunities. Other NGOs, such as the Environmental Defense Fund and Zero Population Growth, are represented prominently on the President's Council on Sustainable Development, which has recommended the increased use of administrative and executive orders in the domestic implementation of "Agenda 21," the 40-chapter action blueprint developed at Rio de Janeiro in 1992 which calls for increased wealth and technology transfers in the name of an eco-friendly future.

Congressional Responsibilities. The balance between assuring national sovereignty and reducing global warming is sharply skewed because of such Administration strategies. As national sovereignty is eroded under an increasingly cumbersome web of international regulations, it is time for the people's elected representatives to step forward and exercise their legislative duties and prerogatives under the U.S. Constitution.

At the very least, Americans should find it extremely disturbing that NGOs and international organizations working under the auspices of the United Nations currently exercise more influence than their own elected members of the Senate and House of Representatives in the debate over what Under Secretary of State Timothy Wirth has called "the most important issue facing the world." In the name of saving the planet from a global warming "crisis," a series of regulations with potentially devastating economic consequences now looms on the not-so-distant horizon. Congress, as the most accurate reflection of the will of the American people, needs to act now before President Bill Clinton and the Department of State commit the United States to new restrictions in December at the Kyoto Conference.

Specifically, Congress should:

- **Reaffirm and enhance the principles outlined in Senate Resolution 98.** S. Res. 98, sponsored by Senators Robert Byrd (D–WV) and Charles Hagel (R–NE), is a sense of the Senate resolution passed on July 17, 1997, by a vote of 95 to 0. It is a well-intentioned effort, but any agreement that addresses an as-yet-to-be-substantiated problem with mandatory targets to reduce emissions cannot be justified at this time, for any reason. S. Res. 98 stipulates that the United States should not be a signatory to any global climate change treaty which either omits binding reductions for non–Annex I countries or results in serious harm to the U.S. economy. It also requests the inclusion of a cost-impact statement and an explanation of the legislative and regulatory requirements which will result from any global warming accord requiring the approval of the U.S. Senate. Considering the tremendous uncertainties and significant economic impact of the global warming treaty, for the United States to go only so far as supporting the extension of bad policy to as many countries as possible in the guise of "fairness" simply is not good enough.
- **Hold the Administration accountable through public hearings on the scientific, economic, and political issues surrounding global warming.** The public has been ill-served by the lack of attention paid to this issue. It is time for Congress to invite representatives from the Department of State, the EPA, and the White House to Capitol Hill to explain the rationale behind "environmental diplomacy" and the

decision to move forward with the Kyoto negotiations. A series of well-publicized hearings designed to shed light on the scientific assumptions behind the global warming theory, the economic ramifications of further binding emissions reductions, and questions of national sovereignty which arise from these international "solutions" must be conducted to help Americans understand exactly what is at stake.

- **Attend, monitor, and as much as possible participate in international negotiations to ensure that U.S. interests are protected.** Experience shows that the Clinton Administration cannot be trusted to be forthright with Congress on its position in treaty negotiations. At hearings before the Subcommittee on Energy and Power of the House Committee on Commerce in March 1995, Department of Energy Assistant Secretary for Policy Susan Tierney stated definitively to Representative Frank Pallone (D–NJ) that the Administration opposed inclusion of mandatory restrictions on greenhouse gas emissions in the treaty. During that same hearing, the State Department's Deputy Assistant Secretary for Environment and Development, Rafe Pomerance, assured Representative John Dingell (D–MI) that the Administration would not support an agreement that exempted any country from restrictions affecting the United States.[86] Yet one month later, in Berlin, the Administration supported mandatory reductions exempting over 120 developing countries from the very requirements the United States would be forced to follow.

  At a subsequent hearing in May 1995, Representative Thomas Bliley (R–VA) criticized the seemingly duplicitous testimony of the Administration's representatives at the March hearing, and Chairman Dan Scheafer (R–CO) expressed concern that the Administration was "committing first, and asking questions about cost, trade impacts and feasibility later."[87] However, this criticism and concern had little impact. Before the COP-2 meeting in Geneva, the Subcommittee held another hearing on climate change. Under Secretary of State for Global Affairs Wirth announced that the United States supported a legally binding emissions target only weeks after Deputy Assistant Secretary Pomerance had stated unequivocally: "Are we going to agree to a legally binding instrument in Geneva? No way."[88] Apparently, the Administration feels free to contradict its statements before Congress when it is negotiating abroad. Members of Congress should attend these negotiating sessions to ensure that the Administration adheres to its commitments.

- **Do not agree to any treaty that is unfavorable to American interests.** Any global warming treaty which binds the United States to specific emissions reductions enforced by U.N. bureaucrats is unacceptable. The most conservative Senate in recent memory cannot stand by as the interests of the American public are steamrolled by an increasingly unreasonable and extremist environmental movement. But this need not happen. The President cannot commit the United States to this radical course of action alone. The Senate's power to advise and consent is not merely

86 Hearings before the Subcommittee on Energy and Power, Committee on Commerce, U.S. House of Representatives, 104th Cong., 1st Sess., March 21, 1995, pp. 36–38, 59–64, 66–67.

87 Hearings before the Subcommittee on Energy and Power, Committee on Commerce, U.S. House of Representatives, 104th Cong., 1st Sess., May 19, 1995, pp. 111–113.

88 Hearings before the Subcommittee on Energy and Power, Committee on Commerce, U.S. House of Representatives, 104th Cong., 2nd Sess., June 19, 1996, p. 68.

constitutional window dressing. It is the source of congressional authority on treaty-making that is vital in the checks-and-balances system of the U.S. government. The Senate should use this power to block this anti-American initiative.

CONCLUSION

Time Is Running Out. On December 1, 1997, the third Conference of the Parties to the United Nations Framework Convention on Climate Change will meet in Kyoto, Japan. It is almost impossible to overstate the number of personal and national liberties, to say nothing of the economic impact, at stake for Americans. Any agreement finalized will affect the U.S. economy, American jobs, the environment, the standard of living, energy costs and use, global competitiveness, the balance of trade, and—perhaps most important—national sovereignty. By allowing such decisions to be decided halfway around the world without a comprehensive and well-publicized national debate at home, the country's elected officials are abdicating their responsibilities to their constituents.

The way the Clinton Administration has decided to address the issue of global warming is troubling. It is yet another example of the Administration's willingness to circumvent the U.S. Congress and throw the country's economic and political future into the arms of international bodies when its own efforts to implement its agenda through conventional methods are frustrated.

"Environmental Diplomacy" (which has been described as a mixture of Greenpeace manifesto and Vice President Gore's *Earth in the Balance*[89]) places global environmental concerns at the heart of the political and economic challenges facing the nation. But giving priority to environmentalism over traditional U.S. foreign policy concerns—such as containing tyrannical governments, preventing state-sponsored genocide and terrorism, promoting free markets, and spreading freedom and liberal democracy—is dangerous. The promotion of the Administration's new agenda through unelected, unaccountable activists should raise the most fundamental political questions: Who *really* governs the United States, for example, and who will answer to the people when the bill for this unnecessary experiment comes due?

There is still time for Congress to change course, but it is running out. Disagreements over timetables and future greenhouse gas stabilization levels continue to divide representatives of the Clinton Administration, Europe, Australia, the developing countries, and the smaller island states scattered around the globe.

Congress should hold hearings now to expose the faulty science behind the global warming mirage and demonstrate the economic consequences of following the Administration's politically correct but faulty course of action. As much as possible, Members of Congress also should monitor the treaty proceedings. Congress should exercise its constitutional power to advise and consent. Finally, if necessary, it should withdraw the United States from the entire process.

Responsible governance demands no less.

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89 Miller, "Gore Remakes Economics," *op. cit.*

APPENDIX

Annex I Countries

Australia
Austria
Belgium
Canada
Denmark
European Community
Finland
France
Germany
Greece
Iceland
Ireland
Italy
Japan
Luxembourg
Netherlands
New Zealand
Norway
Portugal
Spain
Sweden
Switzerland
Turkey
United Kingdom
United States of America

Economies in Transition

Belarus
Bulgaria
Czech Republic
Estonia
Hungary
Latvia
Lithuania
Poland
Romania
Russian Federation
Slovak Republic
Ukraine

Annex II Countries

Albania
Algeria
Antigua and Barbuda
Argentina
Armenia
Azerbaijan
Bahamas
Bahrain
Bangladesh
Barbados
Belize
Benin
Bhutan
Bolivia
Botswana
Brazil
Burkina Faso
Burundi
Cambodia
Cameroon
Cape Verde
Central African Republic
Chad
Chile
China
Colombia
Comoros
Congo
Cook Islands
Costa Rica
Cote d'Ivoire
Croatia
Cuba
Democratic Republic of the Congo
Djibouti
Dominica
Ecuador
Egypt
El Salvador
Eritrea
Ethiopia
Fiji
Gambia
Georgia
Ghana
Grenada
Guatemala
Guinea
Guinea Bissau
Guyana
Haiti
Honduras
India
Indonesia
Iran
Israel
Jamaica
Jordan
Kazakstan
Malaysia
Maldives
Mali
Malta
Marshall Islands
Mauritania
Mauritius
Mexico
Micronesia (Fed. States of)
Moldova (Republic of)
Monaco
Mongolia
Morocco
Mozambique
Myanmar
Namibia
Nauru
Nepal
Nicaragua
Nigeria
Niger
Niue
Oman
Pakistan
Panama
Papua New Guinea
Paraguay
Peru
Philippines
Qatar
Republic of Korea
Saint Kitts and Nevis
Saint Lucia
Saint Vincent and the Grenadines
Samoa
San Marino
Saudi Arabia
Senegal
Seychelles
Sierra Leone
Singapore
Slovenia
Solomon Islands
South Africa
Sri Lanka
Sudan
Swaziland
Syrian Arab Republic
Thailand
Togo
Trinidad and Tobago
Tunisia
Turkmenistan
Tuvalu
Uganda
United Arab Emirates
United Republic of Tanzania
Uruguay
Uzbekistan