

# WebMemo



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## Obama's Radical Climate Change Agenda Driving U.S. Foreign Aid Policy

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President Obama and his congressional allies' domestic climate change agenda—"cap and trade"—failed in the last Congress due to extensive opposition to its costly regulations and barriers to growth. Having failed to enact draconian climate change legislation domestically, however, President Obama has quietly shifted some of these efforts overseas by funneling millions of U.S. foreign aid dollars to left-wing causes in poor countries, whose populations largely live on less than \$1 a day.

The Obama Administration has sought to divert development aid from poverty alleviation efforts to environmental causes. Meanwhile, the Administration has championed green protectionist measures such as the U.S. Lacey Act, which will prevent trade of the developing world's wood products in U.S. markets. The Lacey Act is a trade barrier and a waste of U.S. taxpayer money.

**Global Green Welfare: Another Obama Effort to Increase Dependency on Government.** The President's determination to redirect billions in foreign aid dollars to climate change programs to promote "green economies" around the world contrasts dramatically with his domestic drive for green jobs. At home, he says he wants to use taxpayer subsidies to fund job creation in environmental industries, but overseas, Obama's plan seems to mean limiting economic growth and imposing "green welfare" on developing economies.

During the 2009 U.N. Copenhagen Climate Change Summit, the U.S. was a leading promoter of efforts to curb deforestation in the developing

world. The U.S. pledged \$1 billion to finance the U.N.'s Reducing Emissions from Deforestation and Degradation (REDD) program. REDD pays developing countries to cease forest land conversion for commercial activity in exchange for poorly defined and unreliable payments from wealthy countries. This illustrates the global green welfare agenda—requiring communities to forgo the benefits of employment in the forestry sector in exchange for government aid.

President Obama's actions extend into U.S. bilateral foreign aid policies, too, with poverty reduction programs replaced by politically motivated environmental campaigns. The Millennium Challenge Corporation (MCC) was established under the Bush Administration to support economic development and growth worldwide through private-sector-led trade and investment, to reduce corruption, and to promote sound governance and health initiatives. Yet under President Obama, the MCC has become a vehicle for advancing some of the most economically damaging green policies that failed in Congress. Instead of encouraging self-determination and prosperity, President Obama has been attempting to turn the MCC into a green welfare pumping station, potentially reversing years of successes.

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A case in point was President Obama's announcement of a new economic growth initiative during his Indonesia state visit last November. The President pledged a significant portion of the potential \$700 million in future MCC aid to Indonesia to address deforestation in that country.<sup>1</sup> Yet, as demonstrated by REDD, these efforts will impose stifling regulations on economic development in order to advance an extreme environmentalist agenda—using funding from an agency (MCC) tasked with supporting poverty alleviation through economic growth. Furthermore, as the allocation of funding within the U.S. Agency for International Development demonstrates, many Western environmental NGOs, such as the World Wildlife Fund, will receive a large portion of this funding.<sup>2</sup>

A global ideological effort is at play to impose a radical climate agenda on the developing world at the behest of “green” environmentalist groups. But the excesses of the Obama Administration's environmentalist agenda do not stop there.

**U.S. Lacey Act: Protectionism in Green Clothing.** The U.S. Lacey Act, signed into law by President William McKinley in 1900, is among the oldest obstacles to trade into the U.S., imposing burdensome regulations on various American industrial and agricultural sectors to demonstrate import eligibility. In 2008, Lacey's scope was expanded to include wood products, and the burden of proof for prosecution was lowered. The changes were supposedly intended to combat illegal logging, but

Lacey has failed to decrease illegal deforestation and poaching overseas. Instead, it is likely impeding crucial poverty alleviation efforts and wasting U.S. taxpayer dollars on its enforcement.

The Obama Administration's support for beefed-up enforcement provisions of the Lacey Act, currently being reviewed by the U.S. Department of Agriculture,<sup>3</sup> is symptomatic of its larger ideological opposition to forestry and agriculture, which are some of the main drivers of economic growth in the developing world. With Congress at an impasse on the federal budget and U.S. debt set to reach unsustainable levels, stifling trade and pledging money the U.S. does not have to countries that are ill-served by green welfare is not leadership—it is foolishness. The Lacey Act's enforcement provisions should be de-funded, not expanded.

Examples of Lacey's misuse demonstrate its far-reaching impact on all imports of plant and wildlife products. In 2000, four Americans were charged under Lacey for importing lobster tails from Honduras in plastic bags rather than in cardboard as mandated under Honduran law. Despite the fact that Honduras no longer enforced the law, U.S. officials arrested and convicted the men, giving three of them eight-year prison sentences. Those men were guilty only of choosing an incorrect receptacle for carrying legally obtained lobster tails.<sup>4</sup>

**Singling Out Wood Products from the Developing World.** Since 2008, Lacey's primary target has been stopping the developing world's wood product

1. Press release, “Indonesia: Follow-Up to the President's Cairo Speech,” The White House, November 9, 2010, at <http://www.whitehouse.gov/the-press-office/2010/11/09/indonesia-follow-president-s-cairo-speech> (April 7, 2011). “The MCC is currently negotiating a large, multi-year compact to promote economic growth and poverty reduction, for submission to its Board in 2011. The negotiations are focused on three thematic areas: green prosperity, access to economic opportunities, and governance. ‘Green Prosperity’ investments are expected to enhance livelihoods consistent with a low carbon, environmentally and socially sustainable growth strategy. Programs under the compact will look to leverage and complement climate change and development programs under the U.S.-Indonesia Comprehensive Partnership as well as support the Norway-Indonesia initiative.” See also Fidelis E. Satriastanti & Reuters, “Obama Set to Reveal \$700m Indonesia Forest Funding,” *Jakarta Globe*, November 4, 2010, at <http://www.thejakartaglobe.com/home/obama-set-to-reveal-700m-indonesian-forest-funding/404830> (April 5, 2011).
2. James M. Roberts, “How Western Environmental Policies Are Stunting Economic Growth in Developing Countries,” Heritage Foundation *Backgrounder* No. 2509, January 24, 2011, at <http://www.heritage.org/Research/Reports/2011/01/How-Western-Environmental-Policies-Are-Stunting-Economic-Growth-in-Developing-Countries>.
3. Animal and Plant Health Inspection Service, “Implementation of Revised Lacey Act Provisions,” Federal Register, February 28, 2011, at <http://www.federalregister.gov/articles/2011/02/28/2011-4357/implementation-of-revised-lacey-act-provisions> (April 7, 2011).

trade under the guise of combating illegal logging. With illegal logging estimated to be just 5–10 percent of global wood production, Lacey’s proposed enforcement is excessive and obstructs legal trade.

U.S. companies in the forestry sector intent on undermining their foreign competitors have supported misguided trade controls like Lacey and have criticized their developing world competitors. A recent report by the environmentalist group “Avoided Deforestation Partners” highlights the extent to which the U.S. agricultural sector hopes to benefit from the environmentalist agenda against developing countries. The key is using the Lacey Act to deny these would-be exporters the right to compete directly with U.S. producers. The report’s executive summary promises that “U.S. agriculture and forest products industries stand to benefit financially from conservation of tropical forests through climate policy. Ending deforestation through incentives in [the] United States and international climate action would boost U.S. agricultural revenue by an estimated \$190 [billion] to \$270 billion between 2012 and 2030.”<sup>5</sup>

U.S. forestry companies that encouraged amending Lacey to increase the regulatory barriers to wood product imports gave political support to both sides of the aisle. Senator Ron Wyden (D–OR) sponsored the 2008 amendment to the Lacey Act and said

upon its passage that the legislation “will go a long way towards not only leveling the playing field for American manufacturers, but to protecting jobs.”<sup>6</sup>

It is clear that the Obama Administration and its congressional allies are all too happy to further impede wood product imports. A pledge to increase Lacey’s funding for enforcement of provisions in the 2008 amendment is included in the Administration’s budget request to Congress for fiscal year 2012 and is further evidence of this commitment.<sup>7</sup>

Sustainable development is a laudable goal, but this single-minded focus of environmentalist groups (aided by U.S. protectionists) comes at the expense of poverty alleviation and the expansion of free and open markets in the developing world. It is a shame that, in this case, President Obama cannot “see the forest for the trees.”

**What Can Congress Do?** To stop green protectionism and encourage economic growth in developing countries, Congress should de-fund U.S. government programs that impede wood product imports and should prohibit U.S. foreign aid programs that stifle international trade in agricultural products from developing countries.

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4. Overcriminalized.com, “A Lobster Tale: Invalid Foreign Laws Lead to Years in U.S. Prison, November 2003, at <http://www.overcriminalized.com/CaseStudy/McNab-Imprison-by-Foreign-Laws.aspx> (April 7, 2011).
5. David Gardiner & Associates, “Farms Here, Forests There: Tropical Deforestation and U.S. Competitiveness in Agriculture and Timber,” May 24, 2010, at [http://adpartners.org/pdf/ADP\\_Report\\_052410a.pdf](http://adpartners.org/pdf/ADP_Report_052410a.pdf) (April 7, 2011).
6. Press release, “Farm Bill Passes with Illegal Logging Provision Intact,” Senator Ron Wyden (D–OR), May 15, 2008, at <http://wyden.senate.gov/newsroom/press/release/?id=81656d2d-066b-41fb-9d25-d3816b5db506> (April 7, 2011).
7. “An additional \$1.5 million is requested to establish a dedicated program to continue implementing the 2008 Farm Bill amendments to the Lacey Act, which are intended to prevent the importation of products derived from illegally harvested timber in other countries.” Edward Avalos, testimony before the Subcommittee on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies, Committee on Appropriations, U.S. House of Representatives, March 10, 2011, at [http://appropriations.house.gov/\\_files/031011Avaloswitnessstatement.pdf](http://appropriations.house.gov/_files/031011Avaloswitnessstatement.pdf) (April 7, 2011).