

“Countdown to Kyoto” an International Conference on The Consequences of Mandatory Global CO2 Emission Reductions

Remarks by United States Senator Chuck Hagel August 21, 1997 Canberra, Australia

First, thank you for inviting me to come to this conference and for the opportunity to speak to you here today. I have been looking forward to this conference and the chance to spend some time in your magnificent country. The first time I visited Australia was during the Vietnam War when I spent a little R&R here in 1968.

The issue we are here to discuss is one which will have a major impact on the future of my country, your country and indeed, the entire world. How we, the nations of the world, choose to address the global climate issue may prove to be one of the most important global economic and environmental decisions of the next century.

Let me say from the outset, this is not a debate about who is for or against the environment. I have yet to meet an American, an Australian, or anyone who wants dirty air, dirty water, a dirty environment or declining standards of living for their children and grandchildren. We all agree on the need for a clean environment. We all want to leave our children a better, cleaner more prosperous world.

What the discussions on global climate change should be about is finding the truth. It should be about asking the necessary questions and expecting straight-forward answers. What are the problems? If there are problems, what is the best solution? What are the costs? What are the consequences? Do we need to act now, or is it best to wait until we have more information about what we're dealing with?

Let me make it very clear, I believe we are headed down the wrong path in the negotiations for any global climate treaty to be signed in Kyoto, Japan, this December. And a great many of my colleagues in the United States Senate agree.

You see, in the United States it is the Senate who has the final say on any treaty. Our Constitution gives the American Senate the authority of advice and consent over any international agreement. Our presidential administration can negotiate whatever treaty it chooses, but no treaty will become law or have any affect whatsoever in the United States without the approval of two-thirds of the Senate. And in it's current form, the Global Climate Treaty would face a resounding defeat in the United States Senate.

Many of you have no doubt heard of the Byrd-Hagel Resolution, which passed the United States Senate by a vote of 95-0. The Byrd-Hagel Resolution put the U.S. Administration and the world on notice that the overwhelming and bipartisan majority of the United States Senate rejects the current path of the negotiations for a global climate treaty.

The Byrd-Hagel resolution rejects the Berlin Mandate. It says very clearly that the U.S. Senate would not ratify any treaty which would submit the United States, Australia and the other Annex I nations to legally-binding reductions in greenhouse gases without requiring any new or binding commitments from the 130 developing nations such as China, Mexico, Indonesia, and South Korea. It also says that the U.S. Senate would reject any treaty or other agreement that would cause serious economic harm to the United States.

Let me be very blunt, if the Annex I nations sign a treaty in Kyoto which exempts the developing world from binding reductions in greenhouse gas emissions - it will not see the light of day in the United States. The rest of the world can do as it pleases, but the United States Senate will not ratify a treaty that would place a straightjacket on our national economy while leaving many of the world's nations untouched by its provisions.

I approach this issue believing that any action that would have such dramatic ramifications for the U.S. economy, the Australian economy, and others, must be based on sound and conclusive science. This treaty is not.

If anything has become clear to me as I have studied this issue and held hearings in the U.S. Senate, it is that the

scientific community has not definitively concluded that we have a problem with global warming that is caused by human actions. The science is inconclusive and often contradictory. Predictions for the future range from no significant problem to global catastrophe.

The subcommittee I chair in the U.S. Senate, International Economic Policy, Export and Trade Promotion, held two hearings on this issue. In the second hearing we heard testimony from Dr. Patrick Michaels, who you just heard from and who is a distinguished climatologist and Professor of Environmental Sciences at the University of Virginia. In the hearing, Dr. Michaels noted that conditions in the real world simply have not matched changes projected by some computer models. Most of the warming this century occurred in the first half of the century - before insignificant emissions of greenhouse gases began. He further testified that 18 years of satellite data actually shows a slight cooling trend.

Before the U.S. Senate Environment and Public Works Committee, Dr. Richard S. Lindzen, Professor of Meteorology at the Massachusetts Institute of Technology, testified that, "a decade of focus on global warming and billions of dollars of research funds have still failed to establish that global warming is a significant problem."

At the same hearing, Dr. John Christy, an associate professor in the Department of Atmospheric Science at the University of Alabama stated, "The satellite and balloon data show that catastrophic warming is not now occurring. The detection of human effects on climate has not been convincingly proven because the variations we have now observed are not outside of the natural variations of the climate system."

It is clear that the global climate is incredibly complex. It is influenced by far more factors than originally thought when some early, crude computer models first raised alarms about the possible threat of imminent, catastrophic global warming. The scientific community has simply not yet resolved the question of whether we have a problem with global warming. They have not been able to definitively conclude if the warming that has occurred in this century is due to human action or natural variations in the earth's atmosphere.

Last week, the NBC Nightly News reported on a research ship funded by 23 nations that is going thousands of feet below the surface of the ocean and studying the earth's geological history. So far, they have sampled 87 miles worth of rock and sediment from all of the world's oceans. According to one of the main scientists on the ship, Professor Nicholas Christie-Block of Columbia University, they have captured about 10 million years of the earth's history in a single core sample of mud, sand and rock. He said, "the information we have to judge the modern climate is incomplete. We don't have that long term perspective." Studying these core samples gives the scientists information on when the earth's oceans rose and fell. They can chart the earth's ice ages and hot spells. Some of these scientists believe as you look at the history of the earth that we are actually at the warmest point midway between two ice ages. The forecast? As the NBC reporter stated, "Hot tomorrow, and 50,000 years from now skiing in Texas and sledding in Florida."

The May 16 edition of Science magazine, is one of the leading American scientific journals stated, "Many climate experts caution that it is not at all clear yet that human activities have begun to warm the planet - or how bad greenhouse warming will be when it arrives."

So why are we rushing to sign a treaty in December aimed at solving a problem the scientists cannot agree that we have or that is caused by human actions?

Even if the scientists could agree that we have a problem with global warming caused by human pollution of the atmosphere - this global climate treaty would do nothing to provide a long-term solution.

Any treaty negotiated under the Berlin Mandate will not ask for legally binding commitments from the more than 130 developing nations, including China, Mexico, South Korea, India and Singapore. This makes no sense at all, given that these nations include some of the most rapidly developing economies in the world and are quickly increasing their use of fossil fuels. By the year 2015, China will be the world's largest producer of greenhouse gases. And China has made it very clear that it will never agree to binding limits on its emissions of greenhouse gases.

It is the U.S. and the other developed nations who are already doing the most to reduce greenhouse gas emissions. Yet, it is the developing nations who will be the biggest emitters of greenhouse gases during the next 25 years. It is complete folly to exclude them from legally binding emissions mandates. How could any treaty aimed at reducing global emissions of greenhouse gases be at all effective when it excludes these 130 nations? It won't. If these nations are excluded, greenhouse gas emissions will continue to rise and we would see no net reductions in global greenhouse gas emissions. The exclusion of these nations through the Berlin Mandate is a fatal flaw in this treaty.

What would this global climate treaty do? It would cause a significant slow down in the U.S. economy, the Australian economy and the economies of many Annex I nations.

One of the notable aspects of this issue in the United States is that it has united American business, labor and agriculture. In my hearings in the Senate, we heard testimony from the AFL-CIO, the American Farm Bureau, the National Association of Manufacturers, and noted economists. They all agreed on one thing: this treaty would have devastating affect on American consumers, workers, farmers and businesses.

Even using conservative assumptions, Charles River Associates, an economic modelling firm, has estimated that holding emissions at 1990 levels would reduce economic growth in the U.S. by about 1 percent a year, rising to 3 percent in later years. What this means to everyday Americans is clear. The AFL-CIO has estimated that the treaty would mean the loss of 1.25 to 1.5 million American jobs. Energy prices would rise dramatically. Individual Americans will pay for this treaty - either in their electric bills, at the gas pump, or by losing their job.

What about the economic impact on your country? And as all of you know, economic models show that all of the Annex I nations, the Australian economy would suffer the worst blow. Japan's economy would take the 2nd biggest hit. Individual Australians, Japanese, Canadians and others would all pay the price of this treaty through dramatically higher energy prices and massive job losses.

In the United States, the Argonne National Labs study, commissioned by the U.S. Department of Energy, concluded that: Constraints on six large industries in the United States - petroleum refining, chemicals, paper products, iron and steel, aluminium and cement - would result in significant adverse impacts on the affected industries. They furthermore concluded: Emissions would not be significantly reduced. The main effect of the assumed policy would be to redistribute output, employment, and emissions from participating to non participating countries. As you are well aware, the global climate treaty would have a similar, if not worse, impact on many of these same industries in your country.

One of the most troubling aspects to the current global climate change negotiations is the proposed advanced by the European Union. The EU has proposed that only the European Community as a whole should be obligated to achieve a set level of mandatory greenhouse gas reductions. Each individual country of the EU would not then have to meet that set level of reduction. Some countries, like Portugal, Spain and Greece would be able to increase their emissions. This so-called "EU Bubble" would be a special benefit to the European Union at the detriment of the United States, Australia, Japan, Canada and the other Annex I nations. It would enable European countries to take advantage of two unique circumstances within the EU: Britain's decision for economic reasons to convert electricity generation from coal to North Sea gas, and Germany's "windfall" from its absorption of the former East Germany, which had extremely "dirty" industry that has now been almost entirely shut down.

If the United States and Australia were to agree to the EU Bubble, it would allow Europe to meet its obligations in an economically painless way, while the U.S. and Australian economies would suffer massive harm and dislocation.

Another troubling aspect of this treaty is one which has received very little discussion, but would have long-range and far-reaching consequences. This treaty has the potential of bringing under direct national and international control virtually every aspect of a nation's economy. The power of legally binding emissions mandates in this treaty would control nearly all forms of a country's energy use.

The true long-term impact of this treaty can be seen by the EU's proposal for uniform "Policies and Measures"

which would impose regulations, taxation, and government command and control over the fields of transportation, industry, agriculture, forestry, energy, consumption and other areas of a nation's economy. At a time when the world is increasingly embracing free markets, capitalist economies, democratically elected governments, and individual responsibility, this treaty would take the world back down the failed path of government command and control.

Before I was elected to the U.S. Senate, I was a businessman. As such, I would have fiercely fought any attempt by my government or some international tribunal to dictate my private business practices. But that's what this treaty would do. It would subject the economies of the world's individual nations to international dictates. As a staunch defender of democratic government, capitalism, open markets and free trade, I find this an appalling concept.

Why are we rushing headlong into signing a treaty in Kyoto this December? The scientific data is inconclusive, at times even contradictory. The economic costs are clear, and devastating. This treaty would be a lead weight on my nation's and our nation's economic growth, killing jobs and opportunities for future generations.

We need to take global climate issues seriously. We, in the United States and Australia, have made tremendous strides in cleaning up our environments, and we will continue to make progress in the future. We are all concerned about the state of the environment that we leave to our children and grandchildren. But when we take actions that will reduce their economic opportunities, we must ensure that the benefits would be real, and that they would justify the very real economic hardship that we would be passing on to future generations.

This global climate treaty is not the way to go. The path to Kyoto should be abandoned until we have a better idea of the climate changes we are dealing with and until we can come up with a truly global solution that is fair and equitable for all the nations involved.