

1.2 Climate becomes the collectivists' flagship

The potency of climate change was recognised at the outset as a concern that would readily be the torchbearer in the never ending war between those seeking salvation through political actions and those contesting the imperialism of politics over individual decision making.

The climate scare gained impetus from 1990, as the Cold War was ending, and was the harbinger of the 1992 "Earth Summit" and Rio Convention.

Rio saw 178 governments sign a non-binding, voluntarily implemented

³ 'UN Climate Chief: Task to intentionally transform global economic model for the first time in human history', *powerglobal.us*, October 24, 2015.

action plan, Agenda 21. This focussed heavily on climate change and mapped out a potentially all-encompassing series of measures which, if effected, would make the then dying centrally planned economies look like free market paragons. Its 40 provisions, if put into operation, would place considerable limitations on people's ability to own land, have children, dispose of trash and so on.

If climate change (or global warming as it was previously called) could be demonstrated to be anthropogenic, if its outcome could be shown to be severely detrimental to human incomes and to the unpriced values encompassed by ecology, and if its adverse spillovers stemmed from otherwise beneficial activity, then that activity was an issue tailor-made for political control.

For politicians, the idea of positive action to serve a cause is far more exciting than the mundane tasks of setting out and administering the law as it evolves, ensuring safety and security, and building or planning needed public infrastructure. And the collapse of communism together with the overwhelming evidence of poor performance by government managed businesses left a void for political activism which climate change could fill.

The attraction of such political action was enhanced by the challenges it imposed because of the worldwide nature of the spillovers from beneficial activities. To counteract the effects of these spillovers would require a novel solution involving united action by all sovereign states. Individual governments would need to subject themselves to a single authority, a Kantian world whereby states willingly surrender their decision making in key areas of policy to a central body.

The promotion of these sorts of controls was not a sudden event. It had been gathering impetus ever since 1945. Previous agreements to regulate other spillovers had made emission abatement proposals unremarkable,

at least in principal. The steady accumulation of powers voluntarily ceded by the sovereign states and vested in to quasi-independent international bodies provided an obvious model.

Among these international bodies with independent authority are

the World Trade Organisation (WTO) and International Monetary Fund (IMF) both of which have assumed global powers and used them, in the main, beneficially. Other UN affiliates also grew from the 1960s to cover cross border issues like acid rain, migratory species and ozone depletion. Though these have no formal disciplinary powers, their use of moral suasion and a cross-fertilization of their membership with national bureaucracies has been effective in ensuring sovereign states abide by their decisions. Climate change agreements and their enforcement were built upon this template.

Up until the present, with the exception of a short interlude under the Reagan Presidency in the early 1980s, there have been no influential voices calling into question the expansion of international bodies with independent powers. Reagan's comprehensive antipathy towards socialism and elitist controls brought a hiatus, albeit a temporary one, in the internationalism that was developing.

This was so short-lived that the pushback period was over with his departure from office. This is illustrated in 1988 by Robert Grady, later to be in contention for President Trump's Environmental Protection Agency (EPA) Administrator, who delivered the address in place of President-elect George Bush at a conference of alarmists (including Al Gore and Stephen Schneider). In the address he said, "We must work together to reduce human emissions of carbon dioxide and other greenhouse gases". These sentiments were also adopted by the Secretary of State for the incoming Bush Administration, James Baker, who in 1989 opened a session of the IPCC Working Group III with a call for political action.

1.3 In the shadow of the Trump victory

Calls for the enhancement of environmental powers over production reached an apogee under the Obama Presidency with highly militant prosecutors of the cause being appointed – none more so than EPA Administrator Gina McCarthy. The Trump victory is a setback to such regulatory intrusions.

But, at least residually, there remains a certain apprehension at being

seen to be against incurring costs in favour of reducing greenhouse gas emissions. A demonstration of this was seen in statements by President Trump's eventual pick as EPA Administrator, Scott Pruitt, who felt obliged to proclaim his green affiliations, in the course of arguing that it was "fanciful" to think that renewable energy could entirely take the place of fossil fuels. Having said that, Mr Pruitt bristled at the suggestion that if left to its own devices, his home state of Oklahoma under his influence might do nothing to cut carbon emissions, noting that the state already generated about 15 per cent of its electricity from wind, a level reached while he was the Attorney General.⁴

Nonetheless, Trump's election suddenly and unexpectedly set in train an unwinding of the excessive costs that had been incurred in emission abatement. Candidate Trump had set out his scepticism about the need for emission controls and had even jokingly referred to the climate scare as a Chinese plot. On election he quickly installed a transition team to effect the dismantling of the program. The Obama administration, though they thought a Trump victory was exceedingly unlikely, had put in place tank traps to thwart any such ambitions. Among these were measures that they thought would lock-in Obama's successor to a four year participation in the Paris Protocol.

The remarkable fact is however not that the unwinding is taking place but that the layers of costs necessary to force abatement of greenhouse gases had been built up fuelled, not by compunction but by willing agreement of statesmen and the public combined. The courtiers had woven their fine fabrics for the kings to wear and it took the Trump victory to set in train a sudden awareness that the monarchs were naked and that vast treasures had been expensed on the clothing that had no value and, indeed, undermined public faith in institutions and scientists, not all of which were party to the expensive folly that had taken place.

The Marrakech meeting in November 2016, designed as the coronation of the Paris accord, was an unhappy event for many delegates. But outgoing US Energy Secretary Ernest Moniz reassured Australian Energy

⁴ *Trump picks climate change sceptic to head environment agency*, Financial Times, December 7, 2016.

and Environment Minister Josh Frydenberg that America is heading towards a low-carbon future even if the Trump administration pulls out of the Paris agreement. “Even though Donald Trump has made these comments about the Paris agreement, (Dr Moniz) said that America is transitioning as an economy and good work particularly in the innovation space and the energy efficiency space was well underway.” Dr Moniz also said a large amount of US emissions would be cut as a result of more than 50 legislated energy efficiency standards, which Mr Trump would find very difficult to remove.⁵

While Dr Moniz placed an unwarranted view that Trump would not wish to or be able to dismantle the Obama legacy, he may well be correct in that the momentum will make this difficult. Politicians are only vaguely aware of the full scope of the measures that have been set in place in pursuit of lowering carbon emissions. Moreover, it will not be easy to negate the international centripetal forces that brought about the Paris agreement together with the enormous pressures to use climate change or some other fertilizable fear to constrain the market economy.

For the near future, the fact of the Trump victory transforms the Paris agreement from its previous status of being largely ineffective to one of total ineffectiveness. With the US reneging, countries accepting rigorous restraints on their greenhouse gas emissions account for little more than 25 per cent of global emissions.

All countries must now consider exit strategies from sets of policies that have, among other outcomes, led to crippling expensive energy. This will be challenging for the many politicians ideologically wedded to renewable energy and in some cases dependent upon green left support.

That process is made all the more difficult by the legislative lock-ins of renewable power subsidies. Politicians will need to negotiate the shoals between the inevitable cries that their early repeal of this support would amount to imposing “sovereign risk” onto the investment community generally, versus the undermining of prosperity brought by subsidies to inherently non-commercial and unreliable renewable energy.

⁵ Australian Associated Press, *Trump election causes climate uncertainty*, November 15, 2016, www.news.com.au