

The “*Pravda* Problem” and Global Warming

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Remember the Soviet publication *Pravda*? It was the mouthpiece of the Soviet Communist Party. It consisted mostly of propaganda but, of course, some truth got mixed in, too. Everyone knew it was wrong; it was just a question of *how* wrong. So *Pravda*'s problem was that it had no credibility and could not truly convince anyone of much of anything.

Our global warming alarmist friends have the same problem. Most of us would admit that global warming is potentially troublesome or is at least worthy of careful investigation. But the latest reports on global warming seem to go well beyond that. The Intergovernmental Panel on Climate Change (IPCC) of the United Nations has issued recent reports that, even after being toned down, paint a near-apocalyptic vision. They forecast adverse affects on the water supply for one billion people, river and stream flow changes of up to 40%, greater occurrence of drought and floods, some African countries experiencing 50 percent reductions in agricultural output, increases in malnutrition and disease, and weather disaster after weather disaster.¹ Nobody really believes this stuff. But how wrong is it? At this point, the global warming alarmists have lost all credibility with me will have a hard time convincing me of anything. They seemed to be declaring, “Believe what I say and do what I say or disaster will befall you!” I have a general rule in life for anyone who says something like that . . . run away from them as fast as you can!

There are groups on the other side of this issue, too. Some of those don't have much credibility, either. Those industries heavily involved with fossil fuels (production and/or consumption) have an interest in pooh-pooing it all since limits on CO₂ could cut heavily into their profits. Some in industry seem to have joined in support of the global warming cause. However, one strongly suspects that much of this is public relations posturing and maneuvering for a favorable position if CO₂ emissions are capped. Evidently, several power companies supporting a CO₂ emissions cap are those with big investments in hydro, wind, and nuclear power. The cap will punish their competitors.² The motives of the usual global warming “proponents” can be easily called into question, too. These consist mostly of two groups: government folks and government-funded academics. For the latter group, finding that global warming is a major problem holds the promise of more government grants, prestigious publications, influence on government panels, and adoration as an oracle of progressive thought. In other words, an academic's dream. For government agencies, finding a threat of global warming is license to claim the need for increased power and control. You can almost see them salivating over the prospect. I'm willing to consider that global warming is a serious problem, but I don't trust all the saliva.

As you can see, it's hard to find many good guys in this debate. So I'm very frustrated and somewhat concerned. CO₂ emissions are potentially harmful, but they involve large parts our economy and reductions are likely to come at great cost. If we undertake such costs we ought to be reasonably sure that there's a large benefit. Unfortunately, I really don't know what the truth about global warming is and it doesn't look like I'm going to find out anytime soon. Given all the resources at stake, this is a disconcerting position to be in. Isn't there anyone out there who will seek the truth on this!? (Please, nobody suggest another government commission!)

As an economist, my natural inclination is to ask, "Who has the incentives to get at the truth?" I'm not sure what the answer to this is, but perhaps the closest thing right now is a group called the Copenhagen Consensus. This is a panel of highly reputable economists convened to consider the net benefits of investing in solutions to major world problems, global warming being one of them. No member of this group made their name in researching global warming nor, I suspect, anticipate any future funding or career enhancements based on that sort of research. The group's conclusions are summarized in the 2005 Annual Report of the Federal Reserve Bank of Minneapolis.³ Global warming is treated very seriously but, because of its large costs and uncertain and far-into-the-future benefits, it ranks well below other world problems such as control of HIV/AIDS, water supply and sanitation problems in low-income countries, and world trade issues. Though I don't imagine that it's the final word on this, I recommend it as a more temperate discussion of the issues. I hope to see more of this type of cool-headed analysis . . . and then perhaps global warming's "*Pravda* Problem" can fade away with *Pravda*.

¹See an IPCC summary at <http://www.ipcc.ch/SPM6avr07.pdf> and a Los Angeles Times story on IPCC reports at <http://www.latimes.com/news/science/la-sci-warming7apr07,0,6386044,full.story>.

²See *Wall Street Journal*, "If the Cap Fits," January 26, 2007, p. A10.

³See <http://www.minneapolisfed.org/pubs/region/06-05/essay.cfm>

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