

# Summary and Conclusion: A Convenient Religion

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**I**t is time to reach a conclusion. As we have seen, perhaps the most surprising fact about global warming, given that nowadays pretty well every adverse development in the natural world is automatically attributed to it, is that – despite carbon dioxide emissions rising faster than ever – it is not, at the present time, happening.

There was, indeed, a rise in the world's temperature of about half a degree centigrade during the last quarter of the 20th century, and its effects are apparent, but even the Hadley Centre for Climate Prediction and Research, Britain's world-renowned citadel of the conventional global warming wisdom, has now conceded (and in the light of the recorded temperature series for the first seven years of this century it could hardly not do so) that since then there has been a standstill. It officially expects global warming to resume in 2009 or thereabouts. Maybe it will; we shall see.

But the fact that this lull was not predicted by any of the immensely complex computer models which embody the conventional wisdom, is clear evidence (and as we have seen, by no means the only evidence) that the science of what determines the world's temperature is far from 'settled'. The earth's climate is determined by hugely complex systems, many important aspects of which are not at all well understood. Reliable prediction is impossible.

Fortunately, despite the seemingly endless media hype,<sup>1</sup> opinion surveys suggest that a clear majority of ordinary people, even in the UK where politicians of all parties all sing from the same politically correct hymn sheet, instinctively sense that this is so.

Needless to say, the fact that the science is not settled does not mean that we know nothing. We do know that, through the so-called greenhouse effect, carbon dioxide in the atmosphere warms the planet, and that, ever since the industrial revolution, man has been adding to the amount of

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**Lord Lawson of Blaby**, former Chancellor of the Exchequer of the United Kingdom. This text is the Chapter 8 of Lord Lawson's book *An Appeal to Reason*. Duckworth Overlook. London, 2008.

carbon dioxide in the atmosphere – and continues to do so – by his reliance on carbon-based energy. So it might be reasonable to suppose that, other things being equal, the world is likely to get warmer.

But that is where the uncertainty takes over. In the first place, other things, including the natural forces that influence the earth's temperature, are most unlikely to be equal. And in the second place, even if they were equal, there is considerable dispute among climate scientists about how great the consequent warming effect of increased CO<sub>2</sub> concentrations in the atmosphere would be.

Again, as we have seen, the conventional wisdom, as spelled out in the 2007 Report of the Intergovernmental Panel on Climate Change (but before the early-21st century warming lull was officially acknowledged), is that between now and the year 2100, we can expect a warming of between 1.8°C/3.2°F and 4°C/7.2°F.

The notion that, even if it were to occur, this would be such a disaster that we need to take radical action now to cut back on carbon dioxide emissions in order to 'save the planet' has been seen to be wholly without foundation. Not surprisingly, gradual and moderate warming brings benefits as well as incurring costs. These benefits and costs will not, of course, be felt uniformly throughout the world; the colder regions of the world will be more affected by the benefits, and the hotter regions by the costs. But overall, it is far from clear that the inhabitants of the planet as a whole would suffer a significant net cost, or indeed any net cost at all.

The IPCC's own rather more pessimistic assessment is seen to rest partly on a reluctance to acknowledge sufficiently the An Appeal to Reason benefits of global warming (although it does explicitly reckon that up to 3°C/5.4°F of warming would be helpful to world food production), but more importantly on its wholly inadequate appreciation of mankind's ability to adapt to gradual change, and thus to minimize the costs, as has happened throughout the ages. This is, of course, something that, in a competitive market economy, will to a considerable extent happen naturally, spontaneously and autonomously, without any need for government intervention. But where 'public goods' are concerned, government intervention will indeed be required, should the need arise.

One of the central messages of this book is that, in the light of the uncertainty that exists about the science, and the inevitable uncertainty there is

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1. The media, of course, love scare stories of all kinds, as a means of attracting the reader's or viewer's attention. The endless litany of medical scare stories is a case in point. Global warming, with its alleged existential threat to the planet, is the greatest scare story of all, and the media inevitably make the most of it. And just as the media welcome scare stories as a means of attracting the reader's or viewer's attention, so many scientists and others who should know better are tempted to speak in alarmist terms as a means of attracting the media's attention.

about the future in general, it must make more sense to rely on autonomous adaptation, buttressed where necessary with positive policy measures to assist it, than to pay a very heavy price to try and secure a drastic reduction in emissions without even any realistic likelihood of achieving this.

But even on the basis of the IPCC's flawed economic assumptions we find that the existential threat to the planet, the disaster which we must do all in our power to avert, is merely that living standards in the developing world in a hundred years time are projected be 'only' some 8.5 times as high as they are today, instead of some 9.5 times as high, without the alleged ravages of global warming. 'Save the planet' must surely be a strong contender for the most ludicrous slogan ever coined.

Nor does either scientific theory, or the hard evidence on the ground, or the considered views of reputable climate scientists, support the Gore-style views of alarmist politicians that we are on the road to catastrophe, as a result of the planet reaching some irreversible 'tipping point'.

Moreover, even if, to err on the safe side, we were to accept both the conventional wisdom that anthropogenic global warming presents a serious problem, and also the IPCC's flawed economic analysis, a policy of cutting back sharply carbon dioxide emissions in an attempt to stabilize CO<sub>2</sub> concentrations in the atmosphere, is not a sensible course to take. For what would be required (according to the conventional wisdom) is a reduction in worldwide emissions, which at present continue to rise steadily, of at least 70 per cent.

In this context, it is clear that the feelgood measures so popular among parts of the Western middle classes are trivial to the point of irrelevance. A major change in our way of life would be required, brought about by a very substantial rise in the price of energy, both so that we use much less of it and so that non-carbon energy becomes economic. Quite apart from the public resistance a policy of this kind would engender, the economic cost of implementing it would be likely to far exceed the benefits it is hoped to secure.

But in any event, even if we in the West wished to follow this route (and in fact, outside the European Union, the official support for it is largely lip-service), it would be possible – and this, too, is not in dispute – only on the basis of a binding Kyoto-style global agreement on emissions limits. And as we have seen, this is not on offer.

The principal, although not the only, reason why a binding global agreement to cut back drastically on emissions is not on offer is that the major developing nations, notably China and India, have made it clear that, at least for the foreseeable future, they will have no part of it. They are fully justified in adopting the position they do. In the first place, their emissions per head of population, although now rising rapidly, remain well below those in the West and will continue to do so for several decades to come. In the second

place, and more importantly, their overriding concern is to improve the condition of their people, still mired in mass poverty, by the fastest rate of economic growth they can muster, which a sharp rise in the price of energy would seriously impede.

At the heart of this issue is the question of how great a sacrifice it is right to ask the people of this generation and the next to make in the hope of benefiting future generations, a hundred, or two hundred years, or indeed a thousand years hence, who in any event are likely to be many times better off. The Stern Review is right in maintaining that this is at root an ethical issue, but the ethical issue is not just about how much we care about distant future generations; it is also about how much we care about the present generation, not least in the developing world, and its children. Certainly, for the governments of those countries, the question of how great a sacrifice the present generation and their children should make, in terms of unnecessary poverty, malnutrition, disease and premature death, in the hope of benefiting substantially better off generations a hundred or two hundred years hence, is not a difficult one, either in ethical or indeed in political terms.

Theoretically, to be sure, the governments of the developed world could agree among themselves to increase the taxes on their own people by whatever it takes to enable them to bribe China, India, Brazil and the rest of the developing world sufficiently to make it worth their while to accept a sharply increased price of carbon. But anyone who believes this to be a politically realistic way forward need not bother about saving the planet: they are already living on a different one.

So does all this mean that we should do nothing about global warming? Not quite, although doing nothing is better than doing something stupid. But there are, in fact, a number of sensible things that could be done – most of which, happily, are to a considerable extent already being done.

Plainly, we need to monitor as accurately as we can, and without preconceptions, what is happening to temperatures around the globe, and what is happening to the natural phenomena which changes in temperature might affect. This is all the more important given the significant variation that has already been observed in the behaviour of ice sheets and other natural phenomena. We need to try and understand much better than we do, the various factors, from clouds to cosmic rays, that either undoubtedly do, or might, influence the climate. This requires the funding of serious research of all kinds. It is a scandal that, at the present time, reputable climatologists who are sceptical of the current anthropogenic global warming orthodoxy find it very difficult to attract funding, or to get their papers published, and indeed are all too often vilified.<sup>2</sup>

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2. See, for example, R Lindzen, 'Climate of Fear', *Wall Street Journal*, 12 April 2006.

It is clearly right that there is already substantial and growing research and development expenditure, particularly in the United States, both by the private sector and by governments, on a wide range of reduced-carbon and non-carbon sources of energy, in the hope of bringing forward the day when at least some of these technologies may become economic.<sup>3</sup> At least this goes with the grain. Whereas a nation which (like the UK if the government means what it says), cuts back on its emissions in the near future, is bound to lose out competitively, a nation which achieves a technological breakthrough is likely to benefit competitively – even if, as ought to be the case, there is rapid technology transfer. Equally important, in this context, is the need to overcome the irrational hostility to nuclear power.

At the same time, subsidies for carbon-based energy, particularly in the developed world (including not least the European Union), should be eliminated without delay.

Again, it clearly makes sense to press ahead with research and development in technologies that might assist the process of adaptation should that be required, as well as having practical utility even in the absence of warming. Desalination is one such technology, and there are several others, as will have been apparent from the discussion of adaptation in Chapter 3.

Another form of R & D which is rightly taking place at the present time, although so far only in the United States, involves what has become known as geoengineering; that is, the technology of cooling the planet, in relatively short order, should the need ever become pressing. In a sense this is the last piece of the jigsaw; the rational response should the highly unlikely threaten to occur – that is, a degree of warming with consequences beyond man's capacity to adapt.

The front-runner here is the idea of blasting aerosols into the stratosphere, so as to impede the sun's rays. Such grand schemes obviously need to be approached with caution, but it is striking that they have gained the support of scientists of the eminence of the Nobel Prize-winner, Professor Paul Crutzen.<sup>4</sup> Another scientist who has done, and is continuing to do, important work on this, is Professor Ken Caldeira of the Carnegie Institution's Department of Global Ecology at Stanford University, California.<sup>5</sup>

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3. It is frequently overlooked, incidentally, that while technological progress may well, over time, reduce the cost of some forms of non-carbon energy, it may also do the same for carbon-based energy, in particular that based on coal.

4. P J Crutzen, 'Albedo enhancement by stratospheric sulfur injections: A contribution to resolve a policy dilemma?', *Climatic Change*, 77, nos. 3-4, August 2006, pp. 211-20.

5. According to Caldeira, 'If we could pour a five-gallon bucket's worth of sulfate particles per second into the stratosphere, it might be enough to keep the earth from warming for 50 years. Tossing twice as much up there could protect us into the next century', ('How to Cool the Globe', *New York Times*, 24 October 2007.) The cost of doing this, incidentally, is several orders of magnitude less than the cost of global decarbonization.

This proposal is not nearly as far-fetched as it seems. In essence it reproduces what happens naturally when large volcanoes erupt. The most recent such eruption was that of Mount Pinatubo in the Philippines, in 1991, which ejected some 10 million tonnes of sulphur into the stratosphere, and is generally agreed to have led to a distinct cooling of the earth in 1992 and 1993 of at least 0.6°C/1.1°F, with no recorded adverse side effects of any kind (sulphur at lower levels of the atmosphere is indeed harmful to man, but not so high up in the stratosphere). The adverse side effect feared by some, should this form of geoengineering ever be put into effect, is serious damage to the planet's ozone layer. There is, however, no evidence that sulphate particles ejected into the stratosphere by volcanic eruptions have had this effect, and Crutzen discounts such fears. Since it was for his work on the ozone layer that he was awarded his Nobel Prize, this view carries weight.<sup>6</sup>

It is also worth noting that this process would cool the planet without losing the beneficent fertilization effect of the increase in atmospheric carbon dioxide – the best possible outcome for plant growth, as it happens. And although, should geoengineering be called for (as, to repeat, seems highly unlikely), it would be desirable to secure global agreement to engage in it, it would of course work equally well in the absence of any such global accord.

I conclude that it is clearly a worthwhile precautionary policy to spend government money, which the United States appears prepared to do, on further research into geoengineering of various kinds, and to develop the capability (where this does not already exist) to put it into practice in the unlikely event that the need arises.<sup>7</sup>

More importantly, there is of course the need to do whatever is required to adapt to a warmer planet, should the late 20th century warming, which has for the time being paused, soon resume, as the majority of climate scientists are currently predicting. For the most part this can and will happen spontaneously and autonomously, just as mankind has always adapted to the environment around him, wherever he lives, without any need for government intervention. But there are some areas – what the economists call the supply of 'public goods' – where governments do need to stand ready to act. The provision of adequate sea and flood defences is the most obvious example.

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6. Unlike the Nobel Prize for Peace, which is simply an expression of political opinion, the Nobel Prizes for science are an objective recognition of achievement. The two awarding bodies are entirely different, too.

7. Needless to say this is strongly opposed by both Friends of the Earth and Greenpeace: further evidence of the politico-religious nature of their agenda. Professor Lovelock, by contrast, who has no such agenda but is seriously concerned at the prospect of extreme global warming, supports it.

Moreover, as we have seen, even though the IPCC's projected warming over the next hundred years, if it occurs, may well not be harmful overall, there would be losers in the warmer regions of the developing world. Should this seem likely to occur, I believe we have a clear moral obligation to help them. It is true that the record of overseas aid in promoting economic development is very disappointing. This is because economic progress depends on a free, open and well-functioning market economy, which in turn depends on an institutional and cultural infrastructure – in particular the rule of law, including the enforcement of contracts, respect for property rights and, preferably, a restrained level of corruption – which no amount of aid can bring about, and which only good governance can. As Adam Smith succinctly put it: Little else is requisite to carry a state to the highest degree of opulence from the lowest barbarism, but peace, easy taxes, and a tolerable administration of justice; all the rest being brought about by the natural course of things.<sup>8</sup>

But that is no argument against assistance in, for example, the building of effective sea defences. Of course it would cost money. But quite apart from our moral obligation, it is only a minuscule fraction of what it would cost to attempt, by substantially cutting back on carbon dioxide emissions, to control the global temperature.

Finally, I believe that a case can be made for the introduction of an across-the-board carbon tax, initially at a relatively low level, *provided (and this is of the first importance) that the proceeds of the tax are fully returned to the pockets of the people, pound for pound or dollar for dollar, by a reduction in other taxes, such as income tax.*

If the objective is seriously to reduce global emissions, it would need to be a consumer-based tax, since in the globalized world economy industry is highly mobile, whereas individuals are far less so (although if it should lead to any 'leakage' to the developing world, this could always be seen as a more useful form of overseas aid than most). An industry-based tax, of course, would make it easier, and less costly, for the UK to preen itself on reducing its carbon dioxide emissions, as energy-intensive industries migrated overseas. The observations of China's Mr Qin Gang, noted in Chapter 5, make this point. Either way, it would give the UK an opportunity to propose, for a change, a constructive European initiative to its European Union partners.

The case for a carbon tax is essentially twofold. In the first place, as Colbert, the great 17th century reformer of the French tax system is reputed to have said, the art of taxation is to pluck the goose so as to obtain the largest amount of feathers, with the smallest possible amount of hissing. It is on this basis that, for many years, I and my predecessors and successors as

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8. Adam Smith, 1755. Published in A Smith, *Essays on Philosophical Subjects*, 1980.

Chancellor of the Exchequer in this country (and many of our counterparts elsewhere in Europe) have used high-sounding health arguments to justify raising substantial revenues from tobacco taxation, always taking care not to pitch the duty so high that too many people gave up smoking, causing the tax yield actually to diminish. In the same way, if people like to feel that they are helping to save the planet by paying a carbon tax, they should not be deprived of the opportunity to do so.

In the second place, levying a carbon tax, initially at a low level (it could always be subsequently increased in the light of experience, should we so wish), is the only practical way of getting an indication of what it might take to change behaviour sufficiently seriously to cut back on carbon-based energy consumption, if that is what we decide to do. However, what needs to be absolutely clear is that there is no point in increasing it beyond the level that taxpayers are content to bear, bearing in mind of course that they will be recompensed by equivalent reductions in other taxes. I suspect that this would prove to be a much more modest increase than the true believers would like to see. If so, it should be noted that the popular resistance would not be to the tax burden, which *ex hypothesi* would not have risen at all, but to the higher energy price and its consequences – which would apply however that price rise is generated.

There may well be no objective need for a carbon tax: the case for it is essentially pragmatic. Even if the damage done (if indeed there is any damage done) by increased atmospheric concentrations of carbon dioxide is no greater than the economic and indeed human cost of forced decarbonization, if the spirit of the age demands that something be done, if only as a gesture, to curb CO<sub>2</sub> emissions, then a carbon tax imposed on a strictly revenue-neutral basis would do no great harm. That is a good deal more than can be said for either a cap-and-trade system, which has been seen to be both undesirable in principle and a scam in practice, or the capriciously intrusive ‘interventionist gimmickry’ (to quote the *Financial Times*’ Martin Wolf) to which both Britain’s political parties appear to be addicted.<sup>9</sup>

What is important is that the practical measures I have outlined in the last few pages represent the sum total of what we should be doing. It has to be said that this is not the easiest of messages to get across – not least because the issues surrounding global warming are so often discussed in terms of belief rather than reason.

In part, there may be a political explanation for this. With the collapse of Marxism, and to all intents and purposes of other forms of socialism too, those who dislike capitalism, not least on the global scale, and its foremost exemplar, the United States, with equal passion, have been obliged to find a new creed. For many of them, green is the new red.

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9. M. Wolf, ‘Why emissions curb must be simple’, *Financial Times*, 16 March 2007.

And those who wish to take power to order us how to run our lives, faced with the uncomfortable evidence that economic prosperity is more likely to be achieved by less government intervention rather than more, naturally welcome the emergence of a new licence to intrude, to interfere and to regulate: the great cause of saving the planet from the alleged horrors of global warming.

A major difference between the red and the green is that between optimism and pessimism. Marx, adopting and adapting Hegel's notion of historical inevitability, was fundamentally idealistic and optimistic. Society would go through various phases, culminating in the victory of the proletariat and the consequent withering away of the state, whose only historical function had been to oppress the proletariat. (Although the process was inevitable, it was nonetheless necessary to promote revolution to hurry it along. Marxism is nothing if not impatient.) The red left, however watered down its Marxist ideology may have become, retained his idealistic and optimistic view of man's social and material progress.

The green left, by contrast, is profoundly pessimistic; the world is going to hell in a handcart as a result of the excesses of materialist capitalism. So far from believing in the future, it is attracted to a mythical pre-materialist and pre-capitalist past. What the red and the green do have in common, however, is a profound distaste for the liberal capitalist present, and an addiction to collectivist means of escaping from it. It is not hard to see how those who initially embraced the red left have shifted easily, when the practical embodiment of their idealism proved so disastrous, to the green left. Transparent realism is greatly to be preferred to both red optimism and green pessimism.

But there is something much more fundamental at work. I suspect that it is no accident that it is in Europe that eco-fundamentalism in general and global warming absolutism in particular, has found its most fertile soil; for it is Europe that has become the most secular society in the world, where the traditional religions have the weakest hold. Yet people still feel the need for the comfort and higher values that religion can provide, and it is the quasi-religion of green alarmism and what has been well described as global salvationism (of which the global warming issue is the most striking example), which has filled the vacuum, with reasoned questioning of its mantras regarded as little short of sacrilege.

Throughout the ages, something deep in man's psyche has made him receptive to apocalyptic warnings: 'the end of the world is nigh'. And almost all of us are imbued with a sense of guilt and a sense of sin. How much less uncomfortable it is, how much more convenient, to divert our attention away from our individual sins and reasons for guilt, arising from how we have treated our neighbours, and to sublimate it in collective guilt and collective sin.

Throughout the ages, too, the weather has been an important part of the religious narrative. In primitive societies it was customary for extreme weather events to be explained as punishment from the gods for the sins of the people; and there is no shortage of examples of this theme in the Bible, either – particularly, but not exclusively, in the Old Testament.

Nor have the old religions been slow to make common cause with the new religion of climate change. The Archbishop of Canterbury not so long ago told politicians that they would face ‘a heavy responsibility before God’ if they failed to act to curb global warming, and described the lifestyle of those who allegedly contribute most to global warming as ‘profoundly immoral’. He added that ‘if we look at the language of the Bible on this, we very often come across a situation where people are judged for not responding to warnings’.<sup>10</sup> (Whether it is theologically sound to equate warnings from the Almighty with those derived from computer models is not for me to judge.)<sup>11</sup>

Does all this matter? Up to a point, no. Fortunately, the gap between rhetoric and reality when it comes to global warming, between the apocalyptic nature of the alleged threat and the relative modesty of the measures so far implemented (not to mention the sublime disregard of international obligations solemnly undertaken), is far greater than I can recall with any other issue in a lifetime of either observing or practising politics. The explanation, of course, is that while fine words are cheap and probably politically attractive, the deeds to match them are anything but cheap and almost certainly politically unattractive. While the consequence in terms of political posturing may be distasteful, at least it has so far mitigated (to coin a phrase) the damage that would have been done had the more strident governments’ deeds matched their extravagant words.

Moreover, unbelievers should not be dismissive of the comfort that religion can bring, even if some of us prefer to seek our spiritual solace in the music of Mozart, for example. If people feel better when they drive a hybrid car or ride a bicycle to work, and like to parade their virtue in this way, then so be it. (There is, however, something particularly unattractive about high-profile pop stars and the like telling the rest of us that we should not be flying to foreign destinations on holiday, whereas they need to do so for reasons of ‘work’.)

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10. Rowan Williams, Archbishop of Canterbury. Transcript of Archbishop’s interview on climate change with The Today Programme, 29 March 2006.

11. In fairness it should be noted that the Catholic Church’s stance on this is more careful. In his 2008 New Year’s Day message, Pope Benedict XVI declared that ‘Human beings, obviously, are of supreme worth vis-à-vis creation as a whole. Respecting the environment does not mean considering material or animal nature more important than man. Humanity today is rightly concerned about the ecological balance of tomorrow. It is important for assessments in this regard to be carried out prudently, in dialogue with experts and uninhibited by ideological pressure to draw hasty conclusions’.

And for political leaders in a democracy, the new religion is particularly convenient. It is not simply that they have discovered a wonderful diversion from their failings in more mundane matters, for which the voters may hold them responsible, although this is certainly a major factor. It also solves a deeper problem, which the economist and thinker Joseph Schumpeter to some extent foresaw more than sixty years ago, when he wrote that 'Capitalist rationality does not do away with sub- or super-rational impulses. It merely makes them get out of hand by removing the restraint of sacred or semi-sacred tradition.'<sup>12</sup>

The problem for political leaders in a free capitalist democracy is that, while capitalism is essentially opposed to authority, government requires authority. For a considerable period after Schumpeter made his observation, this was secured by a continuing deference to duly constituted authority, despite the decline of what he described as 'sacred or semi-sacred tradition'. But with the waning of deference of all kinds, the opportunity for political leaders to solve this problem by clothing themselves in the priestly garb of the new religion and proclaiming themselves the saviours of the planet, is too good to miss.

Nonetheless, the new religion of eco-fundamentalism and global warming presents dangers on at least three levels. The first is that it breeds an intolerance of dissent and reasoned argument that is both unattractive and dangerous. The attempt by the Royal Society, of all bodies, to prevent the funding of groups and organizations which openly doubt the alarmist creed of the new orthodoxy, on the grounds that they are 'providing inaccurate and misleading information to the public', is particularly shocking – and telling.<sup>13</sup> It is clearly undesirable that no young scientist, or young politician, dare question the new religion without severely damaging their career prospects, (indeed, I have been able to write this book only because my own career is behind me). Nor is it a coincidence that so many of the qualified scientists who publicly question the conventional wisdom are retired. The PC at the heart of the IPCC, as it were, is the most oppressive and intolerant form of political correctness in the western world today.

The second danger is that the governments of Europe may get so carried away by their own rhetoric as to impose measures which do serious harm to their economies. This is a particular danger at the present time in the UK.

And the third, and still greater danger, is that even if the voters prevent Europe's governments from going too far to damage their own economies, they may still cause great damage to the developing world by engaging in

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12. J A Schumpeter, *Capitalism, Socialism and Democracy*, 1952.

13. David Adam, 'Royal Society tells Exxon: stop funding climate change denial', *The Guardian*, 20 September 2006.

what might be termed green protectionism. The movement to make us feel guilty about buying overseas produce because of the 'food miles' involved is just one example of this. A more fundamental threat comes from the growing calls from luminaries such as the European Industry Commissioner, Mr Verheugen, for the imposition of trade sanctions against those nations which (quite rightly, as we have seen) will not agree to increase substantially the price of carbon within their borders – a threat which is even entertained by the lamentable Stern Review.<sup>14</sup> France's President Sarkozy has become an increasingly vocal advocate of this, for example declaring, on a visit to China a week ahead of the Bali gathering, that 'I will defend the principle of a carbon compensation mechanism at the EU's borders with regard to countries that do not put in place rules for reducing greenhouse gas emissions.'<sup>15</sup>

It should not need pointing out that a lurch into protectionism, and a rolling back of globalization, would do far more damage to the world economy, and in particular to living standards in developing countries, than could conceivably result from the projected continuation of global warming. But even if this danger can be averted, it is clear that the would-be saviours of the planet are, in practice, the enemies of poverty reduction in the developing world.

So the new religion of global warming, however convenient it may be to the politicians, is not as harmless as it may appear at first sight. Indeed, the more one examines it, the more it resembles a Da Vinci Code of environmentalism. It is a great story, and a phenomenal best-seller. It contains a grain of truth – and a mountain of nonsense. And that nonsense could be very damaging indeed. We appear to have entered a new age of unreason, which threatens to be as economically harmful as it is profoundly disquieting. It is from this, above all, that we really do need to save the planet.

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14. 'Some economists have analyzed the potential to use the international trade regime to respond to significant differences in the level of carbon prices applied in different economies. Countries could in theory impose a border tax on imports from countries with lower carbon prices. There is a clear logic here'. (N Stern, 2006, *op. cit.*, p. 551. While it decides that, on balance, this might not be a very good idea, the review feebly concludes that, 'Nevertheless, there remains the risk that in the face of significant and long-running divergences in the level of carbon prices across borders, industry will lobby for the introduction of these measures'. (p. 552).

15. 'Sarkozy warns China of carbon tariffs', <http://www.FT.com>, 27 November 2007. Mr Sarkozy had earlier urged the President of the European Commission, in October 2007, to discuss, in the next six months, the implications of 'unfair competition' by firms outside the EU which do not have to abide by 'strict' European standards for CO<sub>2</sub> emissions.