POWER, PROFITS AND THE PLANET – FOSSIL FUEL CORPORATIONS
PUTTING PROFITS BEFORE PLANET - PROMOTING BURNING AS USUAL!

Ian McGregor
School of Management,
University of Technology Sydney

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Power, Profits and the Planet – Fossil Fuel Corporations putting profits before planet - promoting burning as usual!

Ian McGregor
ian.m.mcgregor@uts.edu.au
School of Management, UTS, Sydney

Abstract
This paper documents the continual undermining by the fossil fuel industry (particularly in the US) of the scientific and international policy consensus on the urgent need for a range of coordinated international environmental policies to address the serious problem of global warming. This has led to the US and Australia not ratifying the Kyoto Protocol (which they both signed). This has reduced the pressure on China and India to address the increasingly serious problem of their rapidly increasing levels of fossil fuel use contributing to continued burgeoning global greenhouse gas emissions.
Introduction
It is more than 16 years, since the Intergovernmental Panel on Climate Change (IPCC) concluded that the increasing concentrations of greenhouse gases are caused by human activities and will result in an additional warming of the Earth's surface (IPCC, 1990). In response to this from in 1991-92, the UN Framework Convention on Climate Change (UNFCCC) was negotiated and opened for signing at the Earth Summit in Rio in 1992. It was signed and ratified by sufficient countries to come into force in March 1994.

The Global Climate Coalition (GCC) was formed in 1989 under the auspices of the National Association of Manufacturers (NAM), though it was reorganized as an independent entity in 1992. The GCC represents about 40 companies and industry associations, primarily major users of fossil fuels such as the oil, automobile, and electric utility sectors, but also including other energy intense sectors such as cement, aluminum, iron and steel, chemicals, and paper. A senior GCC staff member, discussing motivations for the creation of the GCC, expressed the view that industry had become involved late in the negotiations leading to the 1987 Montreal Protocol, and that there was also considerable dissatisfaction with the Clean Air Act process. Although the GCC was constituted as a US-based organization and was focused on domestic lobbying, a number of US subsidiaries of European multinationals also joined, and the GCC quickly rose to be the most prominent voice of industry, both in the US and in the international negotiations (Levy & Egan, 1999).

“The Coalition seemed to have recovered from their disappointment that the convention had actually been negotiated and were on the offensive again. Their new strategy was to try to switch attention away from the developed countries as the main emitters, and the USA as the number one emitter, by pointing to the growth potential for emissions in developing countries. It was a clever and moderately subtle gambit, and it was to be a major theme of the GCC's efforts at the climate negotiations for a long time after Rio.” (Leggett, 2001)
Following Berlin Mandate negotiated at first COP (Berlin 2005) which committed the Annex 1 countries, including the US, to negotiate mandatory reductions in greenhouse gas emissions. The Annex 1 countries were the developed countries of the OECD plus the former Soviet controlled Eastern European countries and Russia. This changed the agenda to oppose the proposed International Agreement (which became the Kyoto Protocol) and US participation in it. The GCC was keen to portray the economic costs of mandatory reductions in greenhouse gas emissions as too high and commissioned “independent experts” to produce reports to support this view (eg Towards an Economically Rational Response to the Berlin Mandate) - prepared on behalf of the GCC (Montgomery & Associates, 1995).

(WEFA Group, Zinder & Associates, 1996):

“In order to protect the environment, the precautionary approach shall be widely applied by States according to their capabilities. Where there are threats of serious or irreversible damage, lack of full scientific certainty shall not be used as a reason for postponing cost-effective measures to prevent environmental damage” (United Nations Conference on Environment and Development, 1992).

Another key strategy of the GCC in its opposition to mandatory emission controls has been to challenge the science of climate change, pointing to a spectrum of opinion rather than the general consensus among scientists that climate change was a serious problem and had to be urgently addressed. It sought to highlight the uncertainties that arise in dealing with such a complex chaotic system as the earth’s climate and use climate skeptics to promote the uncertainty. The GCC actively promoted the views of climate skeptics such as Patrick Michaels, Fred Singer, and Richard Lindzen in its literature, press releases, and congressional testimony, and would direct press inquiries to these people (Levy & Egan, 1999).

In 1996, GCC and its allies also publicly challenged the IPCC accusing it of reducing the level of uncertainty in its report.
“In May 1996, Don Pearlman of the Climate Council and William O'Keefe of the GCC and the American Petroleum Institute publicly accused IPCC lead authors Ben Santer and Tom Wigley of secretly altering the IPCC report to reduce the expression of uncertainties, particularly in chapter 8. This chapter was the source of the oft-quoted IPCC statement that “the balance of evidence suggests that there is a discernible human influence on global climate.” (Levy & Egan, 1999)

“An opinion survey in the U.S. tried to measure the effects of this campaign and the intense newspaper debate at the time. It concluded that the debate led to a higher exposure of the American public while still 44% of respondents had not remarked any story on the climate change issue. The media campaign succeeded inasmuch as the percentage of respondents stating that scientists disagreed on the climate change issue doubled from 38% to 67%. This did not influence views of those familiar with the subject. Only those with little knowledge changed their opinion but the effects cancelled out as Democrat supporters became more favourable towards climate policy while Republican supporters became less favourable. Overall, about 3/4 of respondents thought that temperatures had risen during the last century and would continue rising in absence of climate policy.” (Michaelowa, 1998, p255)

The New York Times conducted a large public opinion survey on global warming just prior to the Kyoto COP. Sixty five per cent of those polled felt that the USA should take steps to cut its own emissions immediately, irrespective of what others did. The margin of error on this figure was just 3 per cent. It seemed, as the Times put it, that 'the American people are far more willing than their government to take early, unilateral, steps'. As for the public's response to oil and coal-industry arguments that emissions reductions would be economically ruinous, 'they appear to be unimpressed', the Times concluded (Leggett, 2001).

The GCC led campaign in the US Senate was, however, more successful in gaining support of its opposition to the US agreeing to the proposed Kyoto Protocol. In Spring of 1997, Senator Byrd, a strong advocate of the coal industry (Henry Lee, Vicki Arroyo Cochran & Manik Roy, 2001)
approached the a senior GCC official to seek advice in regard to a proposed Senate resolution opposing the Kyoto Protocol (GCC Interviewee 1, 2005). Senator Byrd was standing for re-election in 2000 and it is reported that at least 20% of his 2000 campaign contributions came from coal mining interests (Stockman & Forman, 2000). Senator Byrd “wanted to meet with the business community to talk about a resolution that he was going to introduce on climate change (GCC Interviewee 1, 2005).” The GCC official convened a meeting with the “business community” and Senator Byrd where Senator Byrd provided copies of the draft resolution. It was suggested that he sharpen the focus on the economics of the issue and find a Republican Senator who would be co-sponsor of the resolution. Both of which he did (Senator Hagel became the Republican co-sponsor). The final wording of the Byrd-Hagel resolution was as follows:

“That it is the sense of the Senate that--

(1) the United States should not be a signatory to any protocol to, or other agreement regarding, the United Nations Framework Convention on Climate Change of 1992, at negotiations in Kyoto in December 1997, or thereafter, which would--

(A) mandate new commitments to limit or reduce greenhouse gas emissions for the Annex I Parties, unless the protocol or other agreement also mandates new specific scheduled commitments to limit or reduce greenhouse gas emissions for Developing Country Parties within the same compliance period, or

(B) would result in serious harm to the economy of the United States; and

(2) any such protocol or other agreement which would require the advice and consent of the Senate to ratification should be accompanied by a detailed explanation of any legislation or regulatory actions that may be required to implement the protocol or other agreement and should also be accompanied by an analysis of the detailed financial costs and other impacts on the economy of the United States which would be incurred by the implementation of the protocol or other agreement.”
Senator Byrd also sought support from the GCC and its members in lobbying Senators to support the resolution. During the weeks following the meeting, business lobbyists were briefed and successfully lobbied Senators to support the resolution that had over 60 co-sponsors was passed 95-0. The Clinton Administration did not seem to react to the proposed resolution either because “not fully aware of it or did not think much of it and therefore never mounted a major challenge to it” (GCC Interviewee 1, 2005). Other sources also indicate a similar acquiescence:

“Given its support for the Berlin Mandate, the Clinton administration might have been expected to oppose the Byrd-Hagel resolution, urge that the resolution be amended by striking any reference to developing country commitments, or urge that the resolution be amended to state that mandates on developing countries would only come into force during a later compliance period. Instead of pursuing any of these three options, the Clinton administration signaled its acquiescence to the language of the resolution without amendment, leading Senate Democrats to join Republicans in voting for it (Henry Lee, Vicki Arroyo Cochran & Manik Roy, 2001).”

Given the GCC led successfully lobbying of both sides of the Senate and the fact that the resolution was initiated by a Democrat Senator, it is not clear that it was due to the Clinton Administration signaled acquiescence or a lack of awareness in the Clinton Administration of the development of the resolution led to its unanimous bipartisan support.

The start of the Third Conference of the Parties at Kyoto was marked by significant internal differences within the developed world, particularly between the United States and the European Union (EU). The United States opposed the EU target to cut emissions by 15 percent of 1990 levels and was also against the "EU Bubble." wherein all countries within the latter would have one overall target. The United States continued to insist on emissions
trading, multiyear targets and the inclusion of greenhouse gas sinks (a position supported by Australia, Canada, New Zealand and Russia). Finally, the United States argued for a comprehensive approach that included six greenhouse gases: carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, sulphur hexafluoride, and perfluorocarbons, as opposed to the EU's insistence on only the first three.

With negotiations stalled due to these differences. Vice-President Gore made a sixteen-hour visit to Kyoto on 8 December 1997. Gore's visit and his call to U.S. negotiators for "increased negotiating flexibility," and by most accounts broke a long impasse at Kyoto. The following day, chief U.S. negotiator Stuart Eizenstat signaled his willingness to negotiate emissions cuts that went beyond stabilization at 1990 levels by 2008-2012. This induced compromises from other countries, eventually leading to a last-minute consensus agreement on the Kyoto Protocol(Agrawala & Andresen, 1999). (GCC Interviewee 1, 2005)

**Post-Kyoto – GCC and its supporters and US climate change policy**

Although the Clinton Administration had signed the Kyoto Protocol with a hostile Senate it did not submit it for ratification, as it knew it was unlikely to be passed.

“The reality is that the Kyoto Treaty, if submitted by President Clinton to the Senate, would likely not have mustered half the votes needed for ratification. Clinton was acutely aware of this reality and made no effort to submit the treaty for legislative approval. He also believed that a consensus for near-term domestic controls on carbon dioxide or other greenhouse gas (GHG) missions did not exist in Congress, and thus his administration did not offer or promote such legislation.”(Henry Lee, Vicki Arroyo Cochran & Manik Roy, 2001, p381)
Senior GCC executives also held the view that the Kyoto Protocol was unlikely to be passed by the Senate given the unanimous passing of the Byrd-Hagel resolution, which they saw as clearly signaling the Senate’s opposition to what was proposed in the Kyoto Protocol. They saw their role as ensuring that this position was maintained and that mandatory targets for greenhouse gas reductions were not introduced in the US. This included ensuring there were no “back door” measures to implement the Kyoto Protocol (GCC Interviewee 1, 2005). This included supporting the proposed House Resolution 3807: (HR3807 - To prohibit the use of Federal funds to implement the Kyoto Protocol to the United Nations Framework Convention on Climate Change unless or until the Senate has given its advice and consent to ratification of the Kyoto Protocol and to clarify the authority of Federal agencies with respect to the regulation of the emissions of carbon dioxide, 1998).

The focus of the GCC in the period following the signing of the Kyoto Protocol was mainly on the alleged economic costs to the US economy of ratifying and implementing the Protocol. This included working to promote to the media and to Congress and Senate an API commissioned report, which claimed the Clinton Administration was understating the costs of implementing the Kyoto Protocol (Bernstein & Montgomery, 1998).

he GCC sponsored a study stating that implementing the Kyoto environmental protocol would cost the United States over 2.4 million jobs and reduce gross domestic product by as much as US$300 billion annually (Carpenter, 2001, p315). The Economic Policy Institute examined the study and found the authors had included portions of the Kyoto Protocol which were not agreed to and made other unduly pessimistic assumptions (Barrett, 1998). It even commissioned research that claimed to indicate the loss of jobs due to the Kyoto Protocol by state (GCC, 1999).

Other economic analysis was not so negative and Redefining Progress issued the “Economists Statement on Climate Change” which was endorsed by over 2500 economists including eight Nobel Laureates. This stated that:
“Economic studies have found that there are many potential policies to reduce greenhouse-gas emissions for which the total benefits outweigh the total costs. For the United States in particular, sound economic analysis shows that there are policy options that would slow climate change without harming American living standards, and these measures may in fact improve U.S. productivity in the longer run.” (Redefining Progress, 2001)

The GCC also focused on commissioning reports promoting the view that any emissions trading system should be as unrestricted as possible, based on these reports it claimed that it was essential that any program for international trading of greenhouse gas emissions must be unrestricted in order to reduce the costs of meeting reduction goals (GCC, 1999).

GCC and its allies also managed to maintain the impression in the influential, prestige press that there was debate in the scientific community in regard to global warming. Boykoff and Boykoff (2004) conclude after analysing press coverage of global warming from 1988 to 2002:

“This study demonstrates that there is a significant difference between the scientific community discourse and the US prestige-press discourse regarding: (1) the existence of anthropogenic contributions to global warming, and (2) decisions regarding action on global warming. By empirically unpacking the robust norm of balanced reporting, this research examines what may on the surface be an obvious journalistic tendency— the proclivity to tell “both sides of the story” - and excavates it to find that balanced reporting is actually problematic in practice when discussing the human contribution to global warming and resulting calls for action to combat it.”

This contrasts with a review of the scientific literature by Oreskes (2004) over a similar period (1993-2003), which concluded that:

This analysis shows that scientists publishing in the peer-reviewed literature agree with IPCC, the National Academy of Sciences, and the public statements of their professional societies. Politicians, economists, journalists, and others may have the impression of
confusion, disagreement, or discord among climate scientists, but that impression is incorrect.

As stated previously, the Clinton Administration would not have been able to get sufficient support in the Senate to ratify the Kyoto Protocol. The problem of getting Senate support was compounded by the power of the fossil fuel industry which not only has many well funded lobbyists but also made almost US$40 million in political campaign contributions in 2000 (www.opensecrets.org, 2006a, 2006b).

**Kyoto abandoned by George W Bush in 2001**

In March 2001, President GW Bush announced that the US had abandoned ratification of the Kyoto Protocol. The US fossil fuel lobby’s efforts to undermine the US commitment to participate in international action on global warming had succeeded.

A briefing paper given before a meeting with the GCC to the US under-secretary of state, Paula Dobriansky, states that POTUS [President of the United States] rejected Kyoto in part based on input from you [the Global Climate Coalition]" (US State Department & Brill, 2001, p3). Other papers suggest that Ms Dobriansky should sound out Exxon executives and other anti-Kyoto business groups on potential alternatives to Kyoto. The papers further state that the White House considered Exxon "among the companies most actively and prominently opposed to binding approaches [like Kyoto] to cut greenhouse gas emissions" (Vidal, 2005).

The GCC ceased to operate later in 2001; it had become a negative poster child for the environmental movement. Shareholder activists had put resolutions on the AGMs of major corporations such as Texaco, Ford, General Motors and Exxon urging them to resign from the GCC. It had achieved its purpose in that no significant restrictions or measures to restrict fossil fuel use had been introduced in the USA. The campaign to ensure that this continued was carried on through the GCC allies, such as the Competitive Enterprise Institute, the Heritage Foundation, the George Marshall Institute, The Atlas Economic Research Foundation (which promotes and supports the
work of leading US climate sceptic S Fred Singer), The Committee for a Constructive Tomorrow, the American Enterprise Institute – most of which still receive funding from Exxon Mobil. (Willmore, 2002).

**International Environmental Agreement on Climate Change**

Despite the US withdrawal, the details of the Kyoto Protocol were finalised in the international negotiations in 2001. The European Union pushed this process forward and with ratification by Canada, Japan, New Zealand and finally Russia the Protocol reached the critical 55% of emissions to come into force in 2005.

**Conclusion**

The GCC was one of many organisations that were used by the fossil fuel corporations to undermine the scientific and policy consensus that mandatory targets to reduce greenhouse gas emissions were necessary in the US, as part of an international environmental agreement, to address the problem of global warming. These mandatory reduction targets would have reduced fossil fuel use and were therefore likely to affect the future profitability of these powerful oil and coal corporations. This led to their senior executives using their organisations’ power and influence both directly on politicians and through organisations such as the GCC to prevent implementation of these measures to reduce greenhouse gas emissions. Profits were therefore more important than the planet as greenhouse gases, mainly from burning fossil fuels, are causing severe and increasing environmental damage through global warming.

Their success in stopping the US ratifying the Kyoto Protocol allowed Australia to follow the US lead and also not ratify. This has also taken some of the pressure of India and China whose greenhouse gas emissions are growing rapidly, as the US as the world’s largest greenhouse gas emitter and Australia, the world largest per capita greenhouse gas emitter have withdrawn from their international commitments to reduce greenhouse gas emissions under the Kyoto Protocol.
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Appendix 1 – 1996 GCC Membership Backgrounder and List

### Membership Backgrounder

The Global Climate Coalition (GCC) is an organization of private companies and business trade associations, representing more than 230,000 firms. Membership includes a broad range of businesses from virtually every sector of the U.S. economy. Large manufacturers in the aluminum and paper industry join small businesses with common interests in maintaining the abundant and inexpensive energy that keeps American standards of living the envy of the world. Transportation industries such as the airlines, railroads, or automobile manufacturers share a common interest in U.S. energy policies along with independent and investor-owned power generating companies, the petroleum industry, chemical firms and owner-managed small businesses across the country. All are represented in the Coalition, the lead business voice on climate change issues.

Established in 1989 to coordinate business participation in the scientific and policy debate on the global climate change issue, GCC places a high priority on scientific and economic research to advance the understanding of earth systems. The coalition also supports the improvement of climate models and the refinement of the tools necessary for decision-making with respect to long-term scientific and economic strategies to successfully address potential climate change.

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<td>Aluminum Association, Inc.</td>
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<td>American Commerical Barge Line Co.</td>
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<td>American Electric Power Service Corporation</td>
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<td>American Portland Cement Alliance</td>
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<td>Amoco Corporation</td>
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<td>Association of American Railroads</td>
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<td>Association of International Automobile Manufacturers</td>
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<td>Atlantic Richfield Coal Company</td>
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<td>Western Pulpis Association</td>
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Appendix 2 – Anti-Kyoto advertising prior to US signing in 1997 primarily funded by the members of the Global Climate Coalition