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BUSINESS WORLDBy HOLMAN W. JENKINS,
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Decoding Climate Politics

January 24, 2007; Page A12

Pundits tell us the mood shift, with Democrats now in control, favors action on climate change. Don't bet on it.

It's still going to be hard for the legislative process to get past the fact that nothing on the table or capable of commanding majority support would make the slightest difference to climate change. Even a complete ban on burning fossil fuels in the U.S. wouldn't halt progress to the next milestone, a doubling of atmospheric carbon dioxide since the advent of industrial civilization. No joke to say the only live question for congresspersons and their voters back home is: How much are we going to spend to have no impact on global warming, and why?

Politics is a business of symbolism, but not without its pull toward the rational. The game in Washington today is how to turn global warming policy toward some other purpose that serves somebody's idea of self-interest or the national good. Let's rank these in order of the narrowness of the interests involved.

General Electric, DuPont, Alcoa, Caterpillar and other industrial pigpens this week endorsed cap-and-trade limits on carbon dioxide, which would turn their established habit of using the atmosphere as a free waste disposal into a property right, worth billions. Talk about a low-hanging fruit. They are accustomed to treating carbon dumping as a gimme. Now they'd at least be in a position to get paid for dumping less.

Their hero is retiring BP chief John Browne, who turned his little oil company into a big oil company, engaged in cost cutting (which he called "emissions cuts") and set about using public policy to get his shareholders compensated twice for these cuts (net, of course, of any deductions for oil spills, plant explosions, etc.).

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Next up on the enlightenment scale, with straightened vertebrae and the first inkling of a "larger good," are Nancy Pelosi, George Bush and others who want to use climate change to advance a goal of "energy independence."

They may be praying to a false god, but their devotion is possibly sincere. And some public good might come from policies designed to encourage a "cellulosic" ethanol industry, which has the potential to be carbon-neutral as well as to improve the nation's "energy security" (a non-false god) by spurring a global market in biofuels to compete with OPEC.

However, to the extent that global warming becomes an excuse to shovel more subsidies and protectionist favors at the corn ethanol industry, neither energy security nor carbon reduction would be served.

Finally, walking upright, with knuckles no longer in proximity to the ground, are advocates -- mostly economists -- of a carbon tax.

A carbon tax would be the efficient way of encouraging businesses and consumers to make less carbon-intensive energy choices. Government would not have to exercise an improbable clairvoyance about which technologies will pay off in the future. There'd be less scope for Congress to favor some industries over others purely on the basis of lobbying clout.

The most enlightened of the enlightened (love note to Kevin Hassett) are those who see how a carbon tax might be used to overhaul the tax system and make it more pro-growth in its treatment of savings and investment.

There's your scorecard. Unfortunately, because a carbon tax would lead to a direct (rather than surreptitious) increase in the cost of gasoline, the path of enlightenment will not be the path of politics. Of one other thing you can also be sure -- the impact on climate change of any policy issuing from Washington will be nil.

By common (if fudgy) estimate, the biosphere can take up less than three billion tons of atmospheric carbon a year. Human industry produces 7.5 billion tons, a volume that continues to grow rapidly as China, India, Brazil and Indonesia (not covered by Kyoto) develop their economies, and as European countries and Japan (covered by Kyoto) blow past their limits. Consider too that carbon is hardly the sole, and perhaps not even the dominant, force behind the ostensible warming of the past century.

The only thing that will save us now is the likelihood (very high) that the most dire forecasts of climate change are wrong; the chance (not improbable) that the biosphere will evolve to make use of a slightly more carbon-rich atmosphere; and the prospect (nearly certain) that mankind will seek to adapt to whatever climate it finds itself confronted with.

Our private bet, of no relevance for the politics, is that real knowledge being so skimpy, today's "consensus" on climate change will turn out to be a perishable fruit. And those like Rep. John Dingell who are still willing to profess public doubts about whether any of us know what we're talking about when we talk about climate change will end up looking pretty good in retrospect.

Polls say the public has heard Al Gore and believes a climate disaster is just around the corner, with rising sea levels and killer hurricanes. Yet Manhattan real-estate values increased 17% last year and the stock market is at all-time high. The same cognitive dissonance is guaranteed to be reflected in policy, which will consist of symbolism on global warming but nothing so costly and radical as to require true climate

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Holman W. Jenkins Jr. is a member of the editorial board of The Wall Street Journal and writes editorials and the weekly Business World column.

Mr. Jenkins joined the Journal in May 1992 as a writer for the editorial page in New York. In February 1994, he moved to Hong Kong as editor of The Asian Wall Street Journal's editorial page. He returned to the domestic Journal in December 1995 as a member of the paper's editorial board and was based in San Francisco. In April 1997, he returned to the Journal's New York office. Mr. Jenkins won a 1997 Gerald Loeb Award for distinguished business and financial coverage.

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worrywarts to brighten up.

Rest assured, the great planetary chemistry experiment will continue. If you're curious about how the Earth might react to a myriad of human activities whose net effects are still far from reliably assessed, you only need to stick around. At least until science figures out how to harvest the gazillions of watts of free energy the sun sheds on the planet everyday, which will fix old problems but surely introduce new ones.

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