



Will Biden Drag the U.S. into Europe's "Climate Club?"

On March 10, the European Parliament overwhelmingly declared its support for the creation of a so-called carbon border charge that would, in effect, shield corporations in member states from competition against cheaper imports from nations with less-strenuous climate protections. Although the vote was non-binding (for now), it signaled the EU's willingness to levy new punitive tariffs on nations that it considers lagging in environmental protections concerning so-called climate change.

Although not a law yet, the new carbon border adjustment mechanism (CBAM) is already seen as a key portion of the EU's Green Deal, which has the ambitious goal of making Europe a carbon-neutral continent by 2050.

In January, Frans Timmermans called the new CBAM a "matter of survival" for industries in the EU as he threatened other economies with coming levies against carbon.



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"It's a matter of survival of our industry," Timmermans told an online event. "So if others will not move in the same direction, we will have to protect the European Union against distortion of competition and against the risk of carbon leakage."

"Carbon leakage" is the term for a company leaving a nation or bloc of nations such as the EU to find nations with less stringent controls on carbon emissions — "free riding" nations, if you will.

Carbon taxes such as the one proposed by the EU are almost certain to be a topic of discussion at President Joe Biden's <u>Leaders Summit on Climate</u> scheduled for later this month. Among the themes of that summit: "Galvanizing efforts by the world's major economies to reduce emissions during this critical decade to keep a limit to warming of 1.5 degrees Celsius within reach."

In addition, CBAM is also scheduled to be discussed at an upcoming meeting of the G-7 nations in Cornwall, U.K., with U.K. Prime Minister Boris Johnson said to be considering taking the lead in brokering such a deal with developed countries.

"There will be discussion about carbon border adjusting, carbon leakage," said Johnson's business secretary, Kwasi Karteng. "That has to be part of the multilateral discussion."

These preliminary meetings are leading up to the 2021 UN Climate Change Summit, or COP-26, scheduled for this coming November in Glasgow, Scotland.



Written by **James Murphy** on April 7, 2021



Assuredly, such a deal (or "club," if you will) would need to include the United States — such a plan would be impotent without the world's largest economy attached to it.

In his book *A New Solution: The Climate Club*, Nobel Laureate William Nordhaus suggested such "climate clubs" as the answer to the dilemma of "free riding" nations who, allegedly, will benefit from efforts to lower emissions without doing anything about the so-called problem. In Nordhaus's vision, the "club" of nations would agree upon a global carbon tax or a cap-and-trade system, which would act as their "dues" for the club. Any country on the outside of said club would have to pony up large cash penalties for any product that they hope to export to any nations which are members of the "climate club."

People such as Nordhaus, European parliamentarians, and geopolitical consultants can use nice words such as "club" to describe their protectionist environmental and trade policies but, in the end, it's nothing but a hammer to smack down developing countries who cannot afford to stop using fossil fuels and will not be able to afford the carbon taxes charged by this coming "climate club."

Instead of "climate club," perhaps it should be called something more accurate — maybe the "We Hate Poor Countries Club."

There are some pretty major carbon emitters among those "free riding" nations that would likely be on the outside looking in on a new climate club. China — the world's largest emitter of CO2 — might feign some sort of compliance but its latest <u>five-year plan</u> reportedly calls for hundreds of new coal-fired power plants to be built in the coming decade. The communist nation won't be cutting emissions anytime soon.

India, the world's fourth-largest carbon emitter, has similar energy woes. Recently, Minister of Power Raj Kumar Singh told the International Energy Agency that the country's pledge to be carbon-neutral by 2060 was "a pie in the sky."

The globe's poorest continent by far is Africa, where climate change as an issue pales in comparison to simply being able to feed its citizens. A major impediment to creating a self-sustaining agricultural industry in Africa is the lack of abundant and affordable energy to power farms with irrigation systems, not to mention new factories and distribution networks. Coal-fired plants could accomplish this; wind and solar farms, currently, cannot.

The global elites who are pushing protectionist "climate clubs" don't seem to care if Africans starve to death. While Black Lives Matter claims to be fighting racism in America, perhaps they should give some attention to that more overt and deadly form of racism practiced by international elites.

And then there's the United States, leaderless and rudderless as we currently seem to be. New president Joe Biden has stated his climate ambitions quite clearly, whether he understood what he was saying or not. He wishes to enact bold climate action and lead the world in doing so. Joining and ostensibly leading the first global "climate club" would put a stamp on the Biden administration's commitment to climate change just as signing the Paris climate agreement put a stamp on his former boss Barack Obama's.

"Following the science" on climate change has almost ceased to become a pretext for the world's actions on it. At its core, the climate-change movement was always a political one — not a scientific one. When you closely examine the "solutions" that politicians are coming up with to address the so-called crisis, that much becomes quite clear.





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