



Fool Me Once, Shame on Me, Fool Me Twice... (11/21/22)

President Obama quietly but publicly, along with Kerry, led the industrial countries to promise to commit \$100 billion per year (**yes, 100 billion**) starting in 2020 after he would have left office. It was never brought to the Congress or proposed as a treaty. The developing countries, while somewhat skeptical, jumped at the idea. A hundred billion was a lot of money and it was to be in the form of grants, not loans.

There is a concept in economics called the “willingness to pay.” Pollsters ask what you might be willing to pay to have something occur (**or not**). For example, what would you be willing to pay to keep a coal plant from being developed along the Grand Canyon?

The public is generally quite generous in their responses. However, experience suggests that when it comes to actually writing the check, they are less so. Governments are no different. It doesn't matter whether its COP 27, 26, etc., we over promise and under deliver. We have fallen well short of the \$100 billion and much of what the industrial countries contributed has been in the form of loans, not grants. Most surprising is that China was and still is considered a developing nation and a recipient of the dollars. That won't go down easily with the U.S. public or Congress.

COP 27 is much more realistic. However, the developing countries should continue to be suspicious. With the U.S. economy growing at an anemic rate, unemployment growing along with our deficits and debt, it can't be taken for granted that the U.S. will get the full support of Congress.