Gore says state treasurers can
dress global warming

On the heels of his best-selling book and successful film production of “An Inconvenient Truth,” former Vice President Al Gore brought his message of global warming and environmental sustainability to the National Association of State Treasurers (NAST) and College Savings Plans Network (CSPN) annual conference.

By Kerry Holt

Former Vice President Al Gore calls the world’s climate crisis the greatest challenge confronting humanity today. “We cannot wait any longer to solve this problem—we’re out of time,” Gore told those attending the annual conference of the National Association of State Treasurers (NAST) and College Savings Plans Network (CSPN).

Gore said state treasurers can play a key role in addressing the crisis. “(You) may have a greater capacity to address this crisis than anyone in the world,” he told the July gathering at The Greenbrier. “As stewards of public funds, you invest in the best interests of your constituents and you invest for the long-term. Short-term speculation exacerbates this crisis.”

Gore has been spreading his message about global warming and environmental sustainability after publication of his best-selling book and successful film production, “An Inconvenient Truth.”

Gore characterized the climate crisis as “the most serious manifestation of the collision of human civilization with the earth’s ecology.” The crisis has been ignored or tolerated for years, Gore said, adding that we are approaching new territory that we “never encountered before in human history.”

Gore attributed the climate crisis to two main factors: population and technology.

“The world has experienced a population explosion, quadrupling in less than 100 years,” he said. He noted that while some nations have slowed their population increases, “the life expectancy in every nation in the world has increased significantly.”

According to Gore, as the number of people grows, the Earth attempts to accommodate their needs, sometimes unsuccessfully.

Technological advances serve immediate needs, Gore said, raising the standard of living for some of the world’s poorest citizens. But, he added, technology also has unforeseen and unfathomable consequences.
“Technology, in general, is 1,000 times more powerful than 50 years ago, making humanity the proverbial ‘bull in a china shop’—we can easily and with little regard cause much damage. Technology may improve our standard of living, but it has also allowed the exploitation of Earth,” he said.

Gore noted that people can’t, and wouldn’t want to, stop technological advancement, but he said they can manage those tools in an efficient manner, with more thought placed on preserving the environment.

Detailing the damage already done, Gore cited new evidence of the crisis. He shared a dramatic statistic regarding the world’s oceans: 25 million tons of carbon dioxide is absorbed into the ocean each day. In fact, the pH level of the oceans are changing, things are dying and the food chain as we know it is at risk.

Gore also said members of the scientific community agree about the urgency of the situation. “In science, researchers rarely reach a consensus on anything,” he said. “So for them to reach such a strong consensus on the emergency of global warming indicates how significant a crisis we are dealing with.”

Gore acknowledged that we can’t do much to reverse the damage already done, but he said there are some things that can prevent the problem from growing. “I am so pleased to see the state treasurers not get bogged down in the despair of the situation,” he said, “and from very early on you’ve been in the lead, taking this issue into account when discussing your investment options.”

Gore complimented the recent action at the Institutional Investor Summit on Climate Risk recommending the Securities and Exchange Commission require that companies disclose the risk associated with climate change as part of their securities filings. He noted that several state treasurers were among the 28 institutional investors who signed a letter to SEC Chairman Christopher Cox asking that the commission enforce existing disclosure requirements on material risks, such as climate change, as well as provide interpretive guidance on the risks posed by climate change.

Gore also praised the six state treasurers who, as part of the Investor Network on Climate Risk, are pushing for a face-to-face-meeting with independent members of the Exxon Mobil board of directors. Citing a concern that Exxon Mobil’s handling of climate change is lagging behind other competitors, the treasurers and other institutional investors have been seeking a meeting since May.

“Treasurers have been successful in bringing progressive change,” Gore said, but cautioned that work still remains.

In particular, Gore recommended treasurers look at the structure of their investments. “Treasurers are in the catbird seat because of their ability to drive financially responsible global decisions. But we don’t have a lot of time to steer this course,” Gore said.

The vice president talked about the need for state treasuries to invest public funds over the long-term in environmentally conscious ways. “The attention span in the investment arena changes investment actions. As treasurers your fiduciary obligation runs in the face of short term return,” he said.

In closing, Gore had one note of advice for the nation’s fiscal fiduciaries: “Don’t let the demand for a quick return make you discharge your obligation to be stewards of investment capitol while avoiding eco-consequences.”

You can download presentations from other speakers at the NAST & CSPN Annual Conference at www.nast.org.

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