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# A Carbon Tax Will Fix Global Warming? It Just Ain't So!

BY ROY E. CORDATO

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It amazes me how so many newspaper columnists have no qualms about voicing opinions on topics they clearly know nothing about. This is the case with Anne Applebaum, politics and foreign-policy writer for the *Washington Post*. In her February 6 column, “Global Warming’s Simple Remedy,” she announced her discovery of a “solution” to global warming that is “gripingly unoriginal [no argument there], requires no special knowledge of economics [if this were true Applebaum would be a well-positioned advocate], and is easy for any country to implement.” What is this magic bullet? (Drum roll, please.)

A carbon tax.

Applebaum arrives at this insight by first laying the scientific foundation. She cites no fewer than two newspaper articles reporting on the February 2 release of the Summary for Policy Makers of the United Nation’s report on global warming. The report, by the way, had not been fully written yet and was not scheduled for release until this month. So as not to mislead her readers into thinking that she is an “Annie come lately” to global-warming alarmism, she quickly assures them: “[D]on’t get me wrong: I was convinced by the reigning consensus on global warming a long time ago.” Apparently Applebaum read some newspaper stories after the release of the 2002 UN Summary for Policy Makers.

Applebaum’s second step takes her away from the science and into the world of practical policy analysis.

She turns to the Kyoto Protocol, the 1997 United Nations treaty signed by Bill Clinton but rejected in a 95–0 “sense of the Senate vote.” Applebaum argues that Kyoto should be abandoned because “it creates a complicated and unenforceable system of international targets for carbon emissions reduction.” (In my view, this is one of the few things going for it—just a different perspective, I guess.) It is this observation that brings her to the carbon tax.

Her main policy criteria are simplicity and ease of compliance. And, of course, the tax should be broad based. Heck, she almost sounds like Steve Forbes talking about a flat tax. Applebaum’s approach is to tax everything that exhales CO<sub>2</sub>, save human and animal respiration, although she doesn’t say why this is left out. Maybe it’s like the home mortgage-interest deduction in many flat-tax proposals—too popular to make elimination politically feasible. According to Applebaum, the tax should “be applied across the board to every industry that uses fossil fuels, every home or building with a heating system, motorist,

and every public transportation system.” And this could happen “without a U.N. committee, or a complicated international effort of any kind. . . .”

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that a carbon tax would be a “simple remedy” for global warming, there is no mention of how or even if a carbon tax would have any noticeable impact on the climate. In fact, neither short-term nor long-term climate change is even noted as one of the benefits of the tax. The only social “benefits” that she asserts will occur (evidence is not necessary when righteousness is on your side) relate to technological change, energy conservation, and fiscal responsibility.

First she asserts that the tax would “immediately . . . produce a wealth of innovations to save fuel, as well as new incentives to conserve.” Of course the idea that the tax would induce people, to some degree, to cut back on the consumption of fossil fuels is trivial. If you want people to do less of some activity, you tax it. What is completely unsupported is the claim that it would be “immediate” and would “produce a wealth of innovation.” To know this she would need to have a great deal of the “specialized economic knowledge” that just one line earlier Applebaum claims would not be necessary. She would need to know the amount of the tax, something she doesn’t even discuss in the article; the demand for different kinds of energy; the elasticity of demand for electricity, gasoline, heating oil, and so on; and a long list of other variables. But even if her assertions were true, the presumed goal is not energy conservation per se but the reduction in future average global temperatures. On this point Applebaum is silent. By the way, so are nearly all other advocates of climate-change policies.

Then Applebaum gets to what she sees as the real benefit of the tax—more money. “More to the point, [the carbon tax] would produce a big chunk of money that could be used for other things.” (Apparently she means things other than what those who have earned it want to use it for.) She goes on to suggest balancing the budget or “fixing” Social Security. As an aside, she also claims that there is “a foreign policy benefit.” Countries that use the tax “would suddenly find themselves less dependent on Persian Gulf oil . . .,” proving my initial point that most columnists have no problem writing on topics they know nothing about. It is very likely that such a tax would *increase* dependence on Middle East oil

because oil refiners would reduce their use of the most expensive oil first. Middle East oil happens to be the least expensive.

### No Impact on Climate

Ultimately though, Applebaum makes no claims regarding the impact of her tax on climate change. This is typical. The dirty little secret behind nearly all the alarmists’ policy proposals is that they will not have any noticeable impact on the climate. For example, assume that the Applebaum tax produces the same level of CO<sub>2</sub> emission reduction as the Kyoto Protocol, a result that she would apparently be happy with. Her complaint was that Kyoto was complicated and difficult to enforce, not that emission reductions were too small. The widely acknowledged best estimate of the impact of Kyoto on climate, assuming full compliance by all the countries that were originally intended to participate, is that global temperatures in 100 years would be 0.26 degrees F less than they would be if nothing were done. The Energy Information Agency says the cost to the United States of this unnoticeable change would be about 4 percent of GDP and millions of jobs.

But let’s get real. According to well-known climate alarmist Dr. Jerry Mahlman of the National Center for Atmospheric Research, to stabilize CO<sub>2</sub> levels in the atmosphere at current levels, which he claims would still lead to a 1 degree *increase* in temperatures over the next 100 years, a 75 percent reduction in CO<sub>2</sub> emissions per capita would be required. A recent John Locke Foundation study calculated that this would take us back to about 1895 levels of per capita CO<sub>2</sub> emissions. Here is where I think Applebaum’s assertions about immediate incentives to conserve would be correct. If she obtained a high enough tax—and the reader can speculate how high that would have to be because I sure don’t know—undoubtedly it would have a powerful incentive effect.

On the other hand, there would also probably be a massive increase in worldwide poverty and even starvation and disease. Mahlman himself argued that the consequences of this radical a reduction would be “horrific.” But it probably *would* reduce our dependence on Persian Gulf oil.

