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An Emissions Plan Conservatives Could Warm To

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CONSERVATIVES don't support tax increases that are veiled as "cap and trade" schemes for pollution permits. But offer us a tax swap, and we could become the new administration's best allies on climate change.

A climate-change bill withered in Congress this summer because families don't need an enormous, and hidden, tax increase. If the bill's authors had instead proposed a simple carbon tax coupled with an equal, offsetting reduction in income taxes or payroll taxes, a dynamic new energy security policy could have taken root.

Even if the United States extracts more of its own oil — something it needs to do — it will still have only 3 percent of the world's known oil reserves, and OPEC will still be the cartel with 70 percent of the world's known oil reserves. Conventional discoveries and unconventional extractions (like shale oil) would improve our standing somewhat, but OPEC's easily extracted oil makes its members the undisputed kings of crude.

If they're the kings, we're the vassals. As long as national security risks aren't factored into the cost of gasoline and as long as carbon dioxide can be emitted without penalty, oil will continue to have an advantage over emerging fuels in the marketplace, and we'll continue our ruinous addiction to it.

We need to impose a tax on the thing we want less of (carbon dioxide) and reduce taxes on the things we want more of (income and jobs). A carbon tax would attach the national security and environmental costs to carbon-based fuels like oil, causing the market to recognize the price of these negative externalities.

Nuclear power plants would then compete with coal-fired plants. Wind and solar power would have a shot against natural gas. Trains would compete with trucks. We would clean the air, create wealth and jobs through a new technology boom and drastically improve our national security.

The market-driven innovation that brought us the Internet and the personal computer could quickly bring us new, cleaner fuels. A carbon tax that was fully offset (with payroll or income taxes cut by a dollar amount equal to the revenues generated by the new tax) would be as bold as the threat that we face.

Conservatives do not have to agree that humans are causing climate change to recognize a sensible energy solution. All we need to assume is that burning less fossil fuels would be a good thing. Based on the current scientific consensus and the potential

environmental benefits, it's prudent to do what we can to reduce global carbon emissions. When you add the national security concerns, reducing our reliance on fossil fuels becomes a no-brainer.

Yet the costs of reducing carbon emissions are not trivial. Climate change may be a serious problem, but a higher overall tax rate would devastate the long-term growth of America and the world.

It is essential, therefore, that any taxes on carbon emissions be accompanied by equal, pro-growth tax cuts. A carbon tax that isn't accompanied by a reduction in other taxes is a nonstarter. Fiscal conservatives would gladly trade a carbon tax for a reduction in payroll or income taxes, but we can't go along with an overall tax increase.

The good news is that both Democrats and Republicans could support a carbon tax offset by a payroll or income tax cut. Former Vice President Al Gore has argued for eliminating all payroll taxes and replacing them with "pollution taxes." He said in a [speech](#) at New York University's law school two years ago: "It would be, in other words, a revenue-neutral tax swap. But, instead of discouraging businesses from hiring more employees, it would discourage business from producing more pollution."

The United States can't solve climate change alone. The Kyoto climate treaty was rightly rejected by the Senate because China and India weren't subject to its provisions. If China and India join the United States in attaching a price to carbon, their goods should come into this country without a carbon adjustment. But if they do not, every item they place on our shelves should be subject to the same carbon tax that we would place on our domestically produced goods, again offset by a revenue-neutral tax cut.

If World Trade Organization rules entitle members to an unwarranted exemption from such a carbon tax, then we should change them. Outliers should not be allowed to frustrate the decision-making of the countries that are trying to prevent the security and environmental train wrecks of this century.

As president, Barack Obama, by working with conservatives as well as the members of his own party, can at once clean the air, create jobs and improve the national security of the United States — a triple play for the next American century.

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