

Business Forum

COMMENTARY | Under cap and trade, cost of living would rise for everyone

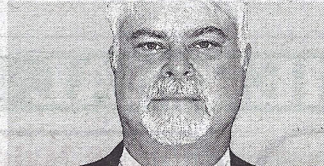
ENERGY BILL WOULD ZAP CONSUMER

Based upon questionable statistics instead of causal science, the cap-and-trade bill passed by the U.S. House has the potential to make America a second-world country.

The government's belief in global warming resulted in a bill that effectively prevents us from freeing ourselves from foreign oil dependence via the use of America's own, plentiful, carbon-based fuel resources.

If this bill becomes law, a cap-and-trade tax will be assessed upon the burning of virtually all carbon-based fuels — oil, coal, natural gas — as a deterrent to burning such fuels for energy. Because virtually our entire energy matrix is geared to the use of these fuels, taxes will be assessed at almost every point in our economy. Additionally, any other activities producing carbon dioxide, natural or not, could become subject to taxation under the bill.

CALLOM B. JONES



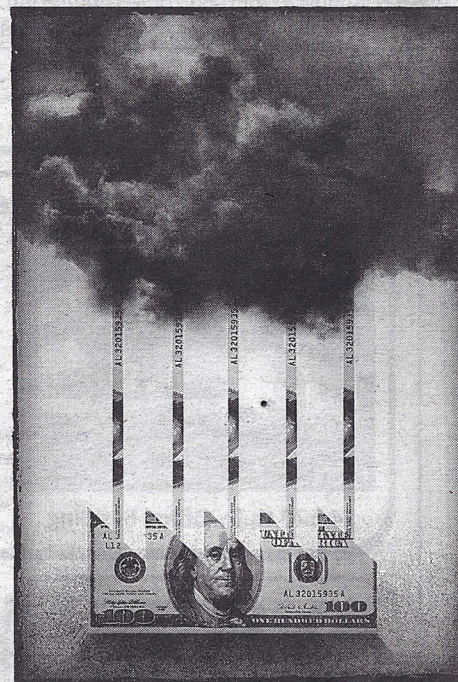
GUEST COLUMNIST

Its object is to cap the emission of CO₂ from our society and to lower that "cap" progressively over time. Its method is to make all CO₂-generating activities more expensive through taxation, raising costs to consumers and making alternative energy sources more "econom-

ical" in comparison. Instead of using "green" energy incentives, the government is artificially raising the costs of using carbon-based energy in order to change our behavior.

However, there's nothing artificial about the increased costs that consumers will have to pay.

Here's the critical point: Using alternative energy to avoid the tax will not save us money either. It will only appear so compared to the higher costs of carbon-based energy created by the tax. This bill artificially raises the cost of living to all consumers in our society for entirely questionable



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reasons.

Thinking through the bill's economic impact given the limited information released

FROM D7

about the bill leads to a list of logical consequences.

■ It's a completely new tax, affecting every American, regardless of income. The govern-

ment has not said other taxes will be repealed or reduced to lessen the burden. Another broken promise by President Barack Obama.

■ To ensure passage in the House, about 85 percent of the revenues the government would have received under the tax will not be received. They didn't even design the bill to collect the huge amount of taxes generated, although the costs to consumers will not be reduced accordingly — supposedly.

■ Since the government is not using the cap-and-trade bill to help pay for the massive deficit spending they have already passed, other taxes will have to

be passed or rates on existing taxes will have to be raised. Another broken promise?

■ The tax is not assessed worldwide. Therefore, the additional costs assessed upon U.S. businesses simply make those businesses uncompetitive in the world markets. That'll help pull us out of the recession, won't it? It will also drive American businesses to close up American operations in favor of overseas operations that will operate without the onerous cap-and-trade tax provisions, costing Americans jobs. Also pretty counterproductive to ending the recession — and to all of our futures.

■ Finally, and worst of all, the

tax is extremely regressive. Taxes assessed at the business level become product costs to consumers. Fixed-income and poorer Americans will be affected by the cost increases more than more affluent Americans. What slaps in the faces of the very voters that put this administration and Congress in office!

I never would have believed something so heinous would be passed by an American government. You might want to make sure your senator knows how you want him or her to vote prior to the Senate's vote early this fall.