

The Planet Tax

By INVESTOR'S BUSINESS DAILY | Posted Tuesday, June 03, 2008 4:20 PM PT

Global Warming: The Senate takes up a bill to strangle the economy and mortgage your children's future in the name of saving the planet. Hold on to your wallets and your jobs. It's going to be a bumpy ride.

Read More: [Global Warming](#) | [Budget & Tax Policy](#)

The U.S. needs a Domestic Energy Development Act, but what it might get this week is a Climate Security Act that makes human sacrifices of the American people on the altar of the environmental earth goddess, Gaia.

As Ben Lieberman of the Heritage Foundation points out, global warming is a concern, not a crisis. We have recently noted scientists who, on the basis of actual observation and not computer models, have said warming stopped in 1998 and will remain dormant at least for the next decade, even as emissions rise.

Global warming has been proved to be a natural, cyclical phenomenon determined by natural forces such as ocean currents and solar activity. This bill even ignores the global part, imposing draconian costs on just the American people and economy for marginal and temporary gains.

Lieberman states that the bill sponsored by Sen. John Warner, R-Va., and Sen. Joe Lieberman, D-Conn., no relation, would cost the U.S. manufacturing sector alone more than 1 million jobs by 2022 and 2 million by 2027.

GDP losses could reach \$4.8 trillion by 2030. All this pain, he says, would "reduce the Earth's temperature by one- or two-tenths of a degree Celsius — too small to even verify."

The bill targets power plants, refineries, factories and transportation, and simply ignores the fact that from 2006 to 2030 the U.S. population will grow by 22% and the number of new housing units by 25%. Americans will need more energy, not less.

A study by Charles River Associates puts the cost (in terms of reduced household spending per year) of Warner-Lieberman at \$800 to \$1,300 by 2015, rising to \$1,500 to \$2,500 by 2050. Electricity prices could jump by 36% to 65% by 2015 and 8% to 125% by 2050.

Heritage reckons the bill will raise gasoline prices by \$1.10 a gallon by 2030. To which Sen. Lieberman glibly responded: "People would be thrilled to have gas prices rise only 2 cents a year."

But they'd rise much more than that, Joe, as you and your peers cut off forever the nation's abundant energy resources.

According to Heritage, because of Warner-Lieberman, from 2012 to 2030 every U.S. household will pay on average \$8,870 extra to buy energy, aside from higher gasoline prices resulting from locking out oil and gas in ANWR, the Outer Continental Shelf and in Rocky Mountain shale.

The bill aims to cut U.S. greenhouse gas emissions by 35% to 40% below 2005 levels. It will employ a "cap and trade" system whereby emissions would be limited on a yearly basis, with manufacturers and energy producers trading carbon credits like baseball cards. Since the European Union adopted them three years ago, their emissions have actually gone up several percentage points.

President Bush, estimating the proposed law "would impose roughly \$6 trillion of new costs on the American economy," has rightly said he'll veto the bill in its present form.

What America needs is a bill with a Manhattan Project for nuclear power plants, a plan to develop the two trillion barrels of North American shale oil, and a map of where the rigs in ANWR and offshore will go.

© Copyright 2008 Investor's Business Daily. All Rights Reserved.