Carbon Tax Cometh: Where 2020 Democrats Stand On Global Warming

Democrat candidates for President are uniformly alarmist over global warming, but most are also pushing Carbon Tax as a solution. Carbon Tax is one step away from Technocracy’s original Energy Currency formulated in the 1930s. TN Editor

Two events shifted the climate change discussion among 2020 Democratic presidential candidates in August 2019. Jay Inslee, the governor of Washington state who centered his campaign around the issue, dropped out of the race, while Vermont Sen. Bernie Sanders launched a detailed plan to fulfill the goals of the Green New Deal.

“The climate crisis is not only the single greatest challenge facing our country; it is also our single greatest opportunity to build a more just and equitable future,” Sanders’ plan says.

Many candidates have plans, some lengthy and detailed, some brief and vague, to address climate change. Generally, the candidates support recommitting to the Paris climate agreement and implementing a Green New Deal, at least in some form. But there are some exceptions.

Former Maryland Rep. John Delaney, for example, tweeted that the current Green New Deal, which includes guaranteeing a job to all Americans, “is about as realistic as Trump saying that Mexico is going to pay for the wall.”

That isn’t the only point of disagreement among candidates. The Democrats’ climate change proposals splinter in terms of how they plan to cut emissions, specifically whether or not they support implementing a tax on carbon.

As of this writing, candidates without specific or detailed climate change plans include New York Mayor Bill de Blasio and former U.S. Housing and Urban Development Department Secretary Julián Castro.

We’ll take you through some of the key points of the climate change discussion among the Democratic field. To see where the individual candidates stand on climate change policies, check out our chart.

Climate change basics

Climate change is an expansive issue, encompassing increased temperature trends, sea level rise, ice mass loss, changes in plant blooming and extreme weather events. Global warming refers to the long-term warming of the Earth.

Burning fossil fuels, like coal, oil and natural gas, has been the main source of greenhouse gas emissions into Earth’s atmosphere. Without humans contributing these emissions, greenhouse gases, through the greenhouse effect, keep Earth’s surface warm. But the addition of emissions caused by human activities has led to a rise in global temperatures.

Carbon dioxide is the primary greenhouse gas emitted through human activities. U.S. greenhouse gas emissions originate mainly from transportation, electricity and industry.

“We can’t make climate change go away anytime soon, because the greenhouse gases we’ve already put into the atmosphere have not yet exerted their full impact on the climate system,” said Jennifer Francis, a senior scientist at Woods Hole Research Center.

Paris Agreement and foreign policy

Countries all over the world took a dramatic step to address climate change in December 2015 with the United Nations Paris Agreement. The agreement is an attempt by most countries to limit a global temperature increase during this century to 1.5 degrees Celsius above pre-industrial levels.

Under the agreement, developed countries pledged to take the lead in reducing emissions and to support developing countries in similar actions. The United States is one of the top emitters of carbon dioxide from fossil fuel combustion, according to the International Energy Agency.

Former President Barack Obama championed the Paris Agreement. But President Donald Trump pledged to cancel it and announced his plans to pull the United States out of the agreement in 2017, claiming that it was unfair to U.S. workers. (In the past, Trump has denied that global warming is real.)

Some Democratic candidates have said they will make the goals of the Paris climate agreement more ambitious.

Former Vice President Joe Biden’s climate plan states that he’ll ramp up the targets of the agreement, make the commitments more transparent and enforceable, and, more broadly, integrate climate change into his foreign policy strategy. That includes conditioning trade agreements on partners meeting targets for cutting emissions.

Massachusetts Sen. Elizabeth Warren proposed a plan to address climate change in her approach to national security. She wants the Pentagon to achieve net-zero carbon emissions for its non-combat bases and infrastructure by 2030.

Green New Deal

Seven of 10 Democratic presidential candidates who are members of Congress co-signed the Green New Deal, a resolution that addresses climate change, pollution, and income and racial inequality. The Democratic measure was introduced by Rep. Alexandria Ocasio-Cortez of New York and Sen. Ed Markley of Massachusetts in February 2019.

The resolution cites the 2018 National Climate Assessment, produced by over 300 federal and non-federal experts, which says climate change has worsened and increased a variety of events across the United States, including wildfires in the Northwest, droughts in the Southwest, flooding in the Southeast, snow storms in the Northeast and heavy rains in the Midwest. Earth’s climate is changing faster than at any point in the history of modern civilization, it found.

The Green New Deal focuses on goals to combat climate change, rather than specific paths. It calls for a transition to a net-zero greenhouse gas emissions economy and an energy sector powered entirely by zero-emission sources.

The Democratic presidential candidates who co-sponsored the deal are Warren, New Jersey Sen. Cory Booker, New York California Sen. Kamala Harris, Minnesota Sen. Amy Klobuchar, Massachusetts Rep. Seth Moulton, and Bernie Sanders.

Warren wants to invest $2 trillion over 10 years in “green research, manufacturing, and exporting,” with the goal to create jobs. She’s also proposed a ban on all new fossil fuel leases, including drilling offshore and on public lands.

Sanders’ 2020 Green New Deal plan promises to end unemployment by creating 20 million jobs in auto manufacturing, construction, energy efficiency retrofitting and other sectors to combat climate change. Sanders also plans to allocate $40 billion to a Climate Justice Resiliency Fund that provides communities of color, Native Americans, people with disabilities, children and the elderly with a fair transition to a greener economy.

Multiple candidates incorporated economic and racial justice into their climate change proposals through protecting public lands, addressing environmental and health threats, and creating jobs.

In October 2017, Booker introduced an environmental justice act in the Senate to, in part, require federal agencies to implement strategies that identify and address the human health or environmental effects of their programs and policies with respect to communities of color, indigenous communities and low-income communities. Harris, Sanders and Warren co-sponsored the bill, which was never passed.

Alvaro Palacios Casanova, a senior policy advocate at the Center on Race, Poverty and the Environment, told PolitiFact that coming up with solutions to benefit environmental and social justice causes is difficult due to the fossil fuel industry’s political influence.

As of Aug. 26, 2019, 20 Democratic presidential candidates signed a pledgeto not take any contributions over $200 from oil, gas and coal industry executives, lobbyists and political action committees (PACs). Bullock and Delaney haven’t signed the pledge.

Carbon pricing

Various Democrats have incorporated putting a price on greenhouse gas emissions, typically through a tax, into their climate change plans. They include Biden, Delaney, South Bend, Ind. Mayor Pete Buttigieg, former Pennsylvania Rep. Joe Sestak, author and activist Marianne Williamson, and entrepreneur Andrew Yang.

In a January 2019 opinion piece, a bipartisan group of economists said that a carbon tax is the most cost-effective method to reduce emissions “at the scale and speed that is necessary.”

But carbon taxes are not without controversy. Ten states have active carbon pricing programs, according to the Center for Climate and Energy Solutions, but voters have rejected carbon pricing initiatives in other states like Washington, where Inslee endorsed the program.

Read full story here…

Economist: Modest Carbon Tax Would Hurt Future Generations

Famed economist, Dr. Laurence Kotlikoff, concludes that even a small carbon tax today will cause economic loss to at least two future generations, and possibly more. In short, carbon tax will do just the opposite of what climate alarmists claim. TN Editor

One of the main themes of my writings on climate change at IER has been warning the public that the “consensus science” they are hearing from the media, pundits, and certain political figures is utterly divorced from the actual published literature, especially when it comes to the *economic analysis* of government policy. A new, cutting edge working paper from some big-name economists — including Laurence Kotlikoff and Jeffrey Sachs — confirms my point.

In this case, here is the shocking fact that their paper tries to grapple with: Even with a relatively modest carbon tax, the rise in energy prices is so painful that it swamps the benefits of slower climate change, and this is true for our kids *and* grandkids. It is only when we get to our *great-grandchildren* that humanity on net would start to actually benefit from even a modest carbon tax introduced today. So the next time you hear someone say, "We need to take vigorous action on the climate for future generations!" you can clarify, "*Actually*, your proposals would hurt the next two future generations. You want to hurt us, our kids, and our grandkids, in order to help our great-grandkids and beyond — who will all be fantastically rich compared to us, by the way."

The Kotlikoff et al. paper is quite technical, so I'll just summarize the take-away points for a lay audience. I will also spend time at the end of the article explaining what *their proposed solution is*, for this thorny problem. To avoid confusion, I want to be clear: The authors of this new paper are *for* a (modest) carbon tax. But they are warning that the current discussion, even among economists, tends to look at "what's best for humanity from now until the end of time," rather than checking to make sure *each generation* gains from a new climate policy. As we'll see, Kotlikoff et al. suggest a massive fiscal transfer that allows present generations to run up a huge (additional) government debt that our descendants must then effectively pay back with higher taxes, in order to compensate their forebears for suffering through higher energy prices due to a carbon tax.

The point of my article isn't to endorse the overall recommendation of Kotlikoff et al.; along with climate scientists at Cato, I've published a comprehensive critique of the usual economist's case for a carbon tax. Rather, by shining a spotlight on the cutting edge in the development of the literature on carbon taxation, I want readers to see just how detached the *actual* discussion among experts is from the breezy claims about "we have 12 years left to save our children" that we hear from pundits and political officials.

How An "Optimal" Carbon Tax Can Punish Into the Third Generation

To set the stage for my interpretation, let's first quote from the authors' own description of their results. (Note, readers who don't have access through the NBER link above can also see a version of the paper posted at Kotlikoff's website.) The title of the paper is, "MAKING CARBON TAXATION A GENERATIONAL WIN WIN." Here's an excerpt from the Abstract:

> ***Carbon taxation has been studied primarily in social planner or infinitely lived agent models, which trade off the welfare of future and current generations.****Such frameworks obscure the potential for carbon taxation to produce a generational win-win. This paper develops a large-scale, dynamic 55-period, OLG [Overlapping Generations — rpm] model to calculate the carbon tax policy delivering the highest uniform welfare gain to all generations. The OLG framework, with its selfish generations, seems far more natural for studying climate damage. Our model features coal, oil, and gas, each extracted subject to increasing costs, a clean energy sector, technical and demographic change, and Nordhaus (2017)'s temperature/damage functions. Our model's optimal uniform welfare increasing (UWI) carbon tax starts at $30 tax, rises annually at 1.5 percent and raises the welfare of all current and future generations by 0.73 percent on a consumption-equivalent basis.* ***Sharing efficiency gains evenly requires, however, taxing future generations by as much as 8.1 percent and subsidizing early generations by as much as 1.2 percent of lifetime consumption. Without such redistribution (the Nordhaus "optimum"), the carbon tax constitutes a win-lose policy with current generations experiencing an up to 0.84 percent welfare loss and future generations experiencing an up to 7.54 percent welfare gain.*** *[Kotlikoff et al., bold added.]*

Although I realize this is difficult technical language for the layperson to parse, here's what the authors are saying: If we take the "gold standard" (their term later on) in this literature and use Nordhaus's 2017 model calibration, it will recommend an "optimal carbon tax" that correctly —

according to standard economic theory and the best estimates from the climate science research — balances the tradeoff between reducing emissions and harming economic growth.

However — and this is a huge caveat — Nordhaus's approach assumes there is a benevolent, overarching "social planner" who lumps all of humanity together, and only makes a technical allowance for a (modest) discount on the happiness of future generations in accordance with standard economic theory.

In practice, the authors point out, Nordhaus's "optimal carbon tax" would actually mean that people living or born today and in the near future will be *harmed* on net by the policy, because they will suffer worse economic harm from higher energy prices, than they will be spared in climate change damages from reduced emissions. It's only when we get several generations into the future, that Nordhaus's "optimal carbon tax" actually starts making human beings better off, compared to the status quo.

This is a critical point for Americans to realize. They are constantly being hectored that if they "cared for their children" they would support a large carbon tax and other aggressive interventions. But we see that this isn't true: If we even adopt a *modest* carbon tax — one that still allows 4 degrees Celsius warming (over twice the 1.5 degree currently touted by climate activists as the necessary target), according to the authors (p. 22)[1] — then we are harming ourselves, our children, and our grandchildren, *relative to the "do nothing" baseline*. It's only our great-grandchildren, who (on average) are going to be fantastically wealthy compared to us, who will actually start reaping net benefits from even this modest reduction in the path of emissions.

Read full story here…

Pope Appeals To Global Warming Deniers, Asks For Carbon Pricing

Pope Francis is thoroughly deceived on the green agenda of Sustainable Development and global warming. He says “doomsday predictions can no longer be dismissed.” TN Editor

Pope Francis said on Friday that carbon pricing is “essential” to stem global warming – his clearest statement yet in support of penalising polluters – and appealed to climate change deniers to listen to science.

In an address to energy executives at the end of a two-day meeting, he also called for “open, transparent, science-based and standardised” reporting of climate risk and a “radical energy transition” away from carbon to save the planet.

Carbon pricing, via taxes or emissions trading schemes, is used by many governments to make energy consumers pay for the costs of using the fossil fuels that contribute to global warming, and to spur investment in low-carbon technology.

The Vatican said attendees of the closed-door meeting at its Academy of Sciences, a follow-up to one a year ago, included the CEOs of Royal Dutch Shell, Eni, BP, Repsol, Conoco Phillips, Chevron, ExxonMobil, and executives of investment funds.

“Collectively, these leaders will influence the planet’s future, perhaps more than any in the world,” said Father John Jenkins, president of the U.S. University of Notre Dame, which organised the meeting.

A small group of demonstrators gathered outside a Vatican gate. One held a sign reading “Dear Oil CEOs – Think of Your Children”.

Francis, who has made many calls for environmental protection and has clashed over climate change with leaders such as U.S. President Donald Trump, said the ecological crisis “threatens the very future of the human family”.

He criticised those who, like Trump, doubt the science that shows human activity is causing the earth to heat up.

“For too long we have collectively failed to listen to the fruits of scientific analysis, and doomsday predictions can no longer be met with irony or disdain,” Francis said. Discussion of climate change and energy transition must be rooted in “the best scientific research available today”.

Trump, asked in an interview if he accepted climate science, said last week: “I believe there’s a change in weather, and I think it changes both ways.”

He has said the United States will withdraw from the Paris accord, a 2016 global agreement to fight climate change.

Francis, who wrote an encyclical – a significant document on Church teaching – in 2015 on protection of the environment, and strongly supports the Paris accord, said time was running out to meet its goals.

“Faced with a climate emergency, we must take action accordingly, in order to avoid perpetrating a brutal act of injustice towards the poor and future generations,” he said.

“We do not have the luxury of waiting for others to step forward, or of prioritising short-term economic benefits.”

Read full story here…

France Protestors Are Part Of Global Backlash Against Globalization

French protestors are ripping France’s oppressive carbon-based tax, and intend to topple the French president altogether. This is evidence of a world-wide movement that is totally fed up with global warming fraud and political chicanery. TN Editor

The single most effective weapon in the fight against climate change is the tax code – imposing costs on those who emit greenhouse gases, economists say. But as French President Emmanuel Macron learned over the past three weeks, implementing such taxes can be politically explosive.

On Tuesday, France delayed for six months a plan to raise already steep taxes on diesel fuel by 24 cents a gallon and gasoline by about 12 cents a gallon. Macron argued that the taxes were needed to curb climate change by weaning motorists off petroleum products, but violent demonstrations in the streets of Paris and other French cities forced him to backtrack – at least for now.

“No tax is worth putting in danger the unity of the nation,” said Prime Minister Édouard Philippe, who was trotted out to announce the concession.

It was a setback for the French president, who has been trying to carry the torch of climate action in the wake of the Paris accords of December 2015. “When we talk about the actions of the nation in response to the challenges of climate change, we have to say that we have done little,” he said last week.

Macron is hardly alone in his frustration. Leaders in the United States, Canada, Australia and elsewhere have found their carbon pricing efforts running into fierce opposition. But the French reversal was particularly disheartening for climate-policy experts, because it came just as delegates from around the world were gathering in Katowice, Poland, for a major conference designed to advance climate measures.

“Like everywhere else, the question in France is how to find a way of combining ecology and equality,” said Bruno Cautrès, a researcher at the Paris Institute of Political Studies. “Citizens mostly see punitive public policies when it comes to the environment: taxes, more taxes and more taxes after that. No one has the solution, and we can only see the disaster that’s just occurred in France on this question.”

“Higher taxes on energy have always been a hard sell, politically,” said

Gregory Mankiw, an economics professor at Harvard University and advocate of carbon taxes. “The members of the American Economic Association are convinced of their virtue. But the median citizen is not.”

In the United States – where energy-related taxes are among the lowest in the developed world – politicians, their constituents and their donors have repeatedly made that clear.

President Bill Clinton proposed a tax on the heat content of fuels as part of his first budget in 1993. Known as the BTU tax, for British thermal unit, it would have raised $70 billion over five years while increasing gasoline prices no more than 7.5 cents a gallon.

But Clinton was forced to retreat in the face of a rebellion in his own party. “I’m not going to vote for a BTU tax in committee or on the floor, ever, anywhere. Period. Exclamation point,” said then-Sen. David Boren, D-Okla.

The state of Washington has also tried – and failed twice – to win support for a carbon tax or carbon “fee.” In 2016, the state’s voters rejected a ballot initiative that would have balanced a carbon tax with other tax cuts. In 2018, a wider coalition sought backing for an initiative that would have poured fee revenue into clean energy projects, job retraining and early retirement plans for affected workers. The fee would have started at $15 a ton and gone up $2 a ton for 10 years. It, too, failed.

To be sure, some climate-conscious countries have adopted carbon taxes, including Chile, Spain, Ukraine, Ireland and nations in Scandinavia. Others have adopted cap-and-trade programs that effectively put prices on carbon emissions.

Only around 12 percent of global emissions are covered by pricing programs such as taxes on the carbon content of fossil fuels or permit trading programs that put a price on emissions, according to the International Monetary Fund.

Policy experts say that to some extent the prospects of carbon taxes may depend on what happens to the money raised.

Using the revenue for deficit reduction, as was planned in France, is a no-no.

“Even in the best of times, carbon taxes must be carefully crafted to avoid political pitfalls,” said Paul Bledsoe, a former Senate Finance Committee staffer and Clinton White House climate adviser. “In particular, much of the revenue raised must be recycled back to middle-income workers. Macron’s approach put the money toward deficit reduction, stoking already simmering class grievances.”

Last year, a group of economists and policy experts – including former treasury secretaries James Baker III and Lawrence Summers and former secretary of state George Shultz – advocated a tax-and-dividend approach. It would feature a carbon tax of $40 a ton, affecting coal, oil and natural gas. The revenue would be used to pay dividends to households. Progressive tax rates would mean more money for lower- and middle-income earners.

“Because the revenue is rebated equally to everyone, most people will get more back than they pay in carbon taxes,” said Mankiw, who is part of the group. “So if people understood the plan, and believed it would be carried out as written, it should be politically popular.”

So far the group, called the Climate Leadership Council, has not been able to generate much support from members of Congress.

But Canada is about to offer a test case.

Prime Minister Justin Trudeau has unveiled a “backstop” carbon tax of $20 a ton, to take effect in January, for the four Canadian provinces that do not already have one.

Trudeau was elected partly on a promise of this sort of measure, but it’s costing him more political capital than expected. Conservative premiers oppose the plan, which looks set to become an election issue.

Trudeau’s policy, however, is designed to withstand criticism. About 90 percent of the revenue from the backstop tax will be paid back to Canadians in the form of annual “climate action incentive” payments.

Because of the progressive tax rates, about 70 percent of Canadians will get back more than they paid. If they choose to be more energy efficient, they could save even more money.

The first checks will arrive shortly before Canadian elections.

Climate policy doesn’t only suffer from lack of enthusiasm. It also arouses the ire of right-wing populist movements.

Many of the people most angry at Macron’s tax come from right-wing rural areas. The German right-wing opposition party Alternative for Germany has called climate change a hoax. And in Brazil, a new populist president had indicated he will develop, not preserve, the Amazon forests that pull CO2 out of the air and pump out oxygen.

President Donald Trump, who has said he does not believe climate science, also took to Twitter to say Macron’s setback showed Trump was right to spurn the Paris climate agreement.

“I am glad that my friend @EmmanuelMacron and the protestors in Paris have agreed with the conclusion I reached two years ago. The Paris Agreement is fatally flawed because it raises the price of energy for responsible countries while whitewashing some of the worst polluters in the world,” he wrote. “American taxpayers – and American workers – shouldn’t pay to clean up others countries’ pollution.”

Fuel taxes, however, generate revenue that stays inside home countries without going to pay for others’ pollution. And the Paris agreement placed much greater responsibilities on developing countries than ever before.

A member of Trump’s beachhead transition team at the Energy Department also took to Twitter to celebrate the collapse of Macron’s fuel tax plan.

Read full story here…

Democrats Introduce Massive Carbon Tax Legislation

It’s the “The Energy Innovation and Carbon Dividend Act of 2018” and it will face an uphill battle even though the House has a majority of Democrats. The mere fact that it is being reintroduced again demonstrates the persistence of global warming activists. TN Editor

Democrat Florida Congressman Ted Deutch has introduced a carbon tax bill to impose a new national energy tax on the American people. The bill is a massive tax increase and would increase utility bills and the price of all products and services. In true politician-speak, Deutch has dubbed it “The Energy Innovation and Carbon Dividend Act of 2018.”

Voters across the USA — even in blue areas — have consistently rejected carbon taxes when faced with the issue at the ballot box. See the timeline here. On top of that, Paris is burning as hundreds of thousands of French citizens — yes even the French — protest that country's own carbon taxes.

Despite all this, Democrat Deutch just can't take a hint. Let's look at the details of Deutch's horrible bill:

Imposes a massive and continually racheting national energy tax, allowing politicians to raise taxes without ever having to vote. Just like the French proposal that starts with a big tax that gets more oppressive with time, the bill imposes a $15 per ton carbon (energy) tax, increasing by $10 per year into the future. Within five years the tax would automatically rise to $55 per ton. For reference, the carbon tax handily rejected by blue Washington state voters in November started at $15 and ratcheted up by $2 per year. Perhaps Deutch thinks the voters just want to be taxed at even higher rates.

Shovels taxpayer money into a giant vat for IRS, EPA, and State Department bureaucrats. The IRS and EPA will develop a cozy relationship — and what's not to love about that — to siphon funds from the vat of taxpayer funds for what the bill calls "Administrative Expenses" and "Other Administrative Expenses." For reasons unclear, State Department bureaucrats will also have access to the vat of taxpayer funds. What could go wrong?

Gives broad powers to IRS chief to find new products and entitites to be carbon-taxed. The IRS is directed to work with the EPA in order to find more tax targets: "Any manufactured or agricultural product which the [Treasury] Secretary in consultation with the [EPA] Administrator determines" is a tax target. The newly-carbon-taxed items will be added to the long list already specified in the bill: Iron, steel, steel mill products including pipe and tube, aluminum, cement, glass, fiberglass, pulp, paper, chemicals, and industrial ceramics.

Gives broad powers to the EPA chief. The bill gives czar-like powers to the EPA chief including the power to impose "monitoring, reporting, and record-keeping requirements" on Americans. The bill also gives the EPA chief power to conduct investigations and force "information collection."

Establishes a creepy DC-based "Carbon Dividend Trust Fund" that seeks a backdoor two-child limit on families. The "Carbon Dividend Trust Fund" leftovers will somehow be routed from DC on a per-person basis and households with more than two children are considered unworthy: The legislative language specifically imposes **"a limit of 2 children per household."**

Here it is, straight from the bill text:

"A carbon dividend payment is one pro-rata share for each adult and half a pro-rata share for each child under 19 years old, ***with a limit of 2 children per household****, of amounts available for the month in the Carbon Dividend Trust Fund."*

Gives broad powers to the Treasury Department to issue even more rules and regulations. The bill language states:

"The Secretary shall promulgate rules, guidance, and regulations useful and necessary to implement the Carbon Dividend Trust Fund."

Imposes income tax on the carbon tax "dividend." Yes, the government fleeces the taxpayers and sends the carbon tax money to DC, where it is siphoned off by bureaucrats. Then a leftover "dividend" is supposedly sent out to the countryside where it is then subject to income tax! Here is the bill language:

"(D) FEE TREATMENT OF PAYMENTS. — Amounts paid under this subsection shall be includible in gross income.

A tax on a tax, which will likely increase the complexity of your annual tax filing. Here's an idea — how about not taking the money from taxpayers in the first place?

Greases the skids for a European-style Value Added Tax, a cash cow for big government by erecting a complex carbon tax border adjustment scheme.

Authorizes armed carbon tax enforcement agents. The bill authorizes armed carbon tax enforcement agents to collect the new tax on energy used by Americans. As if customs enforcement doesn't already have enough on its plate, the bill states:

"The revenues collected under this chapter may be used to supplement appropriations made available in fiscal years 2018 and thereafter –

"(1) to U.S. Customs and Border Protection, in such amounts as are necessary to administer the carbon border fee adjustment."

Authorizes certain government sharing of Social Security information. The bill states:

"(B) COMMISSIONER OF SOCIAL SECURITY. — The Commissioner of Social Security shall, on written request, disclose to officers and employees of the Department of the Treasury individual identity information which has been disclosed to the Social Security Administration as is necessary to administer section 9512

Americans for Tax Reform opposes the bill. **"The proposed carbon tax is a gas tax and a tax on your electric bill. Worse, it increases automatically year after year so the politicians can raise your taxes without ever having to vote,"** said Grover Norquist, president of Americans for Tax Reform. **"The tax will be hidden in the price of all goods and services. A hidden tax. A permanent tax. An uncontrolled tax that increases without end."**

The text of Democrat Deutch's carbon tax bill can be found here.

Read full story here…

Trudeau’s Follies: The Coming Carbon Tax Showdown In Canada

Canadians who see through Technocrat PM Justin Trudeau’s carbon tax are getting some traction to spread the protest to a wider audience. Carbon tax is a disingenuous fraud that takes money from citizens and gives it to globalist cronies. TN Editor

Not so long ago, Justin Trudeau’s energy strategy looked so simple. It rested on a Grand Bargain. Canada would build a pipeline or two, and the citizens would do penance in the form of carbon taxes that would reduce greenhouse gas emissions. Everybody –environmentalists, the oil industry and right-thinking Canadians – would be happy.

Today, that bargain is looking mighty shaky. Opponents of Trans Mountain aren’t interested in it. Alberta’s Premier, Rachel Notley, will probably lose her job next year because she has delivered carbon taxes but no pipeline. Her nemesis, Jason Kenney, is planning to abolish the carbon tax as soon as he beats her (as is likely). He points out that it has utterly failed to secure a social licence for pipelines. “Very expensive political theatre for Albertans,” he calls it. And now, the anti-carbon-tax crusader Doug Ford could well become premier of Ontario. It’s hard to see how Mr. Trudeau will impose his grand bargain on the provinces if Alberta and Ontario are in open revolt.

So what about the rest of us? Liberals, environmentalists and economists tell us carbon taxes are a virtually painless way to get us to act virtuously, by cutting down on fossil fuels. They are a *good* tax. Unfortunately, too many of us don’t like them anyway. As Mr. Ford likes to say whenever he has a chance, “A tax is a tax is a tax.”

Carbon taxes are allegedly revenue-neutral because the money is returned to taxpayers in the form of rebates or offset by lower taxes elsewhere. But the reality is different. In fact, governments can’t keep their greedy mitts off the money. Even the model province of British Columbia is now diverting part of its provincial carbon tax to fund tax credits for preferred groups, such as filmmakers. In Alberta, only about a quarter of the amount raised by the carbon tax is rebated to taxpayers.t Sadly, there is a vast difference between the pure world of economic models and the grubby world of politics.

Another problem with carbon taxes is that you can’t possibly make them high enough to be effective. If you did you’d be voted out of office. Mr. Trudeau’s national carbon pricing scheme would start at $10 a ton, going up to $50 by 2022 – enough to be a nuisance, but not nearly enough to affect consumer behaviour in any meaningful way. Achieving real behavioural change, say environmental economists, would cost many times more. According to Simon Fraser University economist Mark Jaccard, carbon taxes can only have real impact if governments also introduce a bunch of costly and heavy-handed regulations.

In other words, carbon taxes can’t save the planet. Despite what politicians tell you, they basically amount to useless virtue-signalling. But Mr. Trudeau, Ms. Notley and Environment Minister Catherine McKenna aren’t going to tell you this because they want you to believe they have a plan and that the plan will work.

As the date for Mr. Trudeau’s carbon tax gets closer, taxpayers might start asking an even more basic question: What difference will this make in the big scheme of things? As India and China and the whole developing world ramp up energy use, and the U.S. extracts more fossil fuel than ever in its history, why are we getting this darn tax?

Read full story here…

Carbon Taxes Will Increase, Not Decrease, Global Carbon Emissions

If empirical evidence proves that carbon taxes increase global CO2 emissions, then there is clearly another agenda for calling for their implementation. Technocrats seek control and societal engineering, not protecting or saving the planet. TN Editor

As the hysteria over global warming heats up, carbon taxes have become the “cool” option. Environmentalists love them. So do politicians, who are more than happy to raise taxes while scoring political points.

Carbon taxes, or other analogous pricing schemes, are now prevalent in Western Europe, and are making headway in North America. For example, California recently joined forces with the Canadian Provinces of Ontario and Quebec to create an integrated cap-and-trade carbon market.

On top of this, many well-known economists support carbon taxes, thinking they're the best way to mitigate man's contribution to climate change. A new report written by thirteen leading economists under the direction of professors Nicholas Stern and Joseph Stiglitz—who won a Nobel Prize in 2001—recommends the adoption of a global carbon tax.

The tax would value carbon emissions somewhere between 50 and 100 USD per ton by 2030, and would cost upwards of $4 trillion. Theoretically, the tax would raise the cost of using carbon-intensive sources of energy, thereby nudging producers to switch from fossil fuels to "green energy" sources like wind and solar power. Likewise, it would raise the cost of electricity, thus creating an incentive to use energy more efficiently.

This makes sense in theory. There's just one problem. It won't work.

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In reality, carbon taxes are just that: taxes. They're a money-grab disguised with good intentions. Worse still, carbon taxes *will not* reduce our greenhouse gas emissions.

Instead, adopting carbon taxes in the West will actually *raise* global carbon emissions by offshoring economic activity from relatively environmentally-friendly places, like the USA and Germany, to places with lax environmental laws, like China:

Open Markets & Offshoring, or How Carbon Taxes Raise Global CO2 Emissions

Wealth is like water: it flows to the lowest possible point, and continues to do so until the level is equal. This is why consumers chase cheaper goods, why investors look for undervalued companies, and why multinationals offshore to cheaper markets. This last point—offshoring—is why Western carbon taxes will actually increase global emissions.

The underlying logic is fairly straightforward. Pretend there are only two countries in the world: Germany and China. The cost of doing business in them is identical, however China's economy is twice as carbon-intensive as Germany's. In other words, it costs $1 to build a widget in either country, but the widget's carbon footprint in Germany is only 1 kilogram of carbon, compared to 2 kilograms in China.

Clearly it's better for the environment if widgets are made in Germany.

But Germany's not satisfied: they want to further reduce their carbon emissions. Therefore, they impose a carbon tax of 10 percent per widget. This raises the cost of making widgets in Germany to $1.10. Ideally, German widget-makers will invest in energy-efficient machinery, and the government can use the tax revenues to plant more trees.

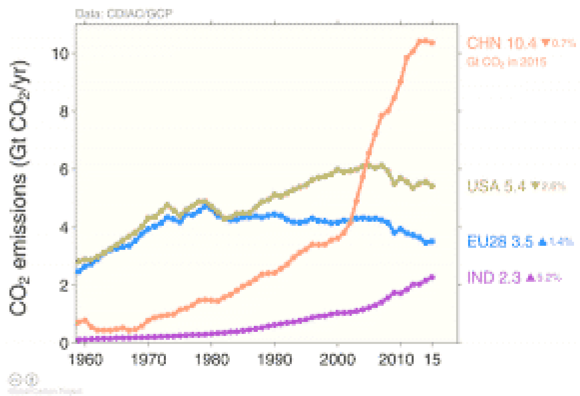
Sadly Germany's politicians forgot something: Germany is an open market. This means that German consumers can simply buy Chinese widgets—which still only cost $1 to make.

At this point, Germany's widget-makers have two options: (1) they can foreclose, since they're unable to compete with artificially cheaper Chinese widgets, or (2) they can move their factories to China and import the widgets back into Germany. Either way, China ends up building enough widgets for both China and Germany, and Germany doubles its carbon emissions.

Now imagine what our example would look like if China built widgets for $0.1 rather than $1, and they generated three times as much emissions per widget of Germany, since this better reflects reality. Would a carbon tax in Germany have a hope of reducing global emissions? No.

Empirical Evidence Suggests that Carbon Taxes Will Increase Global CO2 Emissions

Not only does the logic show that carbon taxes in the West will invariably increase global CO2 emissions, but so does the empirical evidence.



To begin with, data from the World Bank reveals that China, and other developing countries, produce far more carbon per dollar of economic output (at purchasing power parity) than do Western nations. For example, China produced 0.6 kilograms of carbon dioxide per dollar of economic output in 2014, whereas America produced 0.3 kg of CO2, and Germany produced just 0.2 kg.

On top of this, China shows no signs of decreasing its emissions any time soon: China's currently building hundreds of new coal-fired power plants, which will ensure its CO2 emissions continue to rise for decades to come.

Taken together, these facts suggest that every factory pushed out of the West due to carbon taxes actually increases global emissions dramatically, and this will continue to be the case for decades to come.

A number of other studies came to the same conclusion.

One important paper published in Proceedings of the National Academy of Sciences, found that carbon reductions alleged to the Kyoto Protocol were more than offset by increase emissions from imported products. Glen Peters of the *Centre for International Climate and Environmental Research* said this of the research:

> *Our study shows for the first time that emissions from increased production of internationally traded products have more than offset*

the emissions reductions achieved under the Kyoto Protocol … this suggests that the current focus on territorial emissions in a subset of countries may be ineffective at reducing global emissions without some mechanisms to monitor and report emissions from the production of imported goods and services.

Essentially, local carbon taxes are not a useful tool for mitigating a nation's carbon footprint. If anything they actually raise global emissions. The paper also notes that China accounts for some 75 percent of the developed world's offshored emissions.

Another study published in *The Guardian*, found that "50 percent of the rise in Chinese emissions are the result of goods for foreign markets." This was echoed in a different study from the scientific journal *Geophysical Research Letters*, which found that cuts in carbon emissions by developed countries have been cancelled out "many times over" by increases in imported goods from developing countries—especially China.

Another study found that all of the trumpeted carbon reductions in places like Germany fall apart under closer scrutiny:

According to standard date, developed countries can claim to have reduced their collective emissions by almost 2% between 1990 and 2008. But once the carbon cost of imports have been added to each country, and exports subtracted – the true change has been an increase of 7%. If Russia and Ukraine – which cut their CO2 emissions rapidly in the 1990s due to economic collapse – are excluded, the rise is 12%.

In the same period, UK emissions fell by 28 million tonnes, but when imports and exports are taken into account, the domestic footprint has risen by more than 100 million tonnes. Europe achieved a 6% cut in CO2 emissions, but when outsourcing is considered that is reduced to 1%.

Together, these studies conclusively show that the offshoring of Western industry to China has actually increased global carbon emissions. It is unreasonable to assume that a carbon tax, which will further increase the incentive for business owners to offshore, will magically reduce global carbon emissions. There is no silver bullet. Carbon taxes are a pipe dream.

Carbon Taxes Won't Reduce Global CO2 Emissions—Now What?

Carbon taxes will not reduce global carbon emissions—they'll only make things worse. So what should we do?

First, I think we should stop and put things in perspective. No matter your opinion on climate chance, we should begin with the assertion that carbon dioxide is not a harmful chemical in the traditional sense of the word. It's actually essential for all life on earth—plants need it to live.

The obsession with carbon emissions is allowing many real polluters to fly under the radar. For example, fertilizers and pesticides runoff from our farms is creating gigantic "dead zones" downstream. Algal blooms are choking out life a the mouths of major rivers throughout the world. Likewise, deforestation is (often unnecessarily) stripping the world of its most precious habitats.

These are real environmental problems that aren't getting attention because carbon dioxide is so ardently demonized. It's time we put things in perspective, triaged the situation, and started frying the biggest fish.

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Governments Begin Testing Cryptocurrencies As Cash Use Plummets

The globalist drive to remove cash from society is aided by the rise and acceptance of cryptocurrencies throughout the world. The ultimate touchstone for digital currency will be energy, which is the ultimate controller of economic activity. TN Editor

Riksbank, Sweden’s central bank, is taking a serious look at Bitcoin. As cash use plummets and the amount of currency in circulation dwindles, central banks are looking to cryptocurrencies as government-backed money.

In Sweden, the number of banknotes and coins in circulation has fallen to its lowest level in three decades. Riksbank estimates that cash transactions made up only 15 percent of all retail transactions last year. That number is down from 40 percent in 2010, thanks in large part to massively popular mobile payment services. That leaves the bank wondering if a technology similar to that of Bitcoin's could be implemented in Sweden.

> *Riksbank isn't the only central bank taking a serious look at blockchain, the technology that makes Bitcoin and other cryptocurrencies run. These systems, also called distributed ledgers, rely on networks of computers, rather than a central authority like a bank, to verify and record transactions on a shared, virtually incorruptible database. Government bankers across the world believe this has the potential to replace cash and make other payment systems more efficient. – Technology Review*

Riksbank is investigating not only distributed-ledger technology (which it describes as unproven yet "progressing incredibly rapidly") but also traditional, centralized accounting methods for its "e-krona" (pdf) project. Many central banks are looking into this type of currency, but Sweden appears to be at the forefront of the movement.

According to Rod Garratt, an economics professor at the University of California, Santa Barbara, a cryptocurrency that's available to all consumers "opens up a whole host of issues" and would pose new challenges for makers of monetary policy.

> *First, there's the question of who, exactly, should verify the transactions and maintain the distributed ledger. Even if that's solved, the new system would be, in a sense, too streamlined, making it easier for bank runs to occur in a moment of crisis or panic. In most current financial systems, large-scale withdrawals of funds are naturally slowed by the time it takes for a central bank to produce the paper money people are demanding. But if the currency is purely digital, no such brakes exist—a panicked citizenry could empty their accounts almost instantly, leaving an entire country's banking system all but penniless.*
>
> *A new journal article (pdf) published by the Bank of International Settlements, a kind of central bank for central banks, suggests a more straightforward approach than trying to use cryptocurrency to*

replace cash. In the article, Garratt and Morten Bech, a researcher at the BIS, draw an important distinction between a "retail" cryptocurrency like FedCoin and a "wholesale" one that would only be used by banks. –Technology Review

China's central bank has also begun testing of a digital currency. Speeches and research papers from officials at the People's Bank of China show that the bank's strategy is to introduce the digital currency alongside China's renminbi. But there is currently no timetable for this, and the bank seems to be proceeding cautiously.

But the main issue for governments is that they are losing their grip and control on currency. Sweden's dwindling cash usage is increasing reliance on mobile payment systems risks marginalizing people who don't use them or can't access them. Those systems are also run by private companies, which means that commercial forces, rather than government policies, could end up determining how effectively the financial system serves people and the economy.

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ICLEI Drives World’s Cities Into Global Carbon Reporting Machine

The Carbon*n* Climate Registry (CCR) was founded in November 2010 at the World Mayors Summit on Climate in Mexico City, but it is operated by the Bonn Center for Local Climate Action and Reporting. The latter is hosted by the ICLEI World Secretariat, also in Bonn. Accordingly, CCR states on its website:

> *The carbonn® Climate Registry is the leading global reporting platform for cities, towns and regions tackling climate change. It helps local and other subnational governments to track and report on their targets, actions and performance. This platform allows for exchange, learning and benchmarking among its 950+ registered entities while providing data that feeds into global climate negotiations through ICLEI as focal point for the Local Governments and Municipal Authorities constituency.*

This video is a must-view intro to CCR’s program:

CCR has rifled through ICLEI’s city membership to get 950 cities from 82 countries to join their reporting scheme. They now claim to be covering 9.5 percent of the global population and 17,5 percent of the world’s urban population.

It also claims to be a ‘prime data partner’ of UNFCCC’s Non State Actor Zone for Climate Action (NAZCA) Platform (NAZCA), another carbon reporting organization. NAZCA claims that over one-third of the 2,000 largest companies in the world are pledged to Carbon action.

Not surprisingly, CCR and NAZCA both claim to be ‘voluntary’ organizations:

> *The carbonn Climate Registry is the voluntary and public reporting platform for local and other subnational governments, enabling these*

> *entities to report and monitor their climate and energy commitments, greenhouse gas (GHG) emissions performance, plans as well as climate change mitigation and adaptation actions.*

Download CCR’s 5-year overview report here.

The Global Elites’ Secret Plan for Cryptocurrencies

As an economic system, Technocracy needs an appropriate type of currency as an accounting system, and blockchain technology is a likely foil. However, Technocrats in the 1930s said that energy was the only appropriate accounting system. As I read this, I would fully expect to see a global blockchain system having some relation to, or ‘peg’, to either carbon or energy itself. Either way, the days of the ‘wild west’ for Bitcoin may be in jeopardy. TN Editor

Interest in Bitcoin is red hot at the moment. It’s impossible to open a website, listen to a podcast, or watch a video in the financial space without hearing about the meteoric rise in the price of Bitcoin.

Maybe you know a "Bitcoin millionaire" who bought five hundred Bitcoins a few years back for $50,000 and is now sitting on a Bitcoin fortune worth over $2,000,000. It's true, those people actually do exist.

Yet the crypto-hysteria is distracting you from a scary truth no one is talking about. There is every indication that governments, regulators, tax authorities, and the global elite are moving in for the crypto-kill. The future of Bitcoin may be a dystopia in which Big Brother controls what's called "the blockchain" and decides when and how you can buy or sell anything and everything.

Furthermore, cryptocurrency technology could be the very mechanism used by global elites to replace the dollar based financial system.

In 1958, Mao Zedong, the leader of the Communist Party of China and China's dictatorial leader was confronted with demoralized intellectuals and artists who were alienated by Communist rule. As a policy response, he declared a new policy of intellectual freedom.

Mao declared, "The policy of letting a hundred flowers bloom and a hundred schools of thought contend is designed to promote the flourishing of the arts and the progress of science."

This declaration is referred to as the "Hundred Flowers Campaign" (often misquoted as the "thousand flowers campaign"). The response to Mao's invitation was an enthusiastic outpouring of creative thought and artistic expression.

What came next was no surprise to those familiar with the operation of state power. Once the intellectuals and artists emerged, it was easy for Mao's secret police to round them up, kill and torture some, and send others to "reeducation camps" where they learned ideological conformity.

The Hundred Flowers Movement was a trap for those who placed their trust in the state. It was also a taste of things to come in the form of the much more violent and comprehensive Cultural Revolution of 1964–1974 in which all traces of Chinese bourgeoisie culture and much of China's historical legacy were eradicated.

Something similar is going on with Bitcoin and the Distributed ledger technology (DLT) today. Governments have been patiently watching blockchain technology develop and grow outside their control for the past eight years.

Libertarian supporters of blockchain celebrate this lack of government control. Yet, their celebration is premature, and their belief in the sustainability of powerful systems outside government control is naïve.

Governments don't like competition especially when it comes to money. Governments know they cannot stop blockchain, in fact they don't want to. What they want is to control it using powers of regulation, taxation, and investigation and ultimately more coercive powers including arrest and imprisonment of individuals who refuse to obey government mandates with regard to blockchain.

Blockchain does not exist in the ether (despite the name of one cryptocurrency) and it does not reside on Mars. Blockchain depends on critical infrastructure including servers, telecommunications networks, the banking system, and the power grid, all of which are subject to government control.

A group of major companies, all regulated by government, have announced a joint effort to develop an open-source blockchain as a uniform standard for all blockchain applications. The group includes JPMorgan, Wells Fargo, State Street, SWIFT, Cisco, Accenture, the London Stock Exchange and Mitsubishi UFJ Financial. That's not exactly five guys in hoodies working in a garage. That's a sign of the corporate-state consortium taking over.

An elite U.S. legal institution called the Uniform Law Commission, that proposes model laws intended for adoption in all fifty states, has released its latest proposal called the "Uniform Regulation of Virtual Currency Businesses Act."

This new law will not only provide a regulatory scheme for state regulators, but will also be a platform for litigation by private plaintiffs and class action lawyers seeking recourse against real or imagined abuses by digital coin exchanges and facilities. Once litigation begins, anonymity is the first casualty.

Cryptocurrencies and the Super-Elites Plan

Consider the following additional developments:

> On August 1, 2017, the SEC announced "Guidance on Regulation of Initial Coin Offerings," the first step toward requiring fundraising through blockchain-based tokens to register with the government.
>
> On August 1, 2017, the World Economic Forum, host body to the Davos conference of global super-elites, published a paper entitled "Four reasons to question the hype around blockchain."
>
> On August 7, 2017, China announced they will begin using blockchain to collect taxes and issue "electronic invoices" to citizens there.

Perhaps most portentously, the International Monetary Fund (IMF) has weighed in. In a special report dated June 2017, the IMF had this to say about blockchain:

> *"Distributed ledger technology (DLT), in particular, could spur change in the financial sector. …. DLT can be categorized as "permissionless" or "permissioned" depending on who can participate in the consensus-driven validation process. Permissionless DLTs allow anyone to read, transact on, and participate in the validation process.* ***These open schemes (that underlie Bitcoin, for instance) could be very disruptive if successfully implemented. By contrast, in permissioned DLTs, the validation process is controlled by a pre-selected group of participants ("consortium") or managed by one organization*** *("fully-private"), and thus serve more as a common communications platform." (emphasis added).*

IMF releases require expert translation because they are never written in plain English, and the real meaning is always hidden between the lines. But, the thrust of this report language is clear. The IMF favors "permissioned" systems over "open schemes." The IMF also favors control by a "pre-selected group of participants" or "one organization," rather than allowing "anyone" to participate.

This paper should be viewed as the first step in the IMF's plan to migrate its existing form of world money, the special drawing right or SDR, onto a DLT platform controlled by the IMF. In time, all other forms of money would be banned.

These and other developments all point toward an elite group including the IMF, JPMorgan, the Davos crowd, the IRS, SEC, and other agencies converging to shut down the existing free-wheeling blockchain ecosphere, and replace it with a "permissioned" system under "consortium" control.

Big Brother is coming to the blockchain.

Regards,
Jim Rickards
for *The Daily Reckoning*

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