

Environmental protection tax—the next swindle

by Carol White

It is rare to find George Bush on the right side of an issue, and in the instance of “global warming,” it is only by comparison with his Democratic Party opponents such as Sen. Albert Gore (D-Tenn.), that the rabid environmentalist Bush even appears sane. All indications are that the White House will sign a treaty accord for a non-mandatory cap to hold carbon dioxide emissions at the 1990 level, at the Brazil Eco-92 summit. Gore is the head of the congressional delegation for the June ecology summit, and he has taken the point for the Democrats in Congress, in demanding even more stringent clean air standards than are now in place, or proposed by the administration.

There should, however, be no illusions. A non-mandatory accord will create the climate for enforcement of even more stringent clean air regulations nationally—such as are now in effect in the state of California. The difference between Bush and Gore on this issue is more one of style than substance. An environmental protection tax is certainly attractive to a revenue-strapped President who is on record promising no new taxes.

Either way, with a binding or a non-mandatory treaty, new taxes are on the agenda, as well as new regulations which will be expensive to implement. In a situation where U.S. industry is increasingly noncompetitive and burdened with debt, this can only lead to an accelerated pace of shut-downs such as we are now seeing in the auto industry. Gore has announced new congressional hearings, intended to force Bush's hand at the Rio summit in June. In preparation for this, there is a mounting environmentalist drumbeat.

Gore launched his new media campaign in an editorial page commentary in the Sunday *Washington Post* on May 3. There he argued that since emissions levels now are close to those of 1990, the United States can afford to sign a treaty binding the nation to those levels. The fly in the ointment,

which he has refused to see as problematic, is the fact that such a stabilization of carbon dioxide emissions as has now occurred, could only have occurred during conditions of economic slowdown such as the U.S. economy is now going through. Ironically, Gore's claim that more stringent controls will not be a toll on the economy, can only be substantiated under conditions of perpetually worsening depression. The measures which he has advocated, and which he intends to push through the Congress before the Rio summit, can only have the effect of turning the United States from a superpower to a Third World country.

Even the Department of Energy (DoE), which in the recent period has had a very poor record on energy questions—particularly in the area of research and development—has refuted the claim that the U.S. economy can withstand further such environmental measures. In a recently issued report to Congress entitled “Limiting Net Greenhouse Gas Emissions in the United States,” the DoE correctly asserted that the apparent profitability of environmental measures is, in the longer run, spurious. Conservation may encourage a certain amount of greater energy efficiency, but by and large it does so at the cost of productivity and is a net drain on the economy.

The DoE based its study on the modest supposition that the U.S. Gross National Product would grow at an average rate of 3.2% and therefore require a correlated growth in available energy, especially electricity. Gore denies this, and contends instead that with a mere 1% growth in energy, the economy can be strengthened, and new jobs created. In his commentary, he pointed to the number of jobs opened up by the need to meet higher environmental standards, as a case in point. By that kind of reasoning, any make-work job which gives people an income can be considered to strengthen the economy, such as having grandmothers sweep streets in

place of sanitation trucks. The DoE, in response to a congressional request, also estimated that reduction of carbon dioxide emissions by 20% over the next 10 years would cost the ailing U.S. economy a massive \$95 billion per year. This, of course, is precisely the direction in which Gore would have the United States go.

Carbon tax proposal

One measure now being advocated to enforce a reduction of carbon dioxide emissions would be a direct carbon tax or a steep increase in the gasoline tax. An estimate by Eugene Trisko, an independent consultant working with the Coal Board, is that such a tax would essentially tax the U.S. economy an additional 10 times over those measures presently imposed by laws such as the Clean Air Act.

Considering that an automobile is an absolute necessity for increasing numbers of Americans who are denied any access to mass transit facilities, but who must use a car in order to travel to work and for such activities as food shopping, a CO₂ tax will be only that, a further burden to the consumer and a pretext for a disguised tax rise. Similarly, most Americans cannot reduce the temperature of their homes in the cold winter months below a certain point, without suffering serious health problems. The likely result of such a tax is that individuals will cut back on other, less essential expenditures, and pay more for gasoline, electricity, and so on. In the case of corporations, any additional burden on already sick basic industries will probably cause further shutdowns and unemployment. This may cut down CO₂ emissions, but only at the cost of deepening the depression.

Gerd R. Weber, in his book *Global Warming, The Rest of the Story* (Wiesbaden: Dr. Boettiger Verlags GmbH, 1992), documents a contradictory picture. (*EIR* excerpted Dr. Weber's book in its Jan. 10, 17, and 24 issues.) The cost of fossil fuels does not really promote a decreased use of fossil fuels, although it does place an additional tax upon producers and consumers. From 1973 to 1981, gasoline prices in Germany went up two-and-a-half times, while gasoline consumption increased by 30%. Energy efficiencies in automobiles, at present are no greater in Germany than in the United States, despite the high German gasoline tax, and the fact that the cost of gasoline is at least double that in the United States.

It can be shown that investment in high technologies, such as substitution of plasma processes for direct reduction in basic industry, does lead to energy efficiencies, reduction in pollution, and higher productivity. In general these will be technologies in which energy flux densities are increased at the point of production; this would mean—for one thing—rapid expansion of the use of nuclear energy which is provably safe, clean, and economical. (The high cost of nuclear energy today is a product of false costs which have been deliberately imposed on utilities which are hamstrung by environmentalists during the construction phase of nuclear

plants, and then prevented from opening nuclear plants in a timely fashion once they are built.)

Global warming is a hoax

There is no lack of competent information rebutting the notion of a threat of global warming. A new report just released in April by the George C. Marshall Institute, "Global Warming Update; Recent Scientific Findings," is useful in this regard. The institute, led by the president emeritus of Rockefeller University and past president of the National Academy of Sciences, Frederick Seitz, substantiated findings otherwise presented by *EIR* and also by *21st Century Science & Technology* magazine. For example, the observed rise in temperature since 1880—a matter of 0.5°C—occurred before 1940; yet it is only after that date that massive amounts of man-made carbon dioxide were released into the atmosphere.

Indeed, from 1940 to 1970 the average temperature on the Earth's surface dropped. Precise satellite measurements of global temperatures show no significant warming during the 1980s, according to a report by NASA scientists working at the University of Alabama and the Marshall Space Flight Center. Recent findings suggest that at most, greenhouse warming over the next century will be less than 1°C, and perhaps no more than one-tenth of a degree.

Recently, the National Research Council, whose members are drawn from the National Academy of Sciences, in collaboration with the National Academy of Engineering and the Institute of Medicine, released a report on fuel economy of automobiles and light trucks. The direction of their thinking is indicative of the inadequate approach to technology questions which is afflicting the United States today. Rather than approach the problem of developing hydrogen as a feasible fuel, or of a multi-dimensional approach to linking automobile transportation to mass transit, they have focused simply on downsizing trucks and automobiles. The measures which were considered by the council included a *ninefold* increase of gasoline prices (to \$10 per gallon).

One way to reduce pollution from automobiles and trucks, is to invest in mass transit, and to build and refurbish canal systems. Under these circumstances, magnetically levitated trains and even "maglev" automobiles and trucks, would be a serious option. Such a turn of events would give a boost to the machine tool sector centered around the aerospace and auto industries.

Options such as these do not feature in the plans of either the Bush administration or its Democratic opponents, with the exception of Lyndon LaRouche, who has been pushed out to the margins of the Democratic Party, although his policies are far closer to those of its constituents than the current greenie leaders. The present debate about the terms under which an environmental treaty will be signed at Rio precludes any kind of option for the U.S. economy except deepening depression and austerity.