

Reducing Greenhouse Gas Emissions

The former Environmental Protection Agency administrators urging President Bush to adopt Kyoto-style regulations on greenhouse gases should consider the price tag of such agreements [news story, Jan. 19].

The economic consulting firm CRA International analyzed the effect many proposed cap-and-trade systems would have on emissions. One proposal to reduce U.S. emissions to 2000 levels in 2010 would cost average U.S. households \$450 to \$720 a year. The United States would lose as many as 840,000 jobs in 2010 and as many as 1.3 million jobs by 2020. Some of these jobs would move overseas, thereby relocating emissions to developing countries.

Further, most of the European Union's original 15 member states are not on track to meet the emission targets of the Kyoto Protocol. New research shows that if Britain, Germany, Italy and Spain imposed taxes high enough to meet the targets, they would face painful reductions in gross domestic product and increased unemployment rates if they enforce the protocol's provisions.

Energy use and economic growth go hand in hand. The United States should reject mandatory programs, look to free-market policies based on technology and reducing energy intensity, and work with developing countries on cleaner development -- promoting improvements in their living standards while slowing their rapid growth in greenhouse gas emissions.

Margo Thorning
Senior Vice President and Chief Economist
American Council for Capital Formation
Washington