



Written by [James Heiser](#) on September 3, 2009

Are Extremists Blowing Smoke Over Cap and Tax?

With the Obama administration's plans to collectivize healthcare threatened by a prairie fire of public outrage, the Left may be shifting targets once again. Global-warming hysteria is being moved back into the public square with a new series of television ads as the Senate considers passage of its version of the Clean Energy and Security Act (popularly known as "cap and trade" or "cap and tax").



Cap and tax threatens to add one more layer of taxation in an economy that is already drowning in red ink. In summary, if enacted into law, the cap-and-trade bill would establish tradable credits for pollution. By *capping* the amount of carbon dioxide (CO₂) emissions that industry would be permitted to emit, a market *trading* in the permits allowing the release of CO₂ would swiftly rise in value, driving up the cost of goods manufactured in the United States.

The House [passed](#) its version of cap and tax, H.R. 2454, by a narrow margin: 219 in favor, 212 opposed, with three abstentions. The shockingly high expenses associated with the measure are unlikely to be acceptable to many Americans, who are already furious with the federal government over the series of bailouts and collectivization schemes that have descended on them from Washington in the past year.

[As the Wall Street Journal observed on June 26](#), "When the Heritage Foundation did its analysis of Waxman-Markey, it broadly compared the economy with and without the carbon tax. Under this more comprehensive scenario, it found Waxman-Markey would cost the economy \$161 billion in 2020, which is \$1,870 for a family of four. As the bill's restrictions kick in, that number rises to \$6,800 for a family of four by 2035."

Now the environmental lobby is pushing hard to pressure the Senate to adopt the measure, and they are prepared to spend a great deal of money in the process. According to the *USA Today*,

Environmentalists and others supporting climate-change legislation are outspending the measure's opponents in the television advertising skirmish underway in advance of Senate action this month, new data show.

Supporters of the plan to curb greenhouse-gas emissions spent \$2.9 million in August as they seek to renew interest in legislation overshadowed by the contentious battle over President Obama's health care initiative. That's \$1 million more than what opponents spent, according to Evan Tracey, who tracks political advertising at the Campaign Media Analysis Group.

The surge in spending during the lawmakers' August recess put the proponents ahead overall.



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They have spent \$8 million in support of the measure since Jan. 1, compared with \$7.4 million by those opposed.

"The perception is that environmentalists are a bunch of unwashed kids tying themselves to trees," Tracey said. "That's not the case anymore. These are very sophisticated and well-funded campaigns."

Beyond the direct impact of such advertising, one may expect the impact of the ads to be greatly multiplied by sympathizers throughout the media who have gotten used to passing along environmentalist boilerplate as if such pronouncements had come down from heaven.

The economic impact of cap and tax will be profound, as will be the political and cultural ramifications of yet another massive intrusion into the everyday lives of Americans and the profitable operation of American businesses. "Well-funded campaigns" by environmental extremists are being joined with the machinations of the Washington elites in a pincer movement that threatens what remains of our economy, even as it promises great financial reward for those involved in the carbon credit trade.

Some might even observe that selling — or blowing? — smoke has never been so profitable as the president and Congress are now threatening to make it.



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