You have been right all along

You are right

David Robinson

June 5, 2016
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You have won every argument.
You have won every argument.

There is not much new to say.
You have won every argument.

There is not much new to say.

Let's review what the majority of conservatives believe.
You have won every argument.

There is not much new to say.

Let's review what the majority of conservatives believe.

What the Pope believes.
You have won every argument.

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What almost every economist believes.
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What almost every economist believes.

What you have been saying for years.
Is the climate warming?
Is the climate warming?
Here is where you can say “YES!” if you like.
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And I could say, “Are you allowed to say “I told you so”

David Robinson  You are Right
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And you could say “YES!”

And I could say “Is there any credible opposition.”
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And you could say “YES!”

And I could say “Is there any credible opposition.”

You could say “NO!”
Is there any credible opposition?
Is there any credible opposition?

NO!
Is there any credible opposition?

NO!, but ............

Kathleen Wynne, Premier of Ontario, Friday June 4, 2016
Is there any credible opposition?

NO!, but ............

“There are people who don’t believe. We need to win those people over”

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WE NEED TO HELP THE POLITICIANS UNDERSTAND THAT THEY CAN’T WIN OVER THE LAST FEW STUBBORN UNBELIEVERS,
Is there any credible opposition?

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“There are people who don’t believe. We need to win those people over”

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WE NEED TO HELP THE POLITICIANS UNDERSTAND THAT THEY CAN’T WIN OVER THE LAST FEW.stubborn unbelievers,

NOT IN TIME
Wynn has a serious problem. She has a very poor plan - it will not work and it will cost people money.
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YOU HAVE A BETTER SOLUTION
Back to what you have been right about:
Did people do it?
Did people do it?
Is the carbon dioxide from fossil fuels?
Did people do it?
Is the carbon dioxide from fossil fuels?
is it also causing ocean acidification?

David Robinson
You are Right
Did people do it?

Is the carbon dioxide from fossil fuels?

Is it also causing ocean acidification?

Is it also causing forest fires?
some things are hard to sell

- is it also causing polar melting?
You Have Been Right All Along

some things are hard to sell

- is it also causing polar melting?
- Is it also causing extinctions?

You are Right
some things are hard to sell

- is it also causing polar melting?
- Is it also causing extinctions?
- Are we headed for at least 4 degrees of warming?
some things are hard to sell

- is it also causing polar melting?
- Is it also causing extinctions?
- Are we headed for at least 4 degrees of warming?
- Is that vey dangerous?
some things are hard to sell
You Have Been Right All Along

some things are hard to sell

David Robinson
You are Right
some things are hard to sell

- Very dangerous.
some things are hard to sell

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- Should we try to hold warming to 2 degrees?
some things are hard to sell

- Very dangerous.
- Should we try to hold warming to 2 degrees?
- Is it possible to hold warming to 2 degrees?
some things are hard to sell

- Very dangerous.
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- Is it possible to hold warming to 2 degrees?
- Do we have the technology?
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- Are wind and solar installations increasing faster than predicted? (by whom?)
You Have Been Right All Along

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- Are we going to make an effort?
The Question

There is a question missing here - Are we going to make a big enough effort?
The Question

There is a question missing here - Are we going to make a big enough effort?

That is what we are here for!
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That is what we are here for!

You are here to help Canadian politicians find the courage and the determination to make a big effort.
What politicians have been seeing: France this week

David Robinson

You are Right
They keep things very tidy
Beautiful Paris (Also Germany)

David Robinson

You are Right
You Have Been Right All Along

Last week it was Texas

David Robinson
You are Right
Texas

You Have Been Right All Along

David Robinson
You are Right
You Have Been Right All Along

Keeping the Roads Clean in Texas

David Robinson  You are Right
Transit in Calgary June 2013

You Have Been Right All Along

David Robinson
You are Right
This week in the minds of parliamentarians

David Robinson

You are Right
Silly questions about Fort McMurray:

1) **Was the fire caused by climate change?**
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1) **Was the fire caused by climate change?**
   If you pour gasoline on the floor and your house burns down, was it the gasoline or the spark from the toaster?

   This is just confusing proximate and distal causes. Climate change was the distal cause.
You Have Been Right All Along

Floating docks on Lake Mead

David Robinson
You are Right
Silly questions about Fort McMurray:

2) **Is it polite to say the fire was caused by climate change?**
How can you say anything that suggests blame at such a time
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**WE HAVE TO ACT TOGETHER TOO.**

For economists, climate change is the **collective action problem** of the century.
The inventors have abandoned Cap and Trade for climate change

Many Economists Dislike Cap and Trade

- The inventor of cap and trade, retired economist Thomas Crocker says he prefers an outright tax on emissions.
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YOU DONT KNOW WHAT YOU ARE GETTING
Other Economists Dislike Cap and Trade Because

- Creates synthetic, government backed assets vulnerable to manipulation
Give firms the wrong caps and let them sort it out.

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You Have Been Right All Along

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- Can encourage inefficient short term adjustments (EU power companies)
- Has created huge windfall profits
Cap and trade cannot be revenue Neutral
They are costly to operate.
Economists all admit that they are less efficient than as tax
jobs for lawyers
jobs for financial sector
jobs for regulators

“The biggest commodities market ever created”
Summary: Expensive and Inefficient

Highly indirect and expensive way to correct a price system

Economically inefficient because it introduces large transaction costs.
Why Carbon Fee and Dividend?

- Simplicity
- Equity
- Efficiency
- Politically sellable
Model of the required simple Legislation:

The Government of Canada will collect a carbon emission fee of $40 per ton on all fossil fuels entering each Province. This fee may be adjusted in the future. All revenues collected will be returned to the province from which they were collected. The Government of Canada requests that the revenues distributed equally to residents via a monthly check to be mailed on the first day of the month. The dividend for children shall be one-half the dividend for adults.
You Have Been Right All Along

We collect some of the money you pay to carbon producers and give it back to you.

**Fee and dividend is**

- simplest
- cheapest
- fastest
- easiest to explain
- minimizes legislation needed
- minimizes bureaucracy
- likely to win public support immediately
- supported by economists and activists

You are Right
Carbon fee and dividend is the only scheme that will get us to $100/ton.
You have to look ahead

Carbon fee and dividend is the only scheme that will get us to $100/ton.

The dividend makes it politically acceptable to raise the fee.
Fee and dividend

- has predictable distributional consequences
- shifts some income to the poor and elderly
- obviously makes heavy carbon users pay more
- appears fair
- can be explained as a charge on big oil, gas and coal
- Keeps money in the province
  (With no tax Ontario subsidizes other provinces)
Fee and dividend

- Dividend makes fee politically easy to increase
Fee and dividend
- Dividend makes fee politically easy to increase
- Is administratively easy to increase
Fee and dividend

- Dividend makes fee politically easy to increase
- Is administratively easy to increase
- Allows a predictable schedule of increases
  We really have to tell people that the price will be over
  $100/ton in the near future so they will begin to adapt now

Here is your check.
Here is your check.

**Fee and dividend**

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- Therefore encourages long term investment.
Here is your check.

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- Easily rebated for exporters **Border adjustments are feasible and economists are increasingly saying they are necessary**
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- Easily rebated for exporters **Border adjustments are feasible and economists are increasingly saying they are necessary**
- Could accommodate a carbon tax on imports (This might require certification of sources, )
Economists like Fee and Dividend Because

- Theory says it will work
- Evidence says price increases work
- Directly corrects distorted prices
- Economist almost generally prefer direct price mechanisms to indirect ones
- Involves least interference with markets
- does not create synthetic, government backed assets
Why A Carbon Fee and Dividend?

- Simplicity
- Equity
- Efficiency
- Politically sellable
The Province of Ontario will collect a carbon emission fee of $32 per ton on all fossil fuels entering the Province. This fee may be adjusted in the future. All revenues collected will be distributed equally to residents of Ontario via a monthly check to be mailed on the first day of the month. The dividend for children shall be one-half the dividend for adults.