



ALLIANCE
FOR MARKET
SOLUTIONS

For Immediate Release

September 24, 2020

Contact: press@amsresearch.org

Understanding Carbon Pricing's Conservative Roots

The fall 2020 issue of *National Affairs* features a [paper](#) that explores the conservative roots of carbon pricing. Authored by Spencer Banzhaf, a professor of economics at Georgia State University, with support from the Alliance for Market Solution (AMS), the paper details the history of carbon pricing and provides a brief primer on carbon pricing proposals, including a carbon tax and a cap-and-trade system.

“As Republican policymakers explore policies to address climate change, they should revert to their conservative roots and support market-based approaches like a carbon tax,” said AMS Executive Director Alex Flint. “They should not let, as Professor Banzhaf concludes, the politicization of carbon pricing be an obstacle to reasonable tax and energy policy.”

An excerpt from the paper:

Yet taxes are a necessary evil. Fortunately, the math behind them is simple: Taxing items or activities produces fewer of those items or activities. It is thus better to tax what we want less of, like pollution, than what we want more of, like income or sales. A tax on carbon of the scale suggested here would raise about \$250 billion annually in revenue — enough to not only substantially reduce the debt over time, but also lessen our reliance on other kinds of taxes. Some on the political right may balk at such a suggestion. After all, isn't the carbon tax — or indeed, any pollution tax — an inherently progressive idea rooted in misguided beliefs that government bureaucrats and other "experts" can manage the economy better than the market can?

Actually, the opposite is true. Various proposals to tax or price pollution have, from their beginnings, been championed by conservatives and their libertarian allies, including such right-of-center folk heroes as William F. Buckley, Jr., and Milton Friedman. In their time, pollution-tax proponents could be found on both sides of the political aisle, but the early history of practical proposals can be traced almost exclusively through Republican administrations.

Read the entire paper [here](#).

This paper is among many analyses/projects commissioned by AMS on key aspects of carbon tax policies to educate policymakers and the public. Learn more about AMS and its research program at amsresearch.org and [follow](#) the organization on Twitter.

###

[Alliance for Market Solutions](#) (AMS) is an organization of conservative leaders with experience in business, government, and the intellectual community who know that markets and economic incentives are the most powerful drivers of change and are more efficient and effective than top-down regulation. We aim to educate conservative policymakers on the benefits of market-oriented solutions to one of America's most pressing economic challenges: advancing clean energy and reducing carbon pollution.

The carbon tax policy we support is consistent with a pro-growth conservative agenda. It would replace costly regulations and prevent new regulations from burdening families and job creators. And it would eliminate economically harmful taxes on investment and family incomes.

AMS is a 501(c)(3) non-profit educational organization. We don't engage in electoral politics on behalf of any candidate, campaign or party. We are recruiting allies and developing policy analyses to help conservative policymakers consider a pro-growth, conservative carbon tax policy.