

The 'Cap And Tax' Dead End

By Governor Sarah Palin

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There is no shortage of threats to our economy. America's unemployment rate recently hit its highest mark in more than 25 years and is expected to continue climbing. Worries are widespread that even when the economy finally rebounds, the recovery won't bring jobs. Our nation's debt is unsustainable, and the federal government's reach into the private sector is unprecedented.

Unfortunately, many in the national media would rather focus on the personality-driven political gossip of the day than on the gravity of these challenges. So, at risk of disappointing the chattering class, let me make clear what is foremost on my mind and where my focus will be:

I am deeply concerned about President Obama's cap-and-trade energy plan, and I believe it is an enormous threat to our economy. It would undermine our recovery over the short term and would inflict permanent damage.

American prosperity has always been driven by the steady supply of abundant, affordable energy. Particularly in Alaska, we understand the inherent link between energy and prosperity, energy and opportunity, and energy and security. Consequently, many of us in this huge, energy-rich state recognize that the president's cap-and-trade energy tax would adversely affect every aspect of the U.S. economy.

There is no denying that as the world becomes more industrialized, we need to reform our energy policy and become less dependent on foreign energy sources. But the answer doesn't lie in making energy scarcer and more expensive! Those who understand the issue know we can meet our energy needs and environmental challenges without destroying America's economy.

Job losses are so certain under this new cap-and-tax plan that it includes a provision accommodating newly unemployed workers from the resulting dried-up energy sector, to the tune of \$4.2 billion over eight years. So much for creating jobs.

In addition to immediately increasing unemployment in the energy sector, even more American jobs will be threatened by the rising cost of doing business under the cap-and-tax plan. For example, the cost of farming will certainly increase, driving down farm incomes while driving up grocery prices. The costs of manufacturing, warehousing and transportation will also increase.

The ironic beauty in this plan? Soon, even the most ardent liberal will understand supply-side economics.

The Americans hit hardest will be those already struggling to make ends meet. As the president eloquently puts it, their electricity bills will "necessarily skyrocket." So much for not raising taxes on anyone making less than \$250,000 a year.

Even Warren Buffett, an ardent Obama supporter, admitted that under the cap-and-tax scheme, "poor people are going to pay a lot more for electricity."

We must move in a new direction. We are ripe for economic growth and energy independence if we responsibly tap the resources that God created right underfoot on American soil. Just as important, we have more desire and ability to protect the environment than any foreign nation from which we purchase energy today.

In Alaska, we are progressing on the largest private-sector energy project in history. Our 3,000-mile natural gas pipeline will transport hundreds of trillions of cubic feet of our clean natural gas to hungry markets across America. We can safely drill for U.S. oil offshore and in a tiny, 2,000-acre corner of the Arctic National Wildlife Refuge if ever given the go-ahead by Washington bureaucrats.

Of course, Alaska is not the sole source of American energy. Many states have abundant coal, whose technology is continuously making it into a cleaner energy source. Westerners literally sit on mountains of oil and gas, and every state can consider the possibility of nuclear energy.

We have an important choice to make. Do we want to control our energy supply and its environmental impact? Or, do we want to outsource it to China, Russia and Saudi Arabia? Make no mistake: President Obama's plan will result in the latter.

For so many reasons, we can't afford to kill responsible domestic energy production or clobber every American consumer with higher prices.

Can America produce more of its own energy through strategic investments that protect the environment, revive our economy and secure our nation?

Yes, we can. Just not with Barack Obama's energy cap-and-tax plan.