



Melting Polar Ice Caps, or What's Behind Door Number Three?

The always-thoughtful Jared Bernstein has a, well, [*thoughtful take on Keystone XL*](#). It might be called the view of a Realist Progressive Economist. Bernstein's point is that given the global demand for oil, and the Canadian government's commitment to getting it out of the ground and selling it (much stronger now that the Tories have a majority government), simple opposition to Keystone XL makes little sense. He seems sympathetic, however, to Bill McKibben's argument against American approval of it, namely, that stopping it through the United States means that it will take longer, and that gives the world time to "come around to its senses on climate change." Bernstein comments:

If that doesn't occur soon, then oil from the tar sands will flow, and it will keep flowing until we **put a price on carbon** or come to our senses, whichever comes first.

This is known in the business as "burying your lede." To the extent that there is a climate-based objection to developing tar sands (and I think that there is), the answer is not to prevent development, but to price it.

So how about this as a deal on Keystone? Waive any climate-based environmental impacts in exchange for a carbon tax. If, after the tax is imposed, the project still makes financial sense, then climate objections have been included. And if it doesn't, then that's the market working. Right? *Right?*

Of course, the modern GOP as well as most who claim to be "conservatives" would reject such a deal out of hand because they are resolutely opposed to facts. This sort of deal would make sense if Republican environmental policy is rational. But it isn't, so it won't.