Who will pay for the costs of foreign carbon dioxide in our consumer goods? $\mid 1$

I discussed in <u>this post</u> the problem of GHG emissions from imported consumer products. We import and buy more and more goods from China and other countries that rely heavily on greenhouse gas-intensive coal-fired power. As a result, our consumer habits are responsible for a large and growing proportion of GHG emissions in other countries. These GHG emissions aren't included in US GHG inventories, as evidenced by the sources cited in my prior post. At what point in the lifecycle of these products will the costs of carbon dioxide emissions be internalized? New York Times columnist Paul Krugman wrote today about this problem in an <u>op-ed essay about the critical role of China in addressing future</u> greenhouse gas emissions. From his column:

[T]he Chinese also insisted that they should not be held responsible for the greenhouse gases they emit when producing goods for foreign consumers. But they refused to accept the logical implication of this view — that the burden should fall on those foreign consumers instead, that shoppers who buy Chinese products should pay a "carbon tariff" that reflects the emissions associated with those goods' production. That, said the Chinese, would violate the principles of free trade.

Sorry, but the climate-change consequences of Chinese production have to be taken into account somewhere. And anyway, the problem with China is not so much what it produces as how it produces it. Remember, China now emits more carbon dioxide than the United States, even though its G.D.P. is only about half as large (and the United States, in turn, is an emissions hog compared with Europe or Japan).

Unfortunately, Krugman is right. No matter how much the U.S. reduces its own GHG inventory, this will be an enduring problem. An about-face in Chinese energy production methods is extremely unlikely; though Chinese coal plants are getting more efficient, they are still increasing rapidly in number. Free-trade rhetoric seems to make it politically very difficult to implement a tariff. And U.S. consumers don't seem likely to change our consumption habits voluntarily without strong price signals that would discourage consumption of goods produced overseas through cabon-intensive processes.

This dynamic makes me very pessimistic about reducing carbon dioxide emissions to anywhere near the necessary levels to mitigate global climate change. Any ideas?