

A Sustainable Environment: Our Obligation to Protect God's Gift

by
George P. Nassos

How to Increase Jobs in the U.S!

I find it amusing listening to all of the politicians running for office who use “bringing jobs back to the specific area of their voting constituency” in their campaigning. You heard it when President Obama ran for office, when people ran for Congress last November, and now we hear it from mayoral candidates in Chicago. But none tells how s/he plans to do it, and when the election is over, s/he doesn't do anything about it anyway. I may have a plan that could work, although I am not claiming it is the only plan. Keep in mind that this plan could work – in theory.

For a number of years, I have been a proponent of reducing carbon emissions in order to bring climate change under control. One way of reducing carbon emissions is to place a price on carbon. This has led to placing value on carbon dioxide emissions and requiring organizations to reduce their emissions or purchase carbon credits from those organizations that have reduce emissions more than required.

Another way of reducing carbon dioxide emissions is to place a tax on carbon. It would be necessary to determine the amount of carbon dioxide emitted throughout the entire process from sourcing the materials needed to manufacture the product, the manufacturing process itself, and getting the product to the end consumer. The world's largest manufacturer of products sold in the U.S. is China, and China's manufacturing processes are among the greatest carbon emitters as this country uses old coal technology for energy production. That product must then be shipped to the U.S. and in its process emits more carbon, which must also be taxed. A combination of employing dirty coal energy technology and shipping products a great distance will make the product more expensive due to the carbon tax.

An alternative to manufacturing products in China is Mexico. The labor rates in China are rising faster than in Mexico and projections show that the Chinese labor rates will be 85% that of Mexico by next year. With the labor rates and energy production being somewhat similar, products from Mexico would become cheaper than those from China because the shipping distance would be considerably less. Consequently, the carbon tax on the shipping portion would be the differentiator.

So what does this mean? If the cost of manufacturing products in Mexico for shipment to the U.S. is less than those from China, this carbon tax will shift manufacturing to Mexico. This means a better economy for Mexico and more jobs in Mexico. This will also slow down the illegal immigration to the U.S. from Mexico, and it may even shift the movement of Mexicans from the U.S. back to their families in

Mexico. If this movement actually happens, it would mean more job opportunities in the U.S.

If we can be really optimistic, how about reducing the shipping distance (from Mexico) even more by producing in the U.S? If we can manufacture products more efficiently and by using cleaner power generation, the addition of the carbon tax could eventually make products from the U.S. cheaper than from China. Then we could bring even more jobs back to the U.S.

Now you are probably asking whether this could really happen. As I mentioned earlier in this article, my recommendation is how we can bring jobs back to the U.S. **in theory**. Unfortunately, I am not too optimistic that this could ever happen. Our Congress has failed to even pass any kind of carbon emission reduction bill even though all of the other developed countries have done so, and it is unlikely to do so during the next two years.

And there are still some unanswered questions. Would the carbon emitter in each step of the process collect the tax? Or would the country of the end consumer collect the total carbon tax? And what would be done with this tax money? These are questions for another day.