**SOCIAL COST OF CARBON**

A recent U.S. government study concluded, based on the results of three widely used economic impact models, that an additional ton of carbon dioxide emitted in 2015 would cause $37 worth of economic damages. These damages are expected to take various forms, including decreased agricultural yields, harm to human health and lower worker productivity, all related to climate change. But a new study, published in the journal [**Nature Climate Change**](http://www.nature.com/nclimate/journal/vaop/ncurrent/full/nclimate2481.html) in January 2015 estimates that the cost is $220 per ton,

Source: <http://news.stanford.edu/2015/01/12/emissions-social-costs-011215/>

Whether the SCC is $37 or $220 per ton, to this day there are very few places in the world where the charge for emitting a metric ton of carbon is not ZERO. The best known exception is the Canadian Province of British Columbia which imposed a carbon tax beginning July 1, 2009. In US dollars that tax was $20.40 in 2015.

Which means that for the past 400 years when businesses were evaluating new technologies this is the situation they faced: Labor inputs are costly. Capital inputs are costly. But carbon emissions are free from charge.

Ask yourself, if you had been a business owner:

Would you have adopted a new technology that reduced carbon emissions but used more labor or capital?

Would you have adopted a new technology that reduced labor or capital inputs but generated more carbon emissions?

Can you see why we now find ourselves in a situation where we have overstocked the upper atmosphere with GHGs and run a serious risk of raising average global temperatures by much more than 2 degrees Celsius before this century ends?