public policy



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Data center hypocrisy

THERE ARE certain modern hypocrisies I notice all the time.

People who complain about capitalism while living in the wealthiest capitalist countries on earth. Progressive activists in America who lament the lack of respect for individual freedom — seemingly unaware of how much of the rest of the world actually lives. People who use a smartphone to post about how much they hate Big Tech.

The newest one is those who complain about data centers while enjoying the extraordinary technology that data centers make possible.

Every industrial advance has needed something to power it. The first — textiles — ran on water wheels, and then on steam

engines. The second of iron and steel, depended on coal. We are only in the foothills of an even greater transformation, and what makes this one possible is electricity and data centers.

I get the argument that you might not want a data center literally next door. That is a fair thing for a neighbor to say. But Mississippi has just under three million people spread across nearly 47,000 square miles. I think we can manage to build where we need to without blotting out the sunshine or using all the water.

Irrigation accounts for about two-thirds of all the water Mississippi uses — our farmers consume vastly more than any data center will. And Mississippi gets almost 56 inches of rain a year. There is more than enough for every farmer and every data center we could possibly build. Amazon's Canton facility already uses outside air for cooling 91 percent of the year, and from 2027 will run its cooling entirely on recycled wastewater.

Nor do data centers pollute. There are no billowing smokestacks of the kind that marked earlier industrial advances. What there is, is tax revenue.

The numbers in Madison County are worth reading twice. Amazon's data centers there are projected to deliver around $14 million to the community in 2027, rising to roughly $145 million a year by 2033 — including $38 million a year for Madison County schools, $38 million for Canton schools, and $3 million a year for Hinds Community College. Amazon's total commitment across Mississippi now stands at $25 billion.

Which makes what is happening in local government all the more striking.

In July, the City of Jackson voted 5–2 for a six-month moratorium on data centers. Jackson sits in Hinds County — a part of our state that could do more with additional tax revenue than almost anywhere else. And Hinds County is one part of the state where Amazon is already investing: a billion dollars, at Clinton, a few miles down the road.

In Olive Branch, Mayor Ken Adams told the Board of Aldermen this month that the city has spent four months drafting what he described as "a very restrictive" data center ordinance.

THERE ARE good arguments in some cases against a data center in a particular neighborhood, and most of these decisions properly belong to local people. But overall, Mississippi should be very pro data center — and not just because of the tax revenue stream they could bring.

AI is going to be a force for good. Sure, like the printing press or the personal computer, it will allow bad people to do bad things. But overall, it will make the world a better place. Already, AI is allowing productive people to do far more.

Every new technology has been said to take jobs. In England, Ned Ludd's followers smashed the stocking frames they feared would take theirs. They were wrong. The same warning has since been issued about the tractor, the spreadsheet, the ATM and the shipping container.

In fact, the opposite happens. There have never been more jobs in the United States than there are today — close to 159 million Americans on payrolls last month. The real challenge for America's leaders is not a shortage of work. It is a shortage of

good employees.

One of the most basic laws of economics is that as the price of something goes down, people buy more of it. Far from producing mass unemployment among lawyers and doctors, AI will lower the cost of legal and medical advice — and we will ask for a great deal more of both. The model for delivering professional advice might change. The number of folks earning a living from the provision of it will grow.

When Matt Ridley came to speak for us in Jackson in March, he called this the Jevons paradox. So, who was Jevons?

William Stanley Jevons was an English economist, and one of the first to insist that economics be done with numbers rather than assertions. In 1865 he published The Coal Question, in which he pointed out something that ought to have been impossible. James Watt's steam engine burned far less coal than the engines it replaced. Everyone therefore assumed that Britain would burn less coal. Britain burned vastly more. Because Watt had made steam power cheap, mill owners and mine owners and shipbuilders put engines everywhere, and national coal consumption soared. "It is a confusion of ideas," Jevons wrote, "to suppose that the economical use of fuel is equivalent to diminished consumption. The very contrary is the truth."

We should welcome data centers, glory in the AI revolution underway, and be at the forefront of it.

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