Red-light and green-light taxes

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1. Shared postulates

Those at this meeting mostly share certain postulates that draw us together and, (unfortunately) differentiate us from followers of the conventional wisdom. We are growing and they are shrinking, but they retain the inertia of custom, the power of entrenchment, and the discipline of obstinate faith; so we have a special need to pull together and unify ourselves.

What are these distinguishing postulates we share?

A. There is a paramount public interest, at the least, in how resources are owned and used; at most, many of us hold that The Earth is common property that no owner has a right to abuse, misuse, or withhold in excess.

B. We would assert the common interest mainly within the market mechanism, whose positive merits we appreciate. We would work by improving the market, using green taxes. On the spending side, we would root out all Perverse Subsidies that foster pollution, as catalogued in the new book by Norman Myers of Oxford's Green College.

C. Green taxes hew to the principle of untaxing goods to tax bads. They untax adding-value, and instead tax subtracting-value. They enhance social efficiency by stopping waste while letting work and saving keep their full earnings. In economese, they enhance the incentives that best allocate scarce resources among competing ends. They also conserve resources to sustain human life over time.

Fiscally, to replace perverse subsidies with green taxes "turns megabucks into mega-bucks," to the double advantage of the Treasury, which may then abate taxes on doing good.

D. Green taxation reconciles Allocative Efficiency with Distributive Justice. It downtaxes work and saving, while uptaxing unearned income and wealth - what Carver called "findings and stealings."

After paying for public services, we would distribute any surplus as a social dividend. Thus, green taxes are seen not as a necessary evil, but as a positive instrument for good, in the idealistic spirit of Wm. Godwin and his rambunctious son-in-law, that Oxford expellee, Percy Shelley.

E. We favor containing urban sprawl (and other kinds of scattered settlement), reserving more land for ecological habitat and environmental services.

In sum, we agree that land and resources are our common heritage; we

continued on page 10

Sharing our common heritage:

Local-to-global dimensions of ecotaxation, land value taxation and citizen dividends

by Alanna Hartzok, Chambersburg, PA
(paper presented at OCEES Conference, 5-14-98, Oxford.)

Concerned world citizens are wringing their hands because Rio Earth Summit objectives for sustainable development have fallen far short of the goals established in 1992. Frequently the United States and other industrialized countries are blamed for insufficient political will in committing financial resources to developing countries and to environmental repair programs. But with taxpayers in the "developed" world on the verge of revolt, where is the money to come from?

One proposal is that international trade be taxed. The reasoning is that exchanges between countries transcend national borders as do global environmental problems. Some suggest an amendment to the U.N. Charter which proposes instituting a UN duty on international trade between member states, including financial movements, to provide the core funding of the Organization.

Others are working hard to break down barriers to trade. Under the Multilateral Agreement on Investment (MAI) the ability of the world's largest multinational investors to move their money in and out of countries with no strings attached appears to be the primary goal. The International Monetary Fund proposes to amend its Articles of Agreement to allow it to require member countries to sell off assets to foreign investors, open up sectors of the economy to foreign competition and remove controls on the movement of capital.

Many believe that the MAI, which

continued on page 5