

(Jeffery J. Smith, Portland, OR, presented the following speech to the 1st Annual Conference of the US Basic Income Group, CUNY Graduate School, March 8 & 9, 2002)

Introduction

In recent years, cutting-edge environmentalists have with ever-greater frequency called for sharing Rents (capitalized to indicate not for use of buildings but for use of nature). They point to Alaska, which already does share Rent, the revenue from leasing oil. Besides resource Rent, they are quick to note that government, on society's behalf, could also charge polluters a Rent for using the environment as a dumpsite, then turn around and compensate long-suffering humans with shares from the collected Rent. Such proposals, notably the Sky Dividend by Peter Barnes (founder of Working Assets), draw more attention and support than do the usual income redistribution schemes of most BIGists (Basic Income Guaranteed advocates).

Advantages of Tapping Rents

As even capitalists admit, the key to amassing a great fortune is simple: privatize social values (i.e., Rents) and socialize private costs (so-called externalities) (David Landes in "The Wealth and Poverty of Nations"). An opposite policy might be called "geonomics": socialize (share) social values (usually attached to locations and government granted permits) while holding private parties responsible for costs they would impose on others. Collecting (and hopefully sharing) Rents would shrink the current concentration of wealth. Alaska, by sharing Rent, claims a profit that other jurisdictions typically leave behind, unduly enriching mortgagors, oil companies, and other resource extractors.

By hoarding Rents, owners and extractors of lands, resources, the Electro-Magnetic spectrum, etc, grow not only excessively rich but also excessively powerful, polluting with near perfect impunity and dominating US foreign policy. It'd be in their interest to oppose a social salary funded from Rent, making the struggle difficult. Yet oil interests and their ilk cannot be left on their throne, if society is to unshackle government and have this agency for everyone defend the rights of everyone.

So far, most BIGists propose taking from the rich and giving to the poor. The general public, besides not being overly enthused by redistribution, also broadly oppose taxing high income (even poor people opposed the "death tax"); like Lincoln said, "you can't make the poor rich by making the rich poor". Meanwhile, most Alaskans strongly support their oil Rent dividend (try repealing that!).

While the BIG is redistribution, sharing Rents is redistribution; government merely (a) charges one the going rate for defending one's claim to or use of a portion of nature; (b) then divides the surplus revenue among its stakeholders, the citi-

zenry, similar to the operation of a REIT. Collecting and sharing Rents before an elite or the state has a chance to misspend them avoids the baggage lugged around by the redistributionists. Opponents can fairly label BIGists socialists while proponents of sharing Rent can quote the Founding Fathers, Thomas Jefferson and Tom Paine.

Even if BIGists were to succeed in taxing high incomes, they would still leave Rent uncollected upstream, empowering the elite that treats government as servant, and which government treats as master. On the other hand, were geonomists to succeed in sharing Rents, thereby drying up the source of overly large and undue incomes, they would not only level the political playing field but also leave no grossed income for BIGists to tax.

Turning from politics to economics, taxing income imposes costs that shrink economic output and growth. Collecting Rent does the opposite; it discourages speculative withholding of resources and spurs owners, having to pay Rent, to produce more. Unlike BIGists, geonomists can offer the public both a bigger pie and a bigger share of the pie, not to mention a cleaner environment.

To enjoy the latter benefit, a healthier eco-system, "greens" have built a bandwagon that BIGists could hop on.

Already BIGists do cite Paine and Alaska, but leave out the key element of Rent in both these references. To climb on board, BIGists must promote not taxing income but sharing Rent. They'd find themselves in plenty of good green company. While some environmentalists urge just a wider and higher safety-net for the poor (funded from Rents), others go all the way to calling for a universal dividend.

From Taking to Sharing: the Dole

Some who advocate green revenue reform (shifting taxes and shifting subsidies) worry that green taxes may be regressive. Caring for people as well as other plants and animals, they note that in such cases another subsidy for the poor would be needed. Here are four such caring greens.

Europe's Business Council for Sustainable Development in their Changing Course (MIT Press, 1992) critiqued spending and added, "Revenue raised (by charging users and abusers) above and beyond funds needed to finance a given (restoration) program can be recycled for other purposes, such as reducing taxes on such things as employment, investment, income, and savings. Where instruments prove regressive, affecting the poor disproportionately, then part of the revenues can be used to correct this effect."

Philip Shabecoff, founder of Greenwire, the environmental news service, in "A Fierce Green Fire" (1993; pp 63, 290): "A challenge to giving away publicly owned natural resources to individuals or corporations seeking to enrich themselves was made by the journalist Henry George... In recent years there (continued on page 8)

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have been an increasing number of proposals to restructure our tax system by partially replacing taxes on wages and profits ... with taxes on pollution and resource depletion. Such a policy would have some problems - a pollution tax would be regressive and require rebates to lower-income families. But it would also raise revenues by taxing harmful things ..."

David Suzuki, the British Columbia geneticist and TV show host, authored an article syndicated throughout Canada (1995 Feb 11) that seconded Herman Daly: "Raise the bulk of public revenue from taxes on through-put either at the depletion or pollution end. Keep progressivity by taxing very high incomes and subsidizing very low incomes."

Yet are their worries well founded? Do taxes on depletion and pollution raise prices? Not necessarily. A tax on taking resources does not add to the price but subtracts from the profit. For example, while Alaska charges extractors 12.5% of the world price for its oil, Malaysia charges 90%, yet the world price is set by neither seller but by demand. (Greater competition among extractors would drop the price even lower.) Thus taxing extraction changes not how much one pays but to whom. Taxing contamination, on the other hand, does impose the cost of acquiring and operating control equipment. Yet passing on these costs makes the dirty, "grey" methods and bads more costly and the non-polluting processes and products cheaper in comparison. To save money, producers and consumers would switch to the soft path. As the volume of green trade grows, green prices fall.

Not only is the collection of Rent not regressive, but the disbursement of Rent is inherently progressive. How much residents pay in would differ according to the value of the nature they claim (and the rich own the most and the best of nature), yet how much each gets back would be the same; an additional \$1000 per month would double the income of many people yet go unnoticed by the very well off.

Rather than rely on a market that self-regulates organically, Michael Jacobs urged some controls to go with taxes. Social ecology founder Murray Bookchin in "Remaking Society" advocated localized communism (municipalism) and paraphrased Karl Marx (p. 172; 1989): "The earth can no longer be owned; it must be shared. Its fruits, including those produced by technology and labor, can no longer be expropriated by the few; they must be rendered available to all on the basis of need."

Yet is free exchange the problem or is biased policy? The Business Council for Sustainable Development noted the market "has never been given a real chance to work for the environment. The use, exploitation, and degradation of nature has not created signals of scarcity because those who 'own' nature and its services—society, expressing its wishes and intentions through government - have tended to give away environmental resources and services for free."

These four advocates for a safety-net might logically join their fellow greens in pushing for a universal dividend, once such a movement gathers enough steam. Already, the safety-netters are far out-numbered by the environmentalists promoting a society-wide rent-share.

17 Notable "greens" on the Universal Dividend

Older advocates, the conservationists, cited proto-geonomist Henry George and called for sharing Rent from resources. Newer ones, the environmentalists, would share Rent of sinks (now that pollution is a more pressing problem). While the Europeans of all ages were bold enough to demand shares of Rent for raw land.

The Australian aborigines, many of whom lived in harmony with nature, testified at a British Parliament hearing in 1988: "our land claim doesn't take one piece of land from anybody." How? They instead claimed a share Rent - from which they could restore their culture. Midnight Oil, the rock group whose lead singer, (1) Peter Garret, ran for the Australian Senate as the nominee of the Aussie, the anti-nuclear party (which later merged with the Green Party for which Garret works), promotes the aborigines' remedy.

(2) Gifford Pinchot (1865-1946), first head of the US Forest Service (under Teddy Roosevelt who once lost a race to George yet later began the US Park system), in the early 1900s challenged the logging of public land, which was infamously corrupt. He said: "The earth belongs of right to all its people and not to a minority, insignificant in numbers but tremendous in wealth and power. The people shall get their fair share of the benefit which comes from the development of the country which belongs to us all with equal opportunity for all and special privileges for none." ("Breaking New Ground," 1947; p 509-510)

While arguing that producers waste way too much, environmentalists have long noted that consumers, too, could select for efficiency, were their income secure. (3) Warren A. Johnson contributed "The guaranteed income as an environmental measure" to the 1973 anthology, "Toward a Steady-state Economy" (p 175-189), edited by Herman E. Daly.

Ex-World Bank Economist and co-founder of the International Society of Ecological Economists (to which this writer belongs), (4) Herman Daly, in "Steady-State Economics" (1977; pp. 64, 68) wrote: "the windfall Rent from higher resource prices would be captured by the government and become public income - a partial realization of Henry George's ideal of a single tax on Rent. Using Rent to finance a minimum income could substitute for a considerable number of bureaucratic welfare programs." With support from Margaret Mead, (5) John McConnell founded the first Earth Day on the vernal equinox (proclaimed by the City of San Francisco in 1970 and UN Secretary General U Thant in 1971). Since 1980 he has pushed his Earth Bounty Program. "Those who own land, oil, gold, or other minerals should pay a 2% royalty to a fund that will provide the homeless a stake in their planet. Afterwards, distribute royalties equally to shareholders worldwide."

(6) Robert Gilman in his magazine IN CONTEXT (1984 winter, now YES!) wrote: "George (continued on pg. 9)

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has two main programs: (a) "correct the GNP to account for social and ecological costs" and (b) "replace taxes on labor and enterprise with ones on natural resources." And with taxes on sites, too, they later added in their 1999 report. The founder of Redefining Progress, (17) Ted Halstead, added the capstone in "A Politics for Generation X": "America could raise trillions of dollars by charging fair market value for the use of common assets - the oil and coal in the ground, the trees in our national forests, the airwaves and the electromagnetic spectrum - and the rights to pollute our air. Charge fair market value for the use of common assets and return the proceeds directly to each American citizen."

This list of 17 keeps growing. If you hear of someone promoting some form of geonomics - sharing Rent in lieu of taxing effort - before we do, please, send the clipping to the Geonomy Society. We'll add them to the list. Soon as the number of geomonomists reaches critical mass, then the environmental movement will win geonomics for all people, for the whole planet. And for the BIGists, too.

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