

# INFORMED PERSPECTIVES

VIEWS ON OUR WORLD, THROUGH A GEORGIST LENS

## AN ECONOMIC VACCINE FOR COVID-19 (THAT MIGHT JUST SAVE THE ENVIRONMENT, TOO)

BY JOSIE FAASS

On November 9, 2016, I climbed the stairs, dreading what would come next. A moment later, I sat on my six-year-old's bedside. "Who will save our environment?" he sobbed, his face buried in my lap. A few days later we began volunteering weekly at our local watershed organization. That is, until COVID-19 forced the center to shut its doors.

Even as the global economic shutdown was being gauged from space by observations of diminished manufacturing emissions, President Trump used the cover provided by the pandemic to ramp up his ongoing assault on our nation's environmental protections, granting companies the right to pollute -unencumbered by federal regulation. So was my six year old right? Are we doomed to spiral back into a reality of pervasive pollution?

Maybe not, and here's why. This pandemic, and the economic destruction it has wrought, provide an inflection point in how we relate to the natural world. Do we lean into our polluting ways, as the President would have us do, in the hopes of salvaging the market? Or, do we rethink how we relate to our natural world? Do we look beyond the traditional regulatory carrots and sticks for its protection, instead embracing smart economic interventions - interventions that protect our environment and work to reduce the yawning economic disparities that helped drive the outcome of the 2016 election to begin with?

Sound too good to be true? Please

humor me by considering a short thought experiment.

First, do you agree that no person built the Earth? That no person created the air or water? That no person made the soil, the land? (This is the easy part. It gets trickier from here.) And if no person made any of those things, can you imagine that we might view them as belonging to everyone equally, like a natural birthright? And if you think we all have rights to the resources of the

But, if you also view the public as owner of the natural factors of production (and yes, the atmosphere and water bodies into which pollutants are dumped are among those factors), the regulatory toolbox must expand beyond carrots and sticks, beyond efforts to simply internalize externalities, to include the collection of resource rents.

A natural-resource rent is the difference between the price someone



Earth, just by virtue of being, do you think it's correct that some people get rich by using (and abusing) those common resources, while others bear the burdens of pollution without reaping any of the fiscal benefits of its production? Finally: Who makes all this inequity possible? The answer: government (and that's a good thing because our government is us, so we can decide to change things).

At the most basic level, government seeks to strike a balance between the good (benefits to society, and let's face it, private profits) and the bad (pollution). Economic activity and pollution are seen as positively correlated, and the public plays the role of beneficiary of whatever is being produced and victim of the resulting pollution.

gets for producing and selling a product, and the cost of the extra labor and capital goods incurred producing it. The difference is the land rent or resource rent, and it is immense.

Our government already dabbles in the collection of resource rents, selling or leasing rights to oil extraction or the use of the electromagnetic spectrum, for example. But the vast majority, particularly in the arena of pollution, fall into private hands, leaving the rest of us, and our environment, poorer for it.

What if, instead of leaning into the idea of pollution as an inevitable outgrowth of economic health, we chose to stake our collective claim to our natural resources, and demanded... (cont'd on pg. 5)

## An Economic Vaccine for COVID-19 (That Might Just Save the Environment, Too) (cont'd from pg. 4)

that our government reclaim their value for our benefit? In a time of massive unemployment and crippling public and private debt, this is an idea whose time has come. Add to this people's natural drive to avoid taxation, and we can expect such taxes to yield another benefit: new, private innovation to limit pollution.

The idea of putting the market to work in support of environmental quality is not new (remember all that buzz about CO2 cap and trade some years back?), but it is

currently a vanishingly small part of the U.S. regulatory toolbox. With coronavirus devastating our economy and our health, and \$2.2T in federal spending on tap through the CARES Act, we don't need to put our environment against our fiscal health. Tapping into pollution-based resource rents can create an economic vaccine that will allow us to emerge from this pandemic a fiscally, ethically, and environmentally healthier nation.

# REMEMBERING PAT ALLER

BY CLIFF COBB

Pat Aller was a pillar of the Georgist movement for the past 40 years. Many will remember her, above all, for her generosity in providing free accommodations at "Hotel Aller," floor space in a tiny efficiency on the Upper West Side of Manhattan. She once housed 8 or 9 people there, some on the balcony, for the night. Pat's guests were from all over the world, and she corresponded with many for years, often based on a single visit.

But Pat was far more than a hotelier. She devoted 12 years of her working life (1980 to 1992) to the Robert Schalkenbach Foundation (RSF) and the American Journal of Economics and Sociology. She became a regular attendee at the annual meeting of the Council of Georgist Organizations and the less frequent gatherings of the International Union for Land Value Taxation (IU-LVT). She served on the RSF board from 1994 to 1999 and 2003 to 2006. She was active in Common Ground and other Georgist organizations.

Pat's life did not revolve around her Georgist affiliations, however. She was an avid traveler, including a round-the-world trip on a freighter at the age of 80. Another of her more unusual trips was a tour of the canals of France. She was able to remain active for so many years because she took walks in Manhattan of at least 4 miles a day, sometimes as many as 15.

Pat was a great admirer of the United Nations. She worked tirelessly for years to gain official status with the UN of the IU-LVT, which she finally achieved. There were numerous non-Georgist organizations affiliated with the UN in which Pat was also an active participant, including ones devoted to women's rights and social development.

In the arts, Pat placed only opera above great literature.

She was an excellent writer herself. It is unfortunate that she never published one of her short stories, which showed a great appreciation of the craft.

Pat was loyal to every friend who came into her life, going the extra mile for them more often than not. Even in her late 80s, Pat was still making long trips, by subway and on foot, to visit old friends in retirement or care facilities. It never occurred to her that she might cut back on those visits. They were just part of what Pat thought needed to be done, so she made the effort. Pat's strength of character may have come from the summers she spent as a child with relatives in the deserts of New Mexico. She seems to have absorbed



the lessons of that harsh environment by learning to take life as it is, never assuming it will be easy.

Pat will be remembered in different ways by people from the varied aspects of her life. But she will be remembered by all for her poise, calm temperament, cheerful elan, and warm heart.