Free Trade & the Environment

(from page five)

be agreed upon. The target would apply to all the nations on some agreed-upon basis (emissions per capita is the simplest). The targets would be set up so that poorer nations would fall below the standard and richer nations above it. Any nation with emissions below the target level would receive a credit, which could be sold on the market. Wealthier polluting nations could purchase the credits, which would be used toward meeting their emissions target. The credits would cost less, in most cases, than further reductions of pollution. This would give developing countries an environmentally-benign source of foreign aid. Were they to use the money for investments that increased their emissions, they would lose the credits.

The tradable-entitlements plan is sometimes criticized on the grounds that it is immoral to trade in **permits to pollute!** Doesn't that grant the power to pollute as a **right?** Well, so do regular emissions standards. Producers in the US are already allowed to pollute a certain amount. Producers in countries with laxer standards are allowedt to pollute more. The important point is that polluters should be charged the **cost** of polluting, and this cost should be distributed fairly and efficiently. After all, market mechanisms distribute the costs of labor and capital...why shouldn't there be a market in the cost of pollution?

Traditional command-and-control approaches to controlling pollution are concerned with government-mandated standards, and have nothing to do with market forces. They do not provide any incentive for improved pollution-control technology, because once the standards are met, there is no reason for further action. On the other hand, the tradable-entitlements approach stimulates the development of new pollution-control technology because more efficient pollution abatement will bring in valuable credits. And there would be one other way to cut carbon emissions and earn credits: replant some forests. *- L.D.*

Has It Been Tried?

The technique of tradeable emissions credits has been tried in many ways in the US and elsewhere and has caught on. Trading in credits eased the transition of US manufacturers from leaded to unleaded gas. Credits for SO^2 emissions (a major cause of acid rain) are now traded on the Chicago futures market. Economists observe that the method works best when the only thing you have to measure is the ***overall level*** *of the pollutant in question regardless of source. This is precisely the case with greenhouse gases, especially CO^2.*

In New York, this Winter...

Basic Courses

Fundamental Economics

Mon., Mr. Irving Kass, 5:30 - 7:30
Tues., Ms. Vandana Chak, 6:30 - 8:30
Weds., Mr. George Collins, 6:00 - 8:00
Thurs., Ms. Lynn Yost, 6:30 - 8:30

Progress & Poverty (in Spanish)

Tues., Mr. Nibaldo Aguilera, 6:00 - 8:00

Understanding Economics

Weds., Mr. Lindy Davies, 12:30 - 1:30

Advanced Courses

Applied Economics

Weds., Mr. Sydney Mayers, 6:00 - 8:00
Thurs (in Spanish), Mr. Nibaldo Aguilera, 5:30 - 7:30

Economic Science

Tues., Mr. George Collins, 6:30 - 8:30

Current Events

Mon., Mr. William Brown, 6:30 - 8:30
Weds., Mr. Lindy Davies, 12:30 - 1:30

Great Decisions '93

Tues., Mr. Erik Baard, 6:30 - 8:30

Liberation Theology for a Post-Marxist World

Weds., Mr. Lindy Davies, 6:30 - 8:30

U.S. History & Government (in Spanish)

Weds., Mr. Manuel Felix, 6:00 - 8:00

Money & Banking

Thurs., Dr. Oscar Johannsen, 12:15 - 1:45

Liberty & the Just Society

Thurs., Mr. Dave Redman, 6:00 - 8:00

Friday Evening Forums (7-9 pm)

The Russia of Tomorrow: Urban & Land Policies in a Changing Society

Jan. 15th, Prof. Yuri Bocharov

Land in the Movies: Original Intent

Feb. 19th, with Mr. George Collins

Henry George: An American Original

Feb. 27th, Ms. Vandana Chak & Mr. George Collins

Saturday Seminars (1 - 3 pm)

Free Trade, Fair Trade

Feb. 6th, Prof. C. Lowell Harriss & Mr. Ron Blackwell

Starting a Small Business in the Big Apple

March 12th, Mr. Tom Hill & Ms. Myrtha Becker

Special Exhibition: Nature & the Human Spirit

Photo, painting & text by Mr. Robert Bery - Opening Sunday, Jan. 24th, 1 - 4 pm

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Happy Holidays

from the Director and Staff of the Henry George School!

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