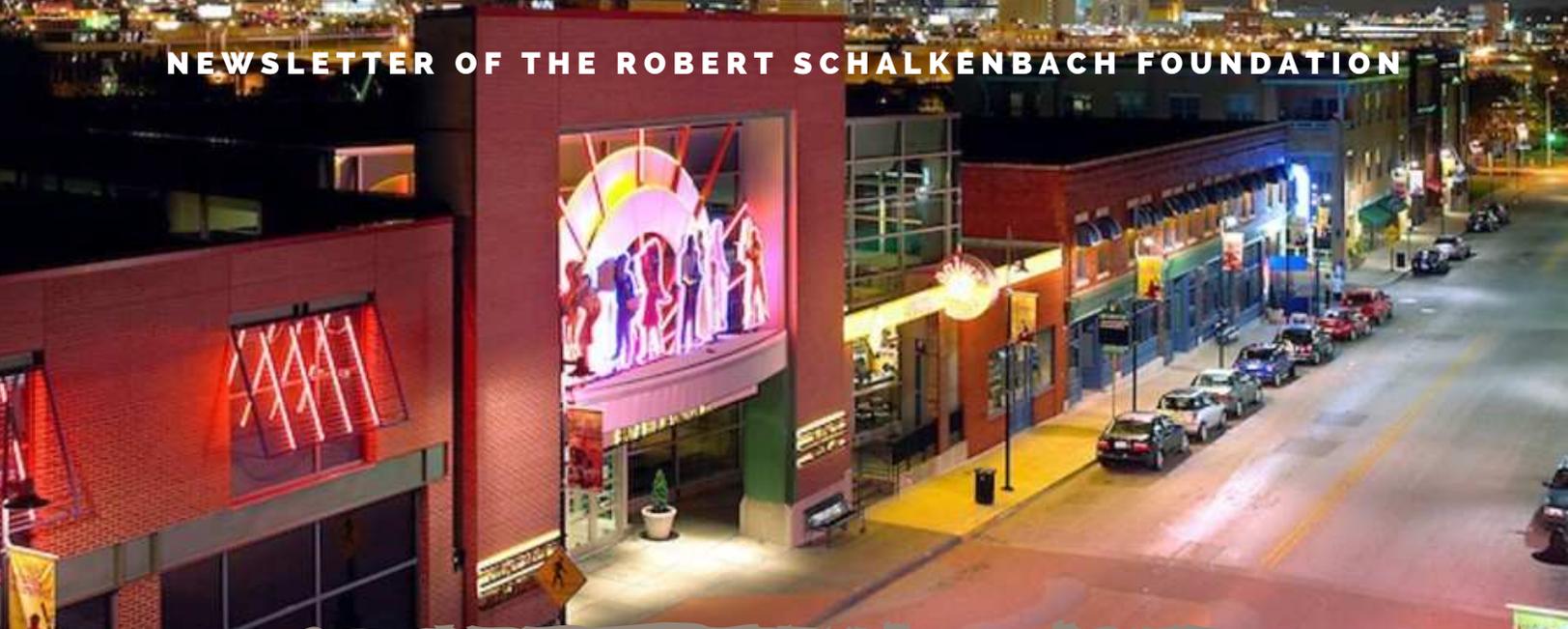


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RSF DIGEST

NEWSLETTER OF THE ROBERT SCHALKENBACH FOUNDATION



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The Robert Schalkenbach Foundation (RSF) is a private operating foundation, founded in 1925, to promote public awareness of the social philosophy and economic reforms advocated by famed 19th century thinker and activist, Henry George.

Today, RSF remains true to its founding doctrine, and through efforts focused on education, communities, outreach, and publishing, works to create a world in which all people are afforded the basic necessities of life and the natural world is protected for generations to come.

"LOOKS LIKE BY APRIL, YOU KNOW, IN THEORY, WHEN IT GETS A LITTLE WARMER, IT MIRACULOUSLY GOES AWAY."

- Donald Trump. U.S. President



Photo by Library of Congress on Unsplash

ECONOMIC VACCINE (NOUN):

A set of policies – including free trade and universal basic income - which when implemented, enhance equality and productivity, providing society with immunity to future economic shocks. To function as intended, funding to support these policies must be derived from natural resource rents, rather than destructive taxes, such as those on sales and income.

LEANING IN

BY JOSIE FAASS, EXECUTIVE DIRECTOR

As I start writing this, it's 6:06am. I've been at my computer since 4:37am, buzzing between emails and updating our website, filling in my calendar with Zoom meetings and rearranging the sticky notes that line my computer monitor as the reminders on some are satisfied and new to-dos flash through my mind.

My mornings have looked a lot like this for a month and a half - just scrambling to pack in as much work as possible before my boys wake up and the day turns into an hours-long stretch of e-learning, meal planning, and fighting to limit screen time. It. Is. Exhausting. And yet, I know that I am one of the very, very lucky ones, and "grateful" does not begin to capture how I feel. So I pour my second cup of coffee and keep going...

Despite the unbelievably, almost paralyzingly strange times we're living in, April was a busy month at RSF.

If you keep a regular eye on us you've probably noticed we've been putting out a lot of pandemic-related content. Heck, this whole issue of the newsletter is about COVID-19 and the "economic vaccine" we believe will not only position us to fight its effects on our economy, but will increase the nation's overall economic health, helping to make us immune to future economic illness (to take the analogy just a little too far).

Why now? Why not continue to "hunker down" as I wrote last month? Because we are experiencing a singular moment in history, an unprecedented



Parking lots in Las Vegas were painted in 6 foot sections to assist homeless people in following social distancing guidelines. C'mon America, we can do better than this!

reckoning after decades of poor decision making left us with shocking divides between the haves and have nots, a mindset that pits our environmental health against our fiscal health, and seemingly insurmountable (and growing) national debt.

In short, now is the time for RSF to *lean in*. To *lean in* with our message of sound economic policies. To *lean in* with our message of equity. To *lean in* with our foundational understanding of what it means to be human, what it means to be a part of this beautiful, ever-changing, sometimes scary experiment we call society. As other, wiser people than me have already noted, COVID-19 is a horrific disease, but the true horror is how fully it has exposed the ugly

injustices that permeate American society.

It has laid our class divides plain before our eyes, and now we have a choice: we can turn our heads from the ugliness and run as fast as we can back to our old normal, or we can look with unwavering eyes and set to work fixing it, to creating balance.

At RSF we are committed to the latter. We will throw our weight behind the creation of economic equity, behind the articulation and realization of an economic vaccine that will strengthen our society in good times, and make us that much better able to survive, even thrive, in bad times.

I invite you to join us in this fight. Share our materials. Speak out about the need for economic reforms. Write your thoughts down and share them with us and anyone else who'll hear you. If ever our ideas could get a fair hearing it is now. Let's find our voice and speak our truth, together.

CALLING ALL AUTHORS!

Want to write a piece examining a current issue through a Georgist lens? Great! We'd love to publish your work on our website and in this newsletter.

WHO: Anyone who can write critically about today's world in a way that reflects the ideas of Henry George.

WHAT: Blog posts for our website and this newsletter.

WHEN: Anytime and all the time - we're always looking for authors.

WHERE: Check out "Blog Author Information" on our website for full details.

THE SKY IS FALLING

White House economic advisor Kevin Hassert recently projected GDP to plummet by as much as 30% in the 2nd quarter and unemployment rates at "Great Depression levels" as a result of COVID-19.

DIRECTORS' PERSPECTIVES

WHERE THE RSF BOARD EXPLORES CURRENT APPLICATIONS AND IMPLICATIONS OF HENRY GEORGE'S TEACHINGS.

THE GREAT ADAPTATION

BY KRIS FEDER

They're now calling this "The Great Adaptation," which brings to mind "The Great Simplification" described by Jason Bradford (in *The Future Is Rural: Food System Adaptations to the Great Simplification*); the crisis is described this way as well as by Richard Heinberg (in *The Party's Over*), by Joel Salatin (*Folks, This Ain't Normal*), and by practically everything published by the Post-Carbon Institute.

The vulnerability that comes with our mutual interdependence is being driven home, not only by the indifference of the spread of Covid-19 to geographical boundaries, but also by collapsing global, national, and regional supply chains.

Now imagine that the nations of the world had long ago designed their political and economic systems properly. Among other things, hydrocarbon extraction would be very expensive, because prices (+ taxes) would reflect both the user costs of depletion of a limited natural resource and the enormous environmental costs of most uses of hydrocarbons. This alone would mean that most long-distance trade would never have been considered as economically rational. Industrial agriculture, with its CAFOs, processed foods, toxic emissions, excessive land use, and rising industrial concentration, would not have developed. Densely populated mega-cities would never have been built. Locally-produced food and renewable energy would instead be the norm.

And there would be few opportunities for rent-takers to bribe government officials to get them to serve private rather than public interests.

The people of the United States might never even have heard about a virus outbreak in some faraway city. And a

threat at home would be addressed by a responsible and functional government.

COMPENSATING FOR LOST REVENUE

BY FRED FOLDVARY AND NICOLAUS TIDEMAN

Governments owe compensation for the losses that individuals and companies incur from the temporary shutdowns that they, these governments, have imposed in response to the coronavirus pandemic. The compensation they owe must be on-going compensation rather than the one-time payments that were recently enacted for individuals. While the shutdowns have been ordered to mitigate the spread of Covid-19 throughout the country.



The compensation that is due from the Federal Government could be provided through the IRS. An individual or an authorized representative of a business or company would apply to the IRS for a monthly grant for 80 percent of its lost net income. The 20% not compensated would provide an incentive for an unemployed worker to apply for a job in those industries and businesses still operating, or for a business or company to switch to producing products (such as medical masks) in high demand.

A business or company that closed temporarily would have a choice of laying off workers or keeping them employed. While other costs would be

reimbursed only 80%, a business or company that kept its workers would be 90% reimbursed for its labor costs, because it is better for the economy as well as for the businesses and companies themselves that the knowledge and productive interaction specific to their business or industry be maintained. The US should also decide explicitly how to pay for this additional public spending. If we ignore the question and let deficits balloon, the default answer is that the spending will be paid for by a combination of debt passed on to future generations and inflation that depletes the value of everyone's cash savings, while reducing the real cost of paying debts and thereby providing unjustified benefits to anyone who owes money. We ought instead to seek a justifiable allocation of costs.

Some passing on of costs to future generations can be justified by the idea that it is reasonable to spread over several generations a cost that randomly strikes one generation. Allowing the cost to be paid by inflation is not justified. To avoid this, we must levy taxes to pay for that part of the cost that is not to be passed on to future generations. What kind of taxes should we levy?

To some extent, because we all would benefit, a general increase in income taxes can be justified. But if we want to assign taxes to those who benefit, we should give special attention to a tax on land values. Overcoming COVID-19 provides a huge boost in land values. And a properly administered tax on land values, unlike nearly any other source of public revenue, does not undermine incentives to be productive. Therefore it is both efficient and just for all levels of government to finance through taxes on land values a significant part of the compensation for the unequal harms of the nationwide shut-down. After the controls are lifted, the economic recovery will be stronger and quicker if businesses and companies are not burdened with added taxes on investments, trade and labor.

Those seeking information and literature on public revenue from land value may contact the Robert Schalkenbach Foundation at info@shalkenbach.org

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.

LET NO MAN IMAGINE THAT HE HAS NO
INFLUENCE.

WHOEVER HE MAY BE, AND WHEREVER HE
MAY BE PLACED, THE MAN WHO THINKS
BECOMES A LIGHT AND A POWER.



- Henry George



YOUR GIFT MAKES A WORLD OF DIFFERENCE. THANK YOU!

YES, I'd like to support RSF's
efforts to promote the ideas of
Henry George and champion the
adoption of LVT in new
communities with my gift of
\$ _____!

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