

PAYING FOR CHANGE

There are urgent things needed to reorient ourselves for the far different future that we are stepping into today. We need a totally different approach to education, health care, and justice. We need restoration of a true democratic process of electing our leaders. We need to totally *transform* - not repair - our entire infrastructure of transportation, energy, buildings, industry, communities, and food production to operate in a world without fossil fuels. All this costs money.

Deficit financing can only be stopgap. We need revenues that not only pay for, but also *assist* transition to sustainability. We need to pay as we go, with payment methods that restructure the market so it achieves what we want.

One of the basic shifts we need to make is getting rid of the fantasy world of debt, banks "creating" money, not worrying who will pay for what we do. Forget pious screams from Republicans about "no new taxes". They're the ones who pillaged our country under such lies. Oregon now funds routine highway maintenance by bond issues. Nobody mentions that such debt-financing **DOUBLES** the real cost.

In the world of REAL economics, adding something to the "to do" list means we have to take something else off the list, or work longer to do them both. Once we look at it, "taxing" something we *don't* want is a really smart way to achieve change.

Don't we already pay too much taxes? Depends what we're getting, who's pumping up the costs, and who isn't paying their share. Our taxes are high because the super-rich and the corporations have stopped paying their share. Individuals now pay 70% of federal income, while corporations pay only 18%. They're too high because 40% of the federal budget is for military, and 13% for debt service. They're NOT too high because of real health care, education, good highways and infrastructure.

Our personal income tax system also has become a nightmare. The paperwork seems to double every year, with more loopholes for the rich and more paperwork for working people. We need to replace personal income taxes, or eliminate them for the lower 2/3 of incomes. This can eliminate a huge bureaucratic burden on individuals, while obtaining a fairer and larger source of funding for needed programs.

So where can money come from to fund the changes we really need?

Tax extraction of irreplaceable fossil fuels to encourage and fund efficiency and slow our depletion of remaining reserves (carbon tax). This makes way more sense than the "depletion" tax breaks given the oil companies. This is also the simplest and surest market-shifting action we can take to fund efficiency improvements while slowing our depletion of fossil fuels. At the same time, it reduces global warming.

Tax extraction (mining) of irreplaceable minerals. With one action this makes recycling and reuse of those limited resources a profitable alternative, while slowing depletion of remaining reserves.

Tax waste. Raise the price of gasoline, natural gas, and electricity. Use the funds to expand car-share and public transit, transition to more efficient vehicles, renewable energy, and net-zero-energy retrofits that can reduce energy use in our homes by 80%.

Tax even renewable energy. Oregon prides itself on its wise energy policies. The reality is that with below-market rates on hydro-electricity, we're incredibly wasteful. Oregon is actually 36th (from the top) in terms of productivity of energy use. We use twice the energy per dollar produced as the top 10 states. We can raise our energy rates without raising our bills, by using the revenue from increased rates to fund efficiency improvements. Utility investment in "negawatt" efficiency projects is by far our cheapest "source" of energy.

Tax inequity. Property taxes we pay on our homes and businesses were originally a tax on wealth and a means of maintaining the equity necessary for true democracy. Since colonial days, intangible property (stocks, bonds, etc.) have become a larger form of wealth (particularly for the wealthy). A few states tax intangible property, but most have feared people would move elsewhere. Broader and higher property taxes can redistribute the excess wealth of the billionaires who have pillaged our economy, funding needed infrastructure and restoring equity to our culture. The super-rich need to pay their share.

Tax corporations. One of the studiously ignored tax issues is that corporations have become so large, complicated, and well-funded, that government entities have virtually no ability to evaluate or prosecute tax evasion. A stair-step rate on their *sales*, based on size and market share can restore their payment of a fair share of our public services.

Tax advertising. Reduced advertising can replace economic over-centralization with production by local, trustworthy sources. Centralization adds administrative layers and transportation costs, and creates inequity in power that robs individuals.

Tax sugar. This can deal with empty-calorie obesity, encourage growth of tasty organic food, fund redevelopment of family farms and suburban agriculture, and create a surplus of real food for trade with others.

Tax pollution. Let's not "cap and trade". That just monetizes the air we breathe. Tax pollution, make it more expensive than better practices, and use those funds for what we need.

These funding sources both encourage and fund changes we need, while discouraging, without preventing, activities which we know to be harmful to our future.

Manzanita's Tom Bender - sustainable architect and economist for 35 years, founder of Factor-10 economics, and member of Gov. Tom McCall's Energy Office - was one of the first people to see that less energy might mean better lives. <www.tombender.org>