**Implementing a Green New Deal**

**in the**

**Aftermath of the Coronavirus Pandemic**

**with**

**A Quick Look Back at FDR’s**

**New Deal and his Economic Bill of Rights**

**by**

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In the 1930s, in the midst of the Great Depression, when unemployment exceeded 25% and countless millions lost their homes, Franklin D. Roosevelt undertook **The New Deal** to put the country back to work on a vast array of building and other projects. This effort succeeded in beginning the process of ending the Great Depression. Later, in 1944, before the end of WW II, FDR addressed the American people and presented a new **Economic Bill of Rights** (please see the attached document).

Sadly, after more than 75 years, the goals of **FDR’s Economic Bill of Rights** have not not achieved. Even **before** the economic devastation brought about by the effort to cope with the Coronavirus Pandemic we have had to, and continue to have to, cope with all of the following:

* We had a **major housing crisis** that impacted literally millions of Americans.
* We had **severe food** **shortages and nutritional crises** facing even more millions.
* Our **health care system had fallen far below the standards** successfully achieved by many other nations.
* Millions of Americans are **forced to go to work, even when they or someone in their family was sick,** due to **our lack of paid sick and family leave**. (Something that has been driven home in the last few months.)
* Our **educational and childcare systems** failed to meet the needs of a major portion of our families and drove millions into unacceptable levels of debt.
* In all of these areas, America fell far below the standards achieved by many other industrialized nations creating levels of **inequality that are among the worst in the world**, and undermining our claims to be a democratic society.
* In all of these areas, **people of color and poor whites** suffered far more than others.

So it should come as no surprise that even before the current economic chaos, progressive leaders proposed to the American people that this country needed to undertake the implementation of a **Green New Deal (GND).**  We will talk about the Green focus in just a minute.

Now today, in the midst of the economic chaos created by our failure to adequately mitigate the consequences of the battle to overcome the Coronavirus Pandemic, as unemployment approaches (and in reality may already exceed) the Great Depression levels of the 1930s, all of these problems are rapidly becoming even worse and the need to implement a program to address them becomes more obvious and more urgent.

Thus, rather than see the **Green New Deal (GND)** as a radically new concept, we need to see it as very much in the tradition of FDR, but with an additional element. Today the **Green** **New Deal** provides a blueprint for how we can address the **triple crises** currently facing this nation and the world. Separate from the public health problems presented by the Coronavirus Pandemic, the pursuit of the **Green New Deal** (**GND**) is designed to address, **simultaneously,** the **triple** crises presented by:

1. **Climate Change and Global Warming** that threatens to destroy vast parts of the world’s economy, render portions of the earth uninhabitable, and cause massive dislocations of populations including in the U.S., leading to political, economic, and even military instability.
2. **The Rapidly Growing Economic Inequality** **and the Increasing Economic Pressures** **that have been building in the U.S. for the last 45 years** and that were already facing millions of Americans long before the Coronavirus Pandemic.
3. **The New Great Economic Depression** now being experienced in the U.S. as a result of the necessary steps that were taken to mitigate the pandemic while we search for a vaccine and/or effective treatments. The manifestations of this new Great Depression include:
4. **millions of business that were forced to close**, many will not be able to come back even if and when allowed to re-start, in part because consumers will not have the money to purchase goods and services from them, in part because many people will be afraid to patronize them, and in part due to the social distancing requirements that are likely to have to continue for months, if not years.
5. **millions of Americans forced into unemployment,** or out of the labor market entirely, who will not be allowed to go back to their old jobs because many of those jobs will have been permanently eliminated. These jobs include many in the private sector, but also include state and local government employees whose jobs were eliminated as these governments suffer from the twin catastrophes of massive losses of revenue and extraordinary increases in expenditures for emergency and other services.
6. **millions of Americans forced out of their homes,** in states that did not implement protections for renters.
7. **millions of young people** who hoped to start their careers and now find themselves with no opportunity to do so
8. **the devastation of our higher education system** as colleges and universities had to refund room and board fees, saw their endowments deteriorate, had to bear the costs of converting to on-line education, and as public institutions suffer a loss of funding from state and local governments who have to focus their expenditures in other areas.

Even in the face of the new economic chaos facing us today, we have to recognize that our environmental problems have already intensified to a point where the induced **effects on the climate and upon the health of people threatens the viability of life itself**. This in turn, according to our own national security experts, is already beginning to force massive human migrations that then threaten the viability of life in other areas and that are likely to lead to human disasters as “*climate refugees*” are forced into unlivable camps and into already crowded urban areas. This can also lead to riots and armed clashes that can destabilize whole nations. As temperatures rise to levels where it is too hot to sustain life out of doors or the growth of food crops, and as the seas begin to rise, driving peoples inland, the simple truth is that we have no responsible choice but to begin to address all three of these problem areas simultaneously. It is not viable to think that we can put off dealing with climate change and global warming while we attempt to cope with the current economic catastrophe. There is likely to always be economic issues of one sort or another that need to be addressed, if that becomes the excuse to not take on the environmental issues, then they will never be adequately dealt with.

The message inherent in the proposal to pursue a **Green New Deal** is that, indeed, we can, at the same time address (1) **the long term goals** FDR laid out in his Economic Bill of Rights more than 75 years ago, as well as address (2) **the new economic chaos** brought on by the Coronavirus Pandemic, while simultaneously addressing the (3) long term problems of **climate change and global warming.**

**The essential point is that there is NOT a contradiction between these goals.** There are some who see the economic and environmental goals as being in competition. They argue that if we address climate change, we necessarily will dramatically limit economic growth and make it harder to address our economic concerns of sustaining high employment, increasing wages and family income and reducing inequality, **But this is a lie**. It is simply not at all true. If we undertake a massive effort to effectively address climate change now and in the years ahead, we can, at the same time, create millions of both blue collar and white collar jobs, increase family income and reduce poverty. Moreover, if we pay for this program in a wise manner, we can simultaneously dramatically reduce inequality. In fact, those who understand that the economic and environmental goals are complementary and mutually supportive have begun to forge what is called the **Blue – Green Alliance**. **Blue** being a reference to Blue Collar jobs that do not require a college education, but more broadly refers to the labor movement and to jobs and income for the 90%. **Green** obviously refers to those concerned about climate change.

It is important to understand that most of those who oppose programs like the **GND** and who resist efforts to fight climate change, are really just using the claims that such efforts will have negative economic effects as a self-serving excuse to protect their corporate wealth, especially in the fossil fuels, energy and transportation industries. They typically have no interest in seeing wages and family incomes go up, or in seeing any reductions in poverty or inequality. In fact, typically they claim that there is a conflict between progressive economic goals and climate change goals in large part to drive a wedge between people in order to weaken **both** efforts. The GND is an effort to block this cynical bid to prevent success in **both** battles.

**What are the Basic Elements of the Green New Deal?**

The basic idea is really quite simple. In looking for ways to reduce inequality, to dramatically reduce the now depression levels of unemployment, to improve the economic lives of the 95%, that is, to both reduce poverty and improve the economic lives of the middle class, we must seek to identify and focus upon programs that accomplish these economic goals **AND** fight climate change at the same time. It turns out that there are **many** such programs, some of which are discussed below.

Similarly, as we look for ways to fight climate change, let us seek to identify and focus upon programs that create well paid jobs for as many people as possible, both Blue Collar jobs that do not require a college education, and White Collar jobs that do. Let us consciously look for programs that would increase high wage Blue **and** White Collar jobs in **both** rural and urban areas. Whenever possible, let us seek out programs that provide **new job opportunities for those whose jobs may be in jeopardy because of globalization and changing technologies, and for those living in small towns and rural areas** which have seen jobs and young people move away. And let us not turn away from the reality that indeed there are industries that need to change, shrink and maybe even disappear if we are to stop climate change. Finding new jobs and industries to replace these old and often environmentally destructive ones must, and can, also be a priority. The rich corporate owners of those industries which must shrink and perhaps disappear can take their money and invest it elsewhere, while sustaining their wealth. But their employees must to be protected and supported during the process, and new opportunities opened up for them, and especially for their children.

**Racism and How We Address our Economic, Social and Environmental Problems**

We would be seriously remiss if we do not explicitly acknowledge and take into account the over-arching problem of racism in America, and the related issues of discrimination based upon ethnicity, religion, gender and sexual orientation. Under the current Administration, and with the support or acquiescence of far too many Americans, all of these issues have gotten substantially worse in recent years. But the roots of these various forms of discrimination go far deeper and further back in our history. The disturbing fact is that after almost 250 years, we have substantially failed to live up to our pledge to function under the commitment to consider all those living in the U.S. to have been created equal and to have been endowed with certain inalienable rights, including the right to life, liberty and the pursuit of happiness. FDR made that point explicitly in his 1944 statement of a new Economic Bill of Rights. He did not “merely” propose a recommitment to a series of economic and social “rights”, but also stressed the need for “a new basis of security and prosperity (to be) established **for all” – “regardless of station, race, or creed**” (sadly leaving out any explicit reference to gender or sexual orientation).

As we move forward, we dare not ignore the realities that all of our economic and social problems impact non-whites and poor and working class whites very disproportionately (as compared to middle class and upper class whites), and that African Americans, Hispanic Americans and Native Americans, bear by far the heaviest burdens(as a percentage of the size of their populations), followed by poor and working class whites. At the same, we must keep in mind that the majority of those living in poverty is now and has always been non-Hispanic whites (60.2% in 2018 per U.S. Census. a fact explains in part, the election of Trump.) Moreover, we find there has been a rapid growth in inequality in both income and wealth over the last 50 years. The annual income, and even more so the wealth, of much of the working class and the poor, both non-whites and whites, has been relatively stagnant as compared to the increases in income and wealth of those in the top .01%, with the latter showing increases of as much as 600% over the almost 50-year period from the mid-1970s to today.

Therefore, if we fail to address the pernicious impact of racism especially, but also of the many other forms of discrimination, we run the serious risk of undercutting the positive effects of whatever efforts we make to reduce the growing inequality in America. Moreover, many of the worst effects of climate change in America are now, and will in the future, be felt first and most starkly by the poor, a significant portion of whom are people of color. It must be noted that this is very much the case with regard to who is dying from in Covid-19 pandemic. Whether as a result of their already weakened and compromised health status or of their crowded living and working conditions which make social distancing virtually impossible, it is the people of color and poor whites who are paying a disproportionate price in this pandemic

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**But enough with generalities… A Proposed Program to Implement the Green New Deal**

Keeping in mind all of the issues raised above, let us stop talking in broad generalities, and turn to identifying and describing some specifics programs that we could and should undertake. This is **not** meant by any means to be a complete list, but rather to merely indicate what I consider to be of some of the top priorities.

1. We now lose about 30% of the electricity we produce in transmitting it to where it is used, and we often have no way to get solar and wind produced electricity from where it is best to produce it to where it is needed.
	1. We need to rebuild our existing grid and vastly expand it with **a “smart grid,”** as well as produce the renewable electricity production facilities sufficient to render the use of all fossil fuels uneconomical and unnecessary.
	2. This will create hundreds of thousands of Blue and White collar jobs designing, building and installing the transmission equipment and the solar, wind and other renewable power generating facilities.
2. Civil engineers calculate that about **two-thirds of all the bridges and overpasses** in the U.S. are unsafe and need to be rebuilt or replaced, and most of our highways and streets need repair. We need to do this in a manner to **reduce** **lost time due to congestion, prepare for driverless non-polluting vehicles and accommodate public transportation** alternatives, as we move to zero emissions from transportation
	1. This will require massive numbers of jobs to provide construction materials and high tech control equipment, and to do the (re)building – as well as to design and build the new cars, trucks and rail vehicles.
3. We need to **retrofit every public building, private home and industrial production facility** to reduce emissions and energy consumption, and to provide environmentally safe and comfortable living and working space for everyone.
4. Depending on how quickly we undertake this retrofitting, can anyone doubt this will require millions of jobs, many of them Blue collar.
5. We need to **upgrade our water storage and distribution systems** to eliminate toxic material, vastly reduce waste, capture and distribute rain and gray water, and render the water safe from contamination and evaporation. We also need to rebuild much of our sewage and waste water treatment facilities.
6. We need to guarantee **high quality and affordable health care** to everyone living in the U.S., in order to protect everyone from illness, improve the quality of life, and make all of our public activities safer, especially in the wake of Covid-a9.. This needs to be achieved in rural as well as urban areas, and will require an expanded network of health service personnel and sites, and we finally must create a program to pay for these essential health services such that everyone living in American has access to them. The current Coronavirus Pandemic has made this clearer than ever.
7. As we see the massive problems we have encountered providing the health care required to address the pandemic caused by the coronavirus, we have also seen the terrible burdens placed on the millions of families who have lost their health insurance because someone in the family lost a job. Can anyone seriously doubt that we need to drastically reform both how we provide health care and how we pay for it.
8. We need to provide all families with **affordable childcare and preschool education**, building new facilities where needed. This will better educate our children, reduce a major financial burden on families, improve economic efficiency and create equity for children from low-income households**.**
9. This in turnrequire a vastly expanded corps of **well-trained and well-paid pre-school teachers**
10. We need to improve the skills of all of our people and render them more productive as technology continuously changes by **guaranteeing tuition-free** **post-secondary/higher education in public colleges and universities** (as is already done in many countries) and by relieving those burdened with **student debt**. We need to provide life-long learning opportunities in non-degree certificate programs, as well as expanded access to degree programs, including those at the post-graduate level.

**Improving the Rights of Labor**

Clearly all of these programs will require the **hiring of millions of both Blue and White collar workers**. In so doing, we must seek to expand **labor protections** and ease the ability to form **trade unions**. We need to require that there are **employee voting representatives** on the Boards of Directors of all corporations (as is true in some European nations) and that there are substantial **profit sharing plans** in place. At the same time, we must establish livable minimum wage and benefit programs (including paid family and sick leave) for all jobs, and provide for **guaranteed minimum levels of family income**. We clearly must also take steps to **overcome racism and other forms of discrimination** when recruiting people to the needed training and educational programs, when hiring people and firms to do the necessary work, and when providing the needed housing, health care and education.

**Where Does the Money Come From to Begin Implementation of the Green New Deal during the Current Economic Chaos?**

This is always the first question that comes up, even before we were faced with the 1930’s Depression Era levels of unemployment, factory and business shut-downs, and falling tax revenues brought on by the fight against the coronavirus pandemic. It is a question that must be addressed. Moreover we must acknowledge the fact that we have the immediate necessity of alleviating the massive loss of income to millions of American families, with the induced food, housing and health insurance shortages. But we also must acknowledge that addressing climate change and global warming requires a long-term effort that will span many years, even decades. A key point is that as these long-term projects begin, they can begin to generate well-paying jobs that will employ many of those who recently lost jobs. As is often said, even the longest journey begins with but a single step. The short- and long-term programs should be viewed as intimately connected.

But it is not only a question of finding the money. We must find fundingsources and methods that reverse the fact that we have become the **most economically unequal major industrialized nation on earth**, with **one of the lowest levels of opportunity for upward economic mobility**. Putting our heads in the sand and pretending that we are the land of equality with equal upward mobility opportunity for all will only continue to polarize our society and destroy our democracy. We must raise the needed short-term **and** long-term funds in such a manner as to reduce inequality and poverty, while we fight racism and other forms of discrimination and empower labor. **The good news is that such funding sources and methods exist, indeed can rather quickly and easily be identified. The issue in this regard is whether we can find the political and social will to pursue such financial strategies over the objections of the 1%.**

Some alternatives that meet these requirements are:

* **Establish a U.S. public infrastructure bank.** Such an institution can be used as a vehicle via which to accumulate public funds, and private funds as well, to commit to large scale infrastructure and related projects and to major social programs. The U.S. had such an institution from the 1930s to 1957. Banks of this nature currently exist in many nations, such as Germany, and at the European Union level as well. At the global level we have the World Bank. There is also an Asian Development Bank. One must ask why the U.S. lacks such an institution.
* **Raise the marginal income taxes on the rich and the marginal taxes on the profits of large corporations,** as was proposed by many Democratic Presidential candidates. Even in the midst of the pandemic induced economic problems, some of these corporations, such as Amazon, are making massive profits but manage to avoid paying taxes. That must end. Both the rich and the corporations squandered much of their income and profits, especially over the last 10 years, now it is time to force them to invest in the Green New Deal.
* Impose **new taxes on the wealth** **holdings of the very rich**, such as was proposed by some Democratic Presidential candidates. The Trump Administration pushed through a trillion dollar per year tax cut, the vast majority of which went to the very rich. On top of that, it was claimed that the large cuts in corporate taxes would go to investments, but, as predicted, this did not happen. Some 90% of it went to stock dividends, stock buy-backs and executive salaries and bonuses, increasing the wealth of the already rich. Now the nation is in trouble and we should reclaim the funds diverted to the rich these last 3 years by imposing wealth taxes on the richest families and use it to invest in the Green New Deal.
* **Impose a new “sales” tax on stock market transactions.** Whether the stock market goes up or down, literally trillions of shares are traded every month. Even a tax of just a few cents per share would raise a massive amount of money. This too was proposed during the Democratic primary campaign.
* **Money can be borrowed from those who have it.** The Federal government borrows money by selling bonds to the rich, large corporations, banks, insurance firms, pension funds and such. It also sells bonds to foreign governments who use those bonds as collateral for their own currencies. Unlike taxes, this is a totally voluntary program. Today, the U.S. can borrow funds for 10 years for less than 1% interest per year. The return on such money invested in productive projects as part of the Green New Deal would yield returns far above that.

Does this increase the National Debt, the total net value of bonds outstanding? Yes. But we have done that successfully every time we fought a major war. We also did it to fund the original New Deal to start to get us out of the Great Depression. The Republicans were quite willing to do it to fund the Trump tax cut. Now, both Democrats and Republicans have been willing to use borrowed funds to avoid some of the worst economic effects of the battle against the coronavirus pandemic. But so far this spending has been limited to short-term, immediate efforts. It is now time when we should use such borrowed funds to begin to implement a long-term Green New Deal that not only would overcome the immediate increases in unemployment and lost income, but would begin to rebuild and restore our economy. Beginning to implement the GND, could raise the standard of living of our people, reduce inequality and poverty, open up new opportunities for well-paying careers, in addition to starting to save billions of dollars and millions of lives by slowing climate change and global warming. Is this not a worthy investment?

* **Another source of funds:** There is another way in which the Federal Government gets money to spend on whatever it chooses: it gets it from The Federal Reserve System, The Fed as it is known. The Treasury sells Government bonds directly to the Fed and then uses the Fed’s money to do whatever it wants. Alternatively, the Fed can pump money directly into the economy by using its money to buy private financial “paper” directly from banks, insurance firms, and major corporations on the open market. But you might well ask, where does the Fed get the money to do this? The answer is that it just creates it. Some would say it prints it, but there is no currency or printing involved. It just makes entries into the accounts of banks through which this newly created money is channeled. During the Great Recession of 2007-10, the Fed created and used more than $3 trillion this way. At some later point, the Fed may (re)sell these pieces of financial paper on the open market. What does it do with the money it gets back? It simple destroys it, by reversing the entries in its books.

The point is that raising the amounts of money needed is quite doable, even during an economic crisis such as we are currently experiencing. The economic impact of the resulting programs that could be funded as part of the Green New Deal would (as suggested earlier) **then spur a major increase in economic growth, in jobs, and in economic, social and environmental** **wellbeing**. That is, contrary to those crying wolf, the positive economic outcomes would far outweigh any negative economic impacts, while vastly improving the lives of 95% of our people. Indeed, when one takes into account the positive environmental effects, virtually everyone would benefit.

It must be stressed that the key restraint to beginning to implement the Green New Deal is not economic, it is the question of whether the people of the U.S. can find the political will to overcome the vested interests of those members of the richest 1 or 2% who refuse to see what is coming environmentally, politically and socially. The issue is whether they can be convinced that a program such as this is necessary to save the planet and our democracy. And if they cannot be convinced, can their political influence be overcome? These are the crucial questions.