**Taxing wealth**

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On April 25, Twitter’s board of directors announced an agreement to sell the company to Elon Musk, the world’s wealthiest person, for $44 billion. That sounds like a lot of money. But Musk can afford it. One recent estimate of the Musk fortune puts his wealth at $214 billion, a sum a bit down from the more than quarter trillion he held earlier this year.

Our Institute for Policy Studies colleague Chuck Collins has documented that Musk’s personal wealth, over the first year and a half of the Covid pandemic, grew by an incredible 751 percent at the same time millions of American families were struggling to pay their rent and utility bills.

Unfortunately, we can’t write Musk off as some sort of an anomaly. U.S. billionaires combined increased their wealth by a staggering $2.1 trillion over the first year and half of the pandemic. All those trillions could now be addressing a host of serious crises at home and internationally. Those dollars could be charting the world on a new sustainable course. Instead they’re merely making the already rich phenomenally richer.

Not my fault, says Elon Musk, who loves to claim that he’s doing his part – as the driving force behind the world’s biggest electric-car company – to save our planet.

Should we be giving Musk the applause he feels he so richly deserves? Let’s step back for a moment and take a closer look at where grand fortunes, Elon Musk, and Tesla fit into our menacing big picture.

Let’s start with greenhouse gas emissions. Worldwide, these emissions have grown steadily over the last several decades. They have, to be sure, declined in the United States since their 2007 peak, but their rate of decline comes nowhere close to what we need. At the current decline rate, we’ll still be emitting 3.6 billion metric tons of greenhouse gases annually in 2050. By that year, scientists tell us, we will need to have emissions down to zero.

Newly emitted quantities of carbon dioxide, a chemically stable gas, can last in the atmosphere for generations – and continue heating up our Earth for centuries. So even with declining US emissions, we’re doing the Earth no grand favor. Here in the United States, we already bear the responsibility for one-fifth of all global greenhouse gas emissions since 1850, more emissions than the next two highest cumulative emitters, China and Russia, combined. And we remain today one of our world’slargest per capita emitters.

Overall, the huge emissions disparity between the United States and other wealthy countries and the nations of the Global South has led the United Nations to adopt the principle of “common but differentiated responsibility” as the ethical basis for determining just who needs to pay what to help our world mitigate and adapt to climate change.

This principle hasn’t yet actually translated into the kind of North-South financial flows we need to see, as demonstrated by the intransigence of wealthy countries at the UN climate talks last November, particularly on questions over funding for climate change-related loss and damage. Even so, the UN’s official acceptance of the principle that wealthy countries should fund climate action in the Global South as a matter of basic fairness represents a significant step forward.

This same discussion about responsibility, unfortunately, hasn’t taken place at the national level here in the United States. How should we allocate the cost of climate change mitigation and adaptation among Americans? We Americans need to be addressing this question head on, even if Elon and his fellow deep pockets would rather we not.

The vast bulk of the wealth in the United States today did not exist before the Industrial Revolution. We owe our current affluence to the fossil-fueled economy that has dominated the United States ever since this Revolution began.

The gains from this economic growth have gone to a narrow share of the American people. Our nation’s wealthiest 10 percent now hold nearly 70 percent of our country’s wealth. Our top 1 percent holds over 32 percent of our nation’s $142.18 trillion, mostly fossil fuel-generated fortune, an average of $35 million of wealth per household.

Meanwhile, the poorer half of the US population owns only 2.6 percent of America’s wealth.

Connect all these dots and we have a simple, straightforward story: Fossil fuels fueled the Industrial Revolution. Atmospheric carbon dioxide has increased by 50 percent since that revolution began. The economic gains from that revolution have gone to a small wealthy in-crowd. These wealthy few, from John D. Rockefeller to Elon Musk, have cornered the economic gains from our generations of fossil-fueled economic growth.

Does Elon get a pass because he’s making electric cars? Hardly. For starters, Tesla cars come with an inordinately expensive price-tags. Musk relies upon fossil fuel-generated wealth to even have a market for expensive cars. Tesla, as an auto manufacturer, also benefits mightily from our nation’s elaborate highway system, a key contributor to the outsized emissions our country has historically produced.

Our wealthiest Americans have benefited disproportionately from our fossil-fuel economy. It’s only fair that these wealthy pay for the climate damage they’ve so benefited from. How could we see to it that they pay up?

Excerpted: ‘The Climate Case for Taxing Wealth’. Courtesy: Counterpunch.org