

Welcome to this week's presentation & conversation hosted by the **Canadian Association for the Club of Rome**, a Club dedicated to intelligent debate & action on global issues.

The views and opinions expressed in this presentation are those of the speaker & do not necessarily reflect the views or positions of CACOR.

CACOR Live The DOGE Antidote: Sustainable Budgets and Taxes, Steady-State Style.

Profile: Brian Czech, Ph.D., is the founding president & current executive director of the Center for the Advancement of the Steady State Economy (CASSE). His specialties include ecological macroeconomics, conservation biology, & public policy. David Shreve, Ph.D., is CASSE's senior economist. His specialties include political economy, history of economic thought, & economic policy. CASSE is a leading think tank in the transition from unsustainable growth to a sustainable, steady state economy.

Summary: Brian Czech & Dave Shreve deliver the legislative goods for erasing the U.S. federal deficit and deflating the debt balloon. Unlike the reckless "Department of Government Efficiency," CASSE budget cuts and tax reforms will carefully wean the U.S. from growth at all costs, moving the nation toward a sustainable and equitable steady state economy. The Sustainable Budgets Act and Sustainable Taxes Act are "feeder bills" of the omnibus Steady State Economy Act, CASSE's federal policy focus.

CACOR acknowledges that we all benefit from sharing the traditional territories of local Indigenous peoples (First Nations, Métis, & Inuit in Canada) and their descendants.



Website: canadiancor.com

YouTube: [Canadian Association for the Club of Rome](https://www.youtube.com/channel/UC...)

2025 Jul 30 Zoom #256

The DOGE Antidote

Sustainable Budgets and
Taxes, Steady-State Style

Center for the Advancement of the Steady State Economy

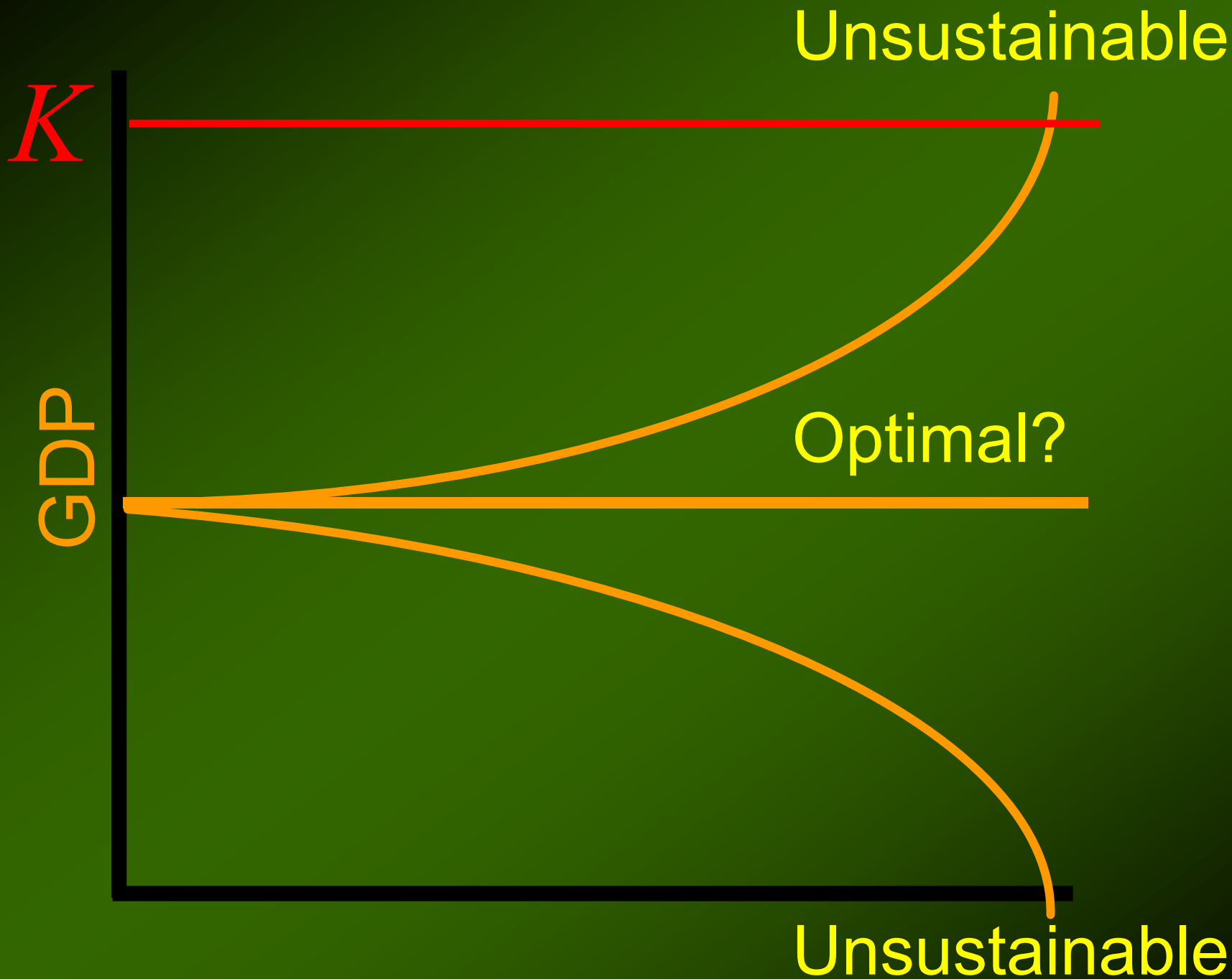


CASSE

www.steadystate.org

Either
Way





Unsustainable

K

Anthropocentric Optimum



GDP

Biocentric Optimum



Unsustainable

Unsustainable

K

Anthropocentric Optimum

GDP

Democratic
Optimum

Biocentric Optimum



Unsustainable

Some Useful Metrics

- GDP
- Ecological Footprint (and Biological Capacity)
- Genuine Savings
- Living Planet Index
- Index of Sustainable Economic Welfare
- Human Development Index
- Genuine Progress Indicator
- Gross National Happiness

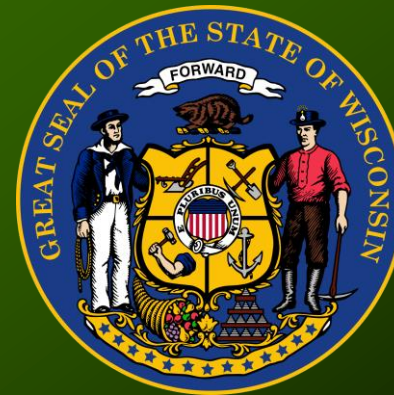


Policy Levels

- Federal
- Tribal
- State or Provincial
- County or Municipal

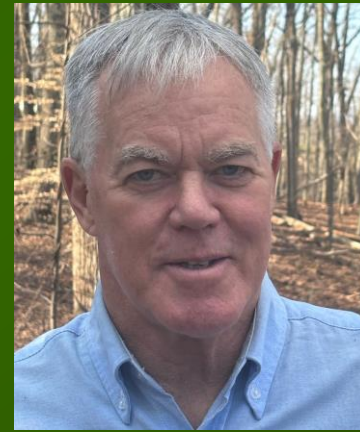
GDP

Democratic
Optimum



Policy Levels

- Federal



- County



Policy Levels and Instruments

- Federal

- Constitution
- Statutory law
- Executive order
- Case law
- Regulations



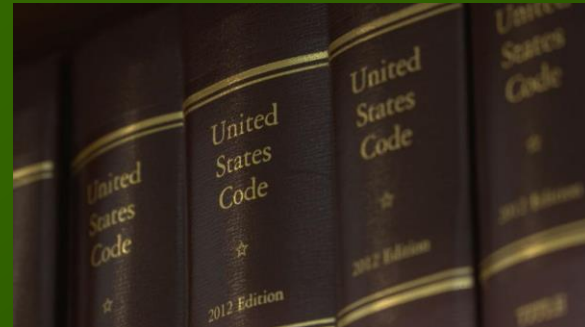
- County

- Charter
- Ordinances
- Resolutions
- Comprehensive plans



BIG P → little p....

- Among and within levels
- Constitutional through municipal
- Statutory through regulatory



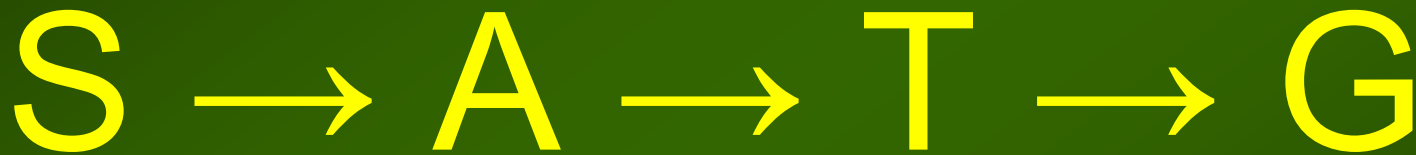
Primer on Policy Design

“SATG Model”



A = Agent;
the agency
responsible for
administering
the policy

G = Goal;
as specified by
the statement
or intended by
the authors



S = Statement;
the legal
proclamation
establishing
the policy

T = Target;
the populace
whose
behavior is
modified by the
policy

Policy Development Principles

- Each policy goal entails a distinct policy instrument.
- Leave a margin of error, ecologically.
- Start from existing conditions. (Be real.)
- Seek lowest essential policy level.



CASSE Policy Projects

- Steady State Economy Act
- County Comprehensive Plan(s)



Today's Focus

- Steady State Economy Act
- County Comprehensive Plan(s)



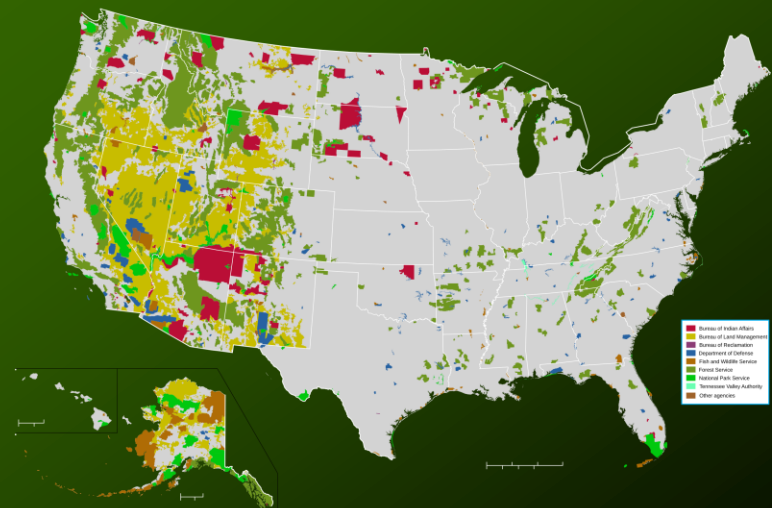
CASSE's Top 15 Policies

1. Formally adopt the steady state economy as the overarching macroeconomic goal.



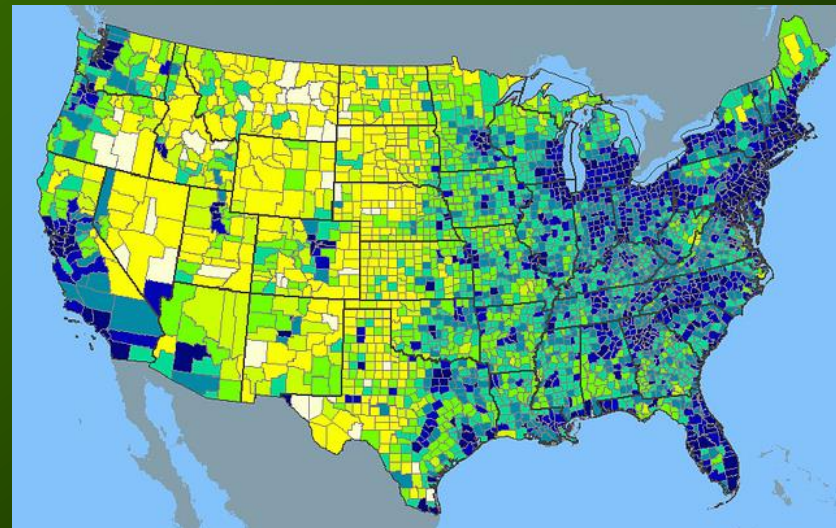
CASSE's Top 15 Policies

2. Maintain a network of conservation areas sufficient in size and diversity to ensure the long-term provision of vital ecosystem services.



CASSE's Top 15 Policies

3. Stabilize population, aiming for a long-term population size that enables a secure and comfortable standard of living without undermining the ecosystem.



CASSE's Top 15 Policies

4. Gradually reset fiscal, monetary, and trade policy levers from growth toward a steady state.



CASSE's Top 15 Policies

5. Limit the range of inequality in income and wealth, including both a minimum and maximum allowable income.



Etc. But we can't
emphasize enough...

CASSE's Top 15 Policies

1. Formally adopt the steady state economy as the overarching macroeconomic goal.

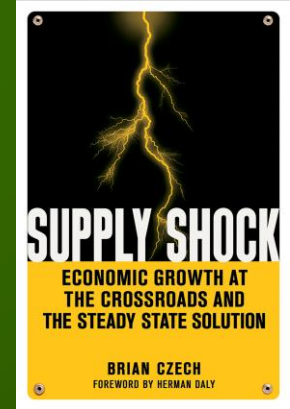


Because Otherwise



Steady State Economy Act

- Findings and declarations (2020)
- Feeder bills (2023-present)
 - Commission on Economic Sustainability Act
 - Sustainable Missions Act
 - Sustainable Budgets Act
 - Sustainable Taxes Act
 - Salary Cap Act
 - Sustainable Housing Act
 - Sustainable Transportation Act
- On deck
 - Sustainable Population and Immigration Act



“Sustainability *IS* a steady state economy.”



Steady State Economy Act

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Growth-Obsession Style



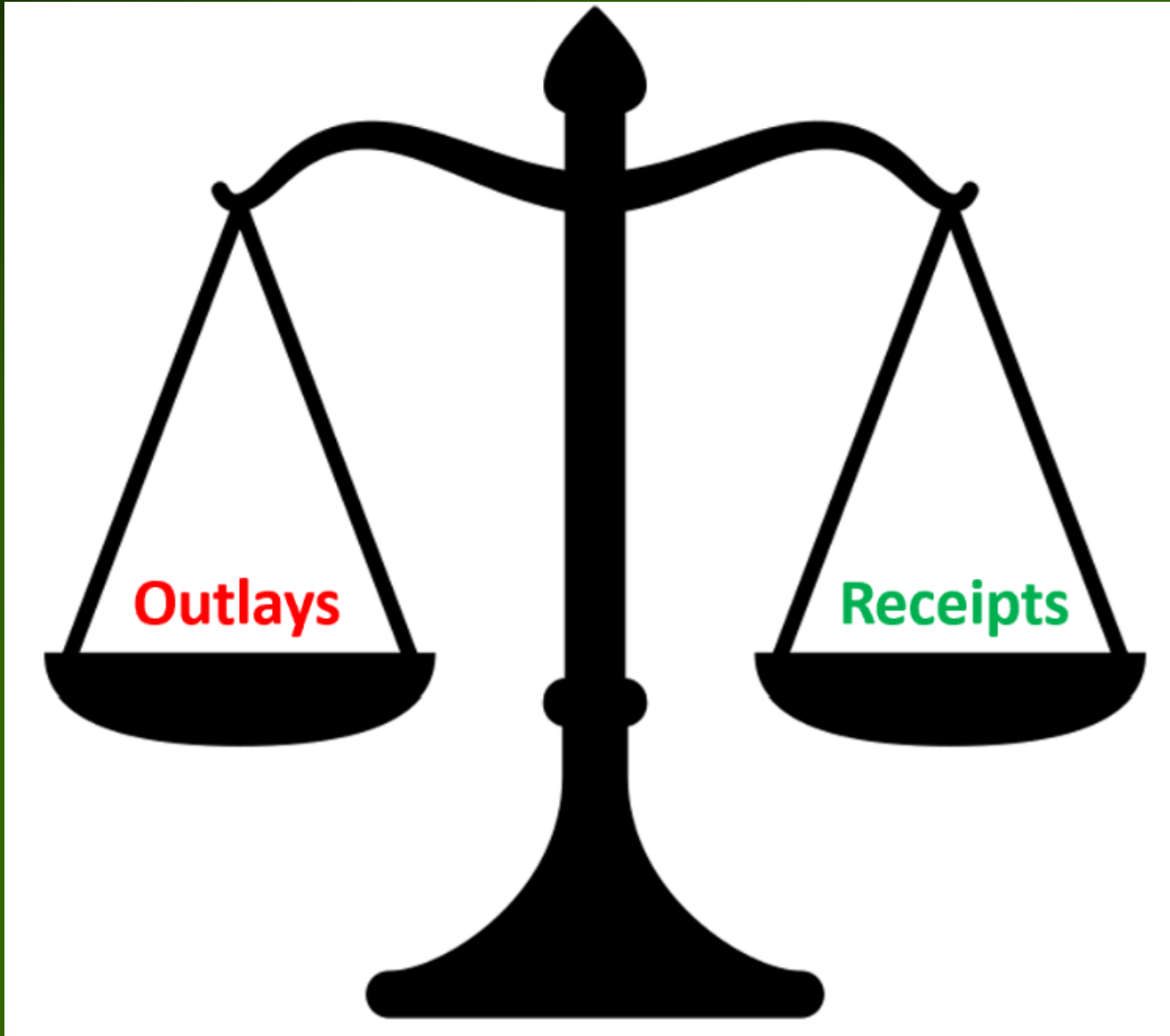
Steady-State Style



The Need

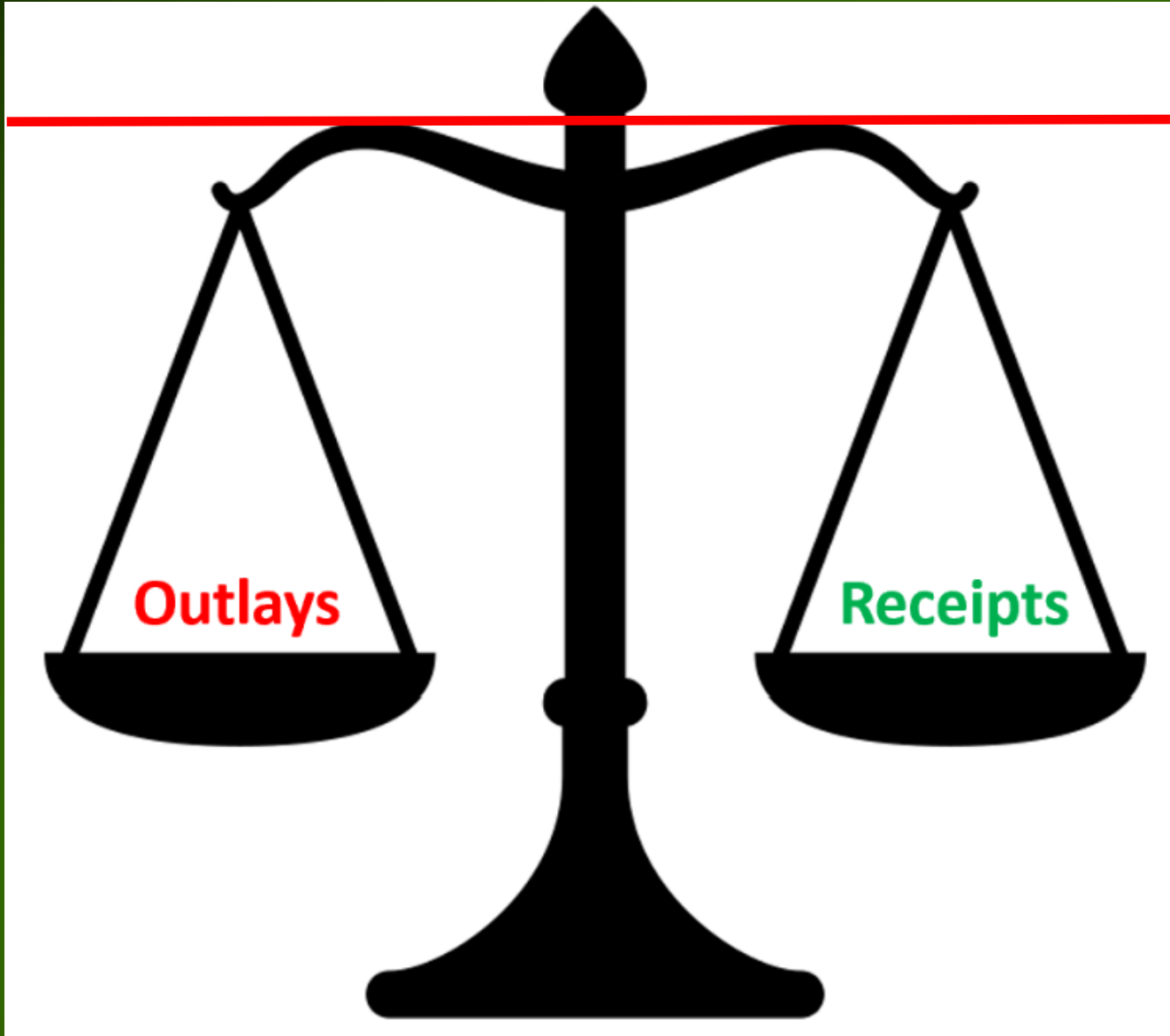
- Federal deficit
 - Higher spending and/or lower tax revenue
 - \$1.8 trillion in 2024
 - \$1.9 trillion in 2025
- Federal debt
 - What U.S. government owes creditors
 - \$27.8 trillion in 2024
 - \$29.6 trillion in 2025
 - Interest payments now exceed \$1 trillion/year

The Goal



The Goal

K



Overview of SBA

- A bill “to establish sustainable Federal budget **principles and processes.**”
- Nine sections (including short title in Section 1)
 - Findings and declarations the key
 - “Long term” and “sustainable” defined
 - General budgetary constraints
 - No net gain in demand for government outlays
 - Caps on mandatory spending
 - Sustaining departments, agencies, and programs
 - Caps on discretionary spending
 - Sunsetted departments, agencies, and programs

Section 2. Findings and Declarations

(a) The Congress finds that—

(1) Sustainable and balanced Federal budgets reflect and contribute to a sustainable level of economic activity of the Nation;

(2) A sustainable level of National economic activity is called a “steady state economy”;

(11) An optimally sized Federal budget is neither too small for the social wellbeing of the Nation nor too large, in combination with private sector economic activity, for the Nation’s ecological capacity. (And nine more clauses)

Remember

Consumption

+ Investment

+ Government Spending

+ (Exports – Imports)

GDP (= Ecological Footprint)



Section 2. Findings and Declarations

(b) The Congress declares that—

(1) A period of 150 years is an appropriate long-term planning horizon for environmental and economic sustainability, and Federal budgets must be formulated with sufficient attention to their long-term, cumulative effects;

(3) It is the policy of the Federal Government to manage its budget in a manner conducive to the establishment and maintenance of a socially prosperous but readily sustainable steady state economy;

(5) The Federal budget must be conducive to an optimal steady state economy that is neither too large to be ecologically sustainable nor too small to be socially acceptable. (And six more clauses.)

Section 3. Definitions

(7) “Sustainable” means ecologically and economically operational for the long term.

(4) “Long term” means a period of time sufficient to include protracted and complex ecological, social, demographic, and economic processes and trends, and for Federal planning purposes...implies a period of 150 years.

(8) “Sustainable budget” means Federal spending that is balanced by receipts and does not exceed 25% of GDP, which in turn fits within the ecological capacity of the nation and is therefore feasible for the long term.

(And five other clauses).

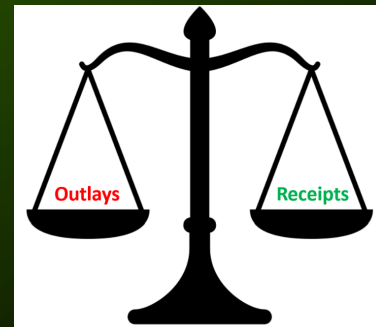
Section 4. Purposes And Constraints Of Budgetary Content

(a) Federal outlays shall not exceed expected Federal receipts and shall not exceed Federal receipts from the prior fiscal year.

(b) The Federal budget shall include sufficient appropriations for programs mandated by Congress.

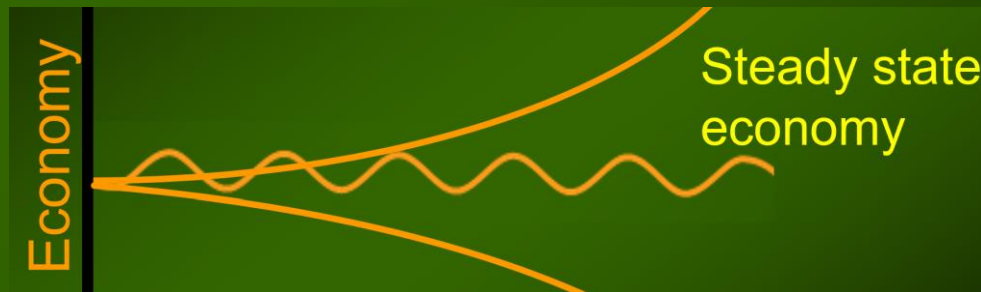
(c) The Federal budget may include appropriations for non-mandatory programs authorized by Congress or lawfully ordered by the President.

(And one more clause.)



Section 5. No Net Gain In Demand For Government Outlays

“The Congress shall not mandate programs, policies, and procedures requiring additional Federal outlays without concurrently identifying antiquated or unnecessary programs, policies, and procedures which are thenceforth terminated, thereby maintaining a steady state of Federal outlays.” (And four more clauses.)



Section 6. Caps On Mandatory Spending

(a) Social Security

(b) Medicare and Medicaid

(c) Other Mandatory Spending

(1) The Congressional Research Service shall produce... five viable options for stabilizing or lessening the aggregate level of Treasury payments for military pensions, veterans benefits, interest on the federal debt, and all other mandatory payments to people, businesses, and State and local governments.



Section 7. Sustaining Departments, Agencies, and Programs

(a) The following agencies are tasked with assessing, protecting, and maintaining the Nation's stocks of natural capital and will retain funding equivalent to or greater than their fiscal year 2023 budgets:

(9) Environmental Protection Agency

(13) Fish and Wildlife Service

(24) National Marine Fisheries Service

(And 30 others.)

Section 8. Caps On Discretionary Spending

(a)(1) No more than 10 per cent of the Federal Budget may be allocated to National defense [with exceptions].

(b)(1) No more than 0.7 per cent of the Federal Budget may be allocated to the Department of Commerce.

(c)(1) No more than 2 per cent of the Federal Budget may be allocated to the Department of Education.

(And some additional sub-clauses.)

Section 9. Sunsetting Departments, Agencies, And Programs

(a) The following agencies shall receive no funding after fiscal year 2028 and will cease to exist on October 1, 2028:

(2) Agricultural Marketing Service

(10) Commerce Department

(20) Economic Development Administration

(33) International Trade Administration

(52) Space Command

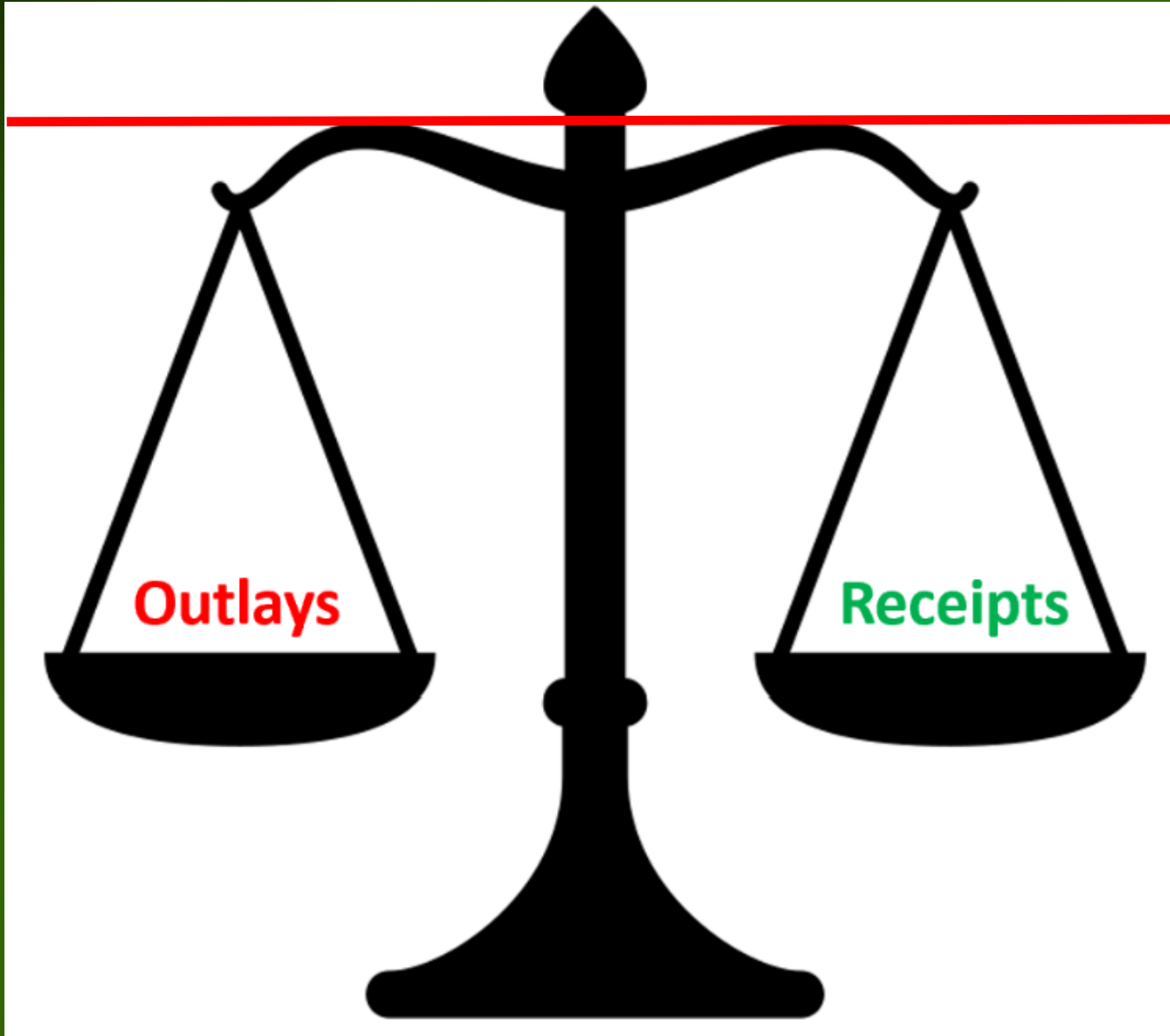
(55) Office of the U.S. Trade Representative

(And 51 others.)



Mission Half Accomplished

K





The Sustainable Taxes Act

OFFSETTING INEQUALITY; SECURING
STEADY-STATE PROSPERITY

Sustainable Tax Act

Major Components

- Graduated Income Tax (30 brackets, 0.5% to 70%)
- GILTI Corporate Income Tax amendments (lower top rate exemption; limit on foreign tax paid credit) & Renewed CIT graduation
- Payroll tax elimination
- Estate Tax (lower overall exemption; taxed at regular PIT rates, plus surcharge over \$10m)

Sustainable Tax Act

Minor Components

- Family Size tax credit limits
- Depletion Taxes (energy, timber, minerals, water)
- Financial Transactions Tax
- Sustainable Trust Fund (rebates of severance tax revenues)

Suits Indices: U.S. Taxes

Personal Income Tax: +0.42

Corporate Income Tax: +0.51

Payroll Taxes: -0.20

Estate Taxes: +0.63

Theoretical Flat Tax: 0

Total Federal: +0.18

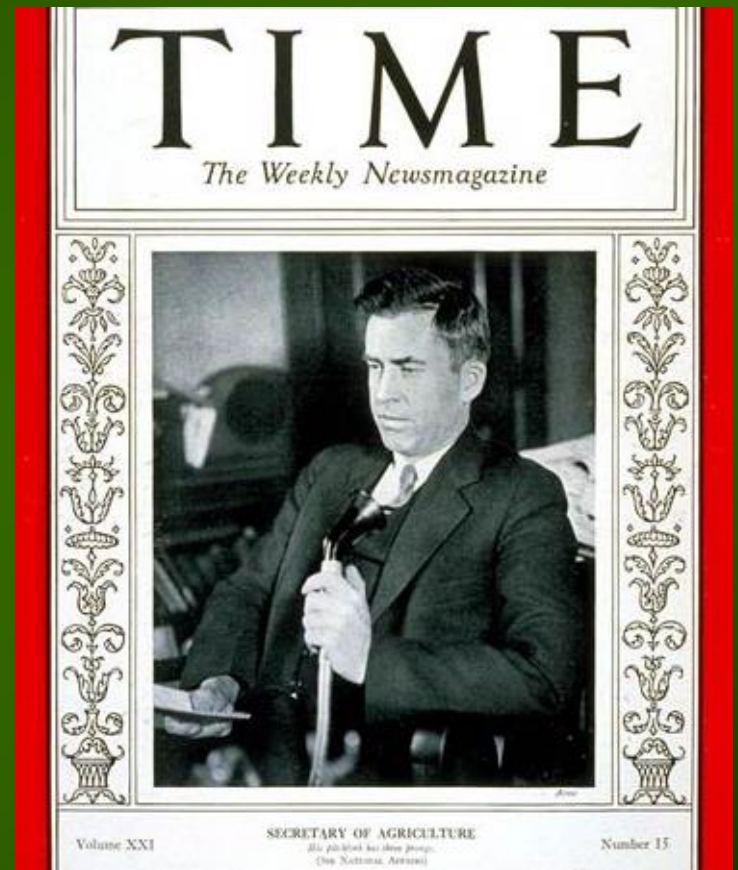
All U.S. Taxes (Federal, State, and Local): +0.06

Key Questions and Concepts

- Economic Growth and Modern Mythology
- Is Inequality a Problem, and, if it is, What Kind of a Problem Is It?
- Optimum Tax Policy: Do We Tax Income, Wealth, or Consumption?
- Living with Fallacy and Forgetfulness: What Does Progress Look Like & How Radical Must It Be?

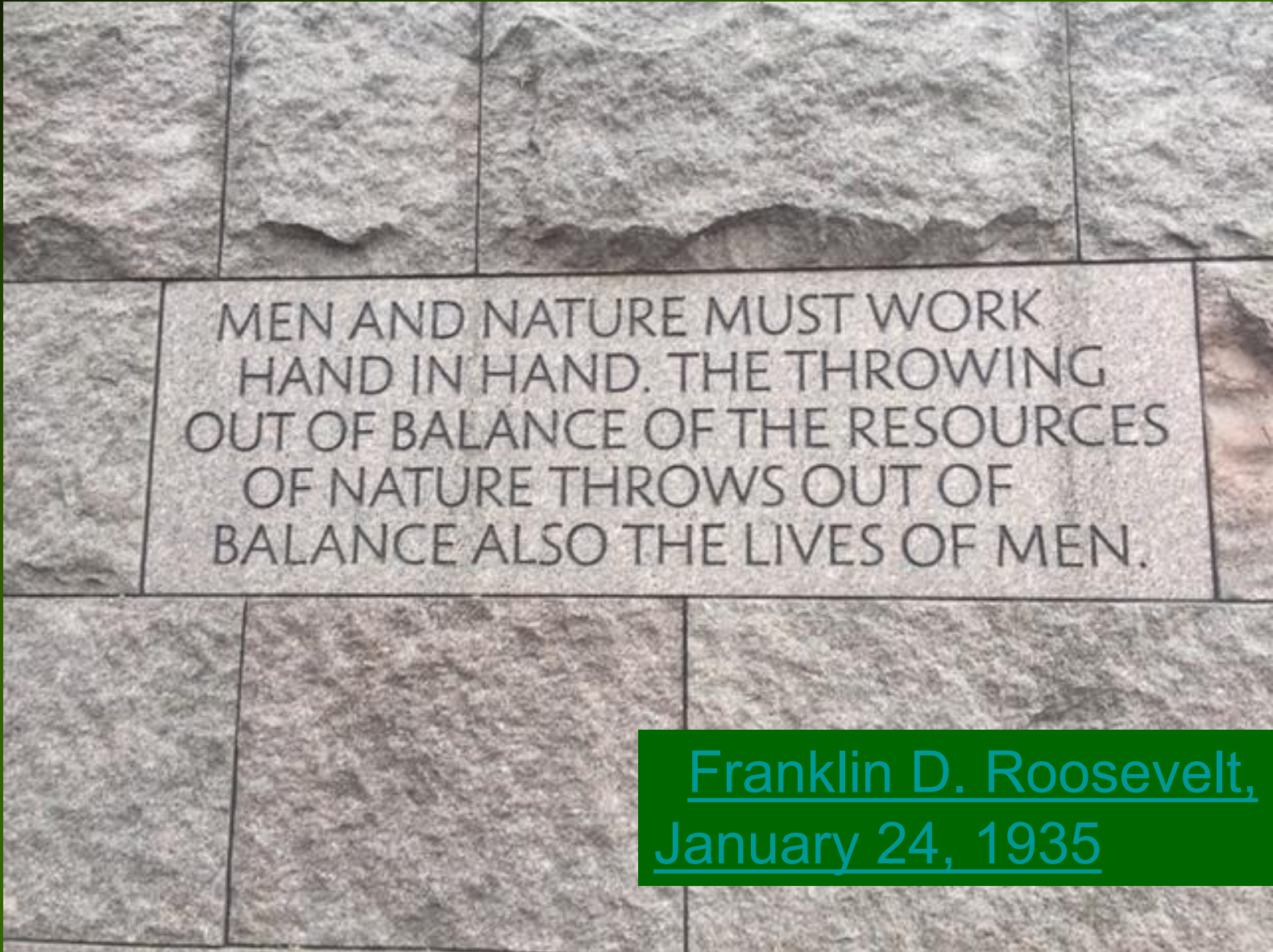
“For the great enemy of the truth is very often not the lie—deliberate, contrived, and dishonest—but the myth—persistent, persuasive, and unrealistic.”

—John F. Kennedy, June 11, 1962, at Yale University



On WW1 Ag. Policy:
“Tragedy of the Commons
overexpansion...”

“...a sacred duty to
maintain the stored
energy of the farm.”

A photograph of a stone wall with a central panel containing a quote. The wall is made of large, rectangular, light-colored stone blocks. The central panel is a darker shade of stone and contains the text of the quote. The quote is written in a simple, sans-serif font. The background of the entire image is a solid green color.

MEN AND NATURE MUST WORK
HAND IN HAND. THE THROWING
OUT OF BALANCE OF THE RESOURCES
OF NATURE THROWS OUT OF
BALANCE ALSO THE LIVES OF MEN.

Franklin D. Roosevelt,
January 24, 1935

“Your imagination, your initiative, and your indignation will determine whether we build a society where progress is the servant of our needs, or a society where old values and new visions are buried under unbridled growth. For in your time we have the opportunity to move not only toward the rich society and the powerful society, but upward to the Great Society.”

—Lyndon Johnson, Ann Arbor, MI, [May 22, 1964](#)

Growth Theory & Its Caveats

Simon Kuznets

“The welfare of a nation can...scarcely be inferred from a measurement of national income.”

Robert Solow

“I think I paid too little attention to the problems of effective demand.”

“Okun’s Law...provides an estimate of the current gap between actual and potential GDP.”

Heather Boushey

“If children born in 1980 had...faced the same levels of inequality as children in 1940 (even with lower growth), this would have closed two-thirds of the mobility gap.”

“We need to go from
thinking add *or* subtract,
to thinking add *and*
subtract”

— Leidy Klotz, ***Subtract: The
Untapped Science of Less,***
2021

The Price of Inequality

- Employment/GDP Ratio
- The Consumption Function: Fallacies & Implications
- Papering Over & Ponzi Schemes (*and Growth for Its Own Sake*) v. Sustainable Prosperity
- *Global Catch 22*: Consumption & Birth Rate/Mortality Response

Tax Policy: Emollient or Fundamental Factor?

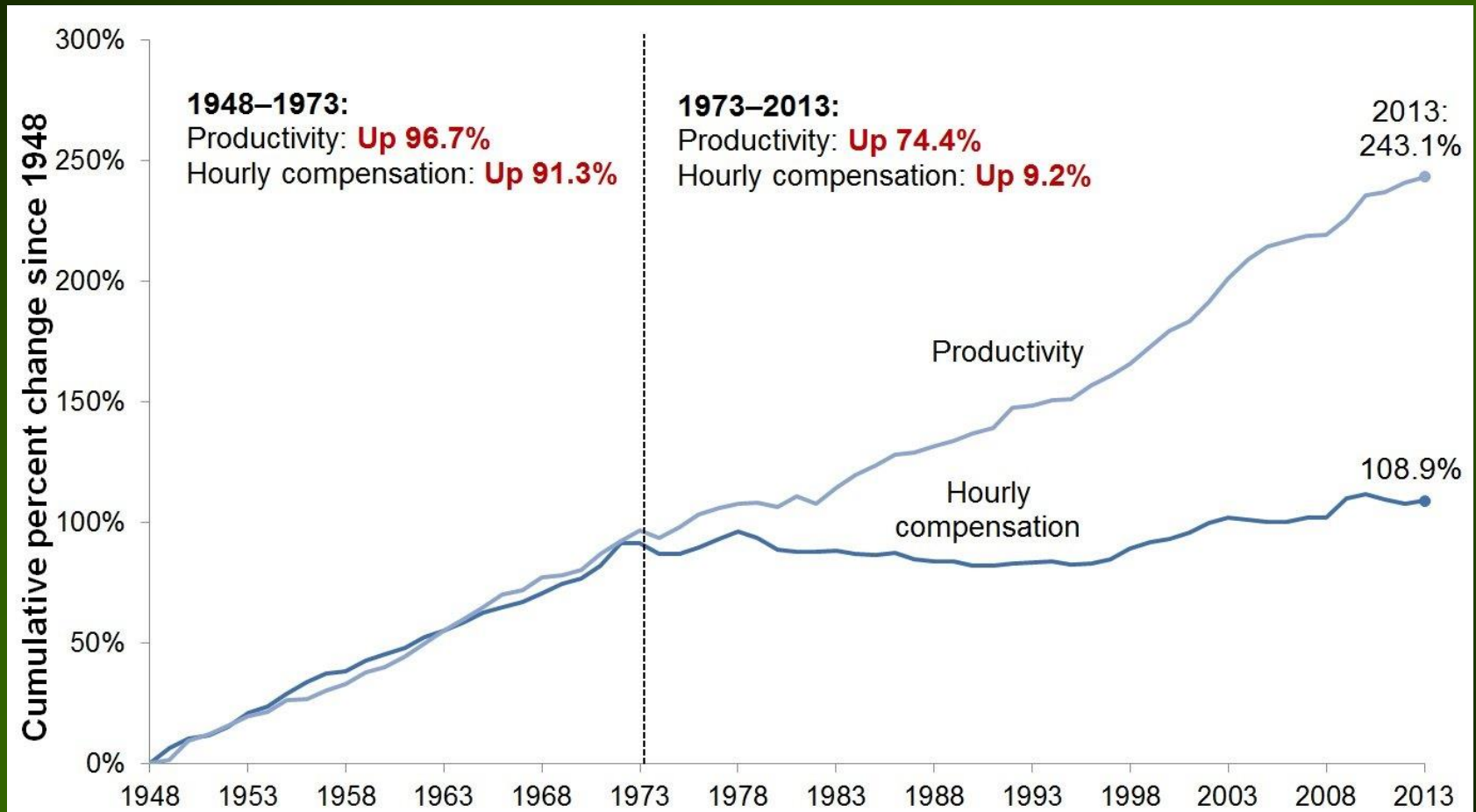
- To Finance Programs, To Redistribute, or Both?
- Lessening Poverty, Creating Less of It, or Both?
- How to Choose the Right Vehicle: What Comes First and What Comes Last

John Maynard Keynes, “Economic Possibilities for Our Grandchildren,” 1930

“The pace at which we reach our destination of economic bliss will be governed by four things—our power to control population, our determination to avoid wars and civil dissensions, our willingness to entrust to science the direction of those matters which are properly the concern of science, and the rate of accumulation as fixed between our production and our consumption; of which the last will easily look after itself, given the first three.”

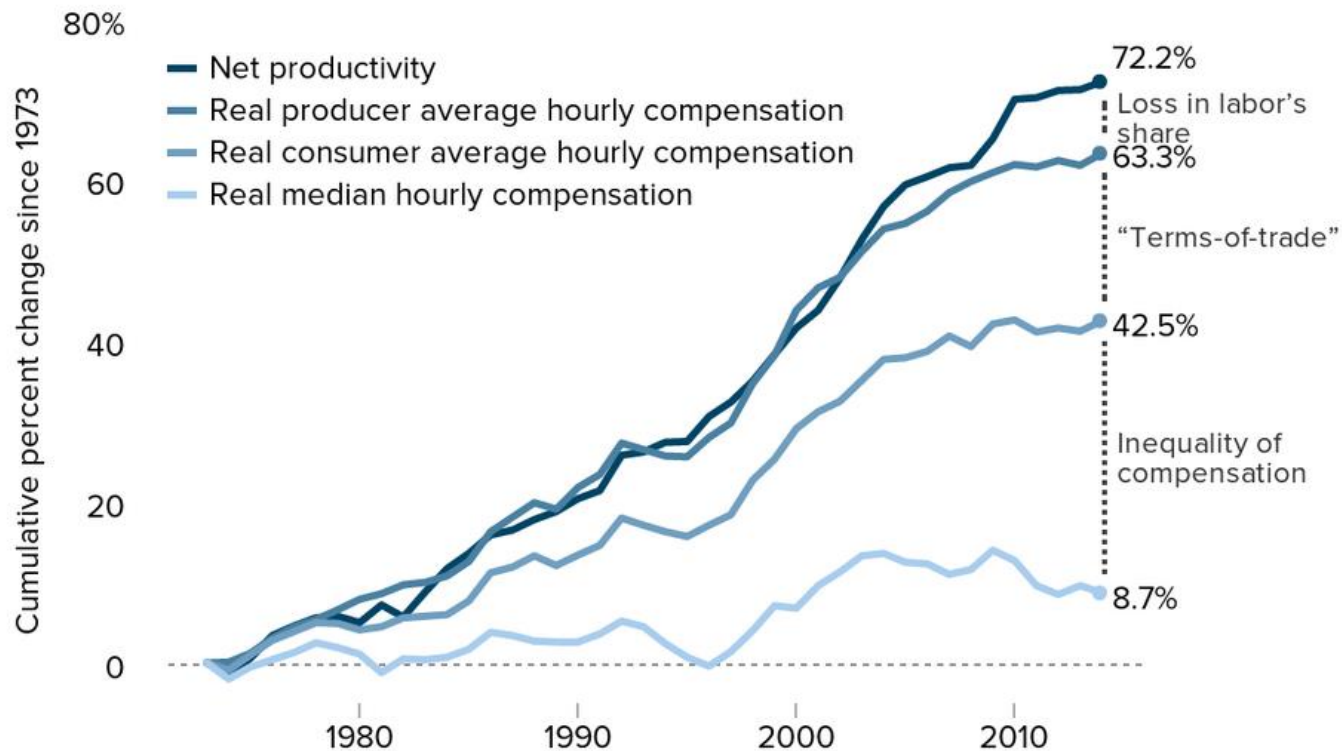
Productivity and Wages, 1948-2013

(Hourly Compensation = Compensation of production, non-supervisory workers in private economy)



Source: EPI analysis of Bureau of Labor Statistics & Bureau of Economic Analysis data

Growth of productivity, real average compensation (consumer and producer), and real median compensation, 1973–2014

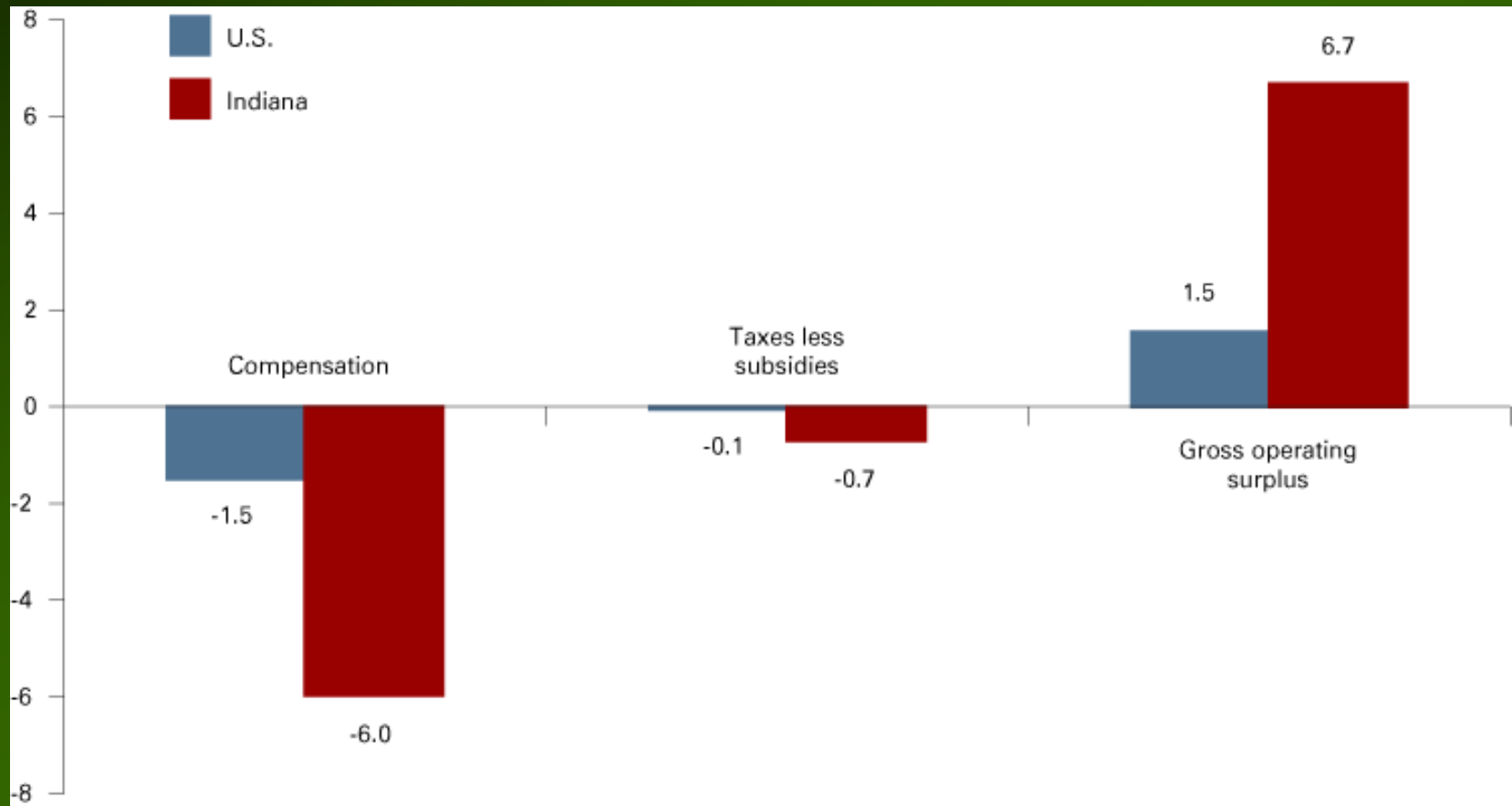


Note: Data are for all workers. Net productivity is the growth of output of goods and services minus depreciation, per hour worked.

Source: EPI analysis of data from the BEA, BLS, and CPS ORG (see technical appendix for more detailed information)

Changes in Share of GDP, 1998-2014

(Source: U.S. Bureau of Economic Analysis)



The background of the slide features a desk setup. On the left, there are documents with text like "MAY WE INQUIRE", "SALAR", and "UR PRESENT". In the center, a US dollar bill is partially visible, showing the "UNITED STATES" seal. On the right, a pair of glasses and a calculator are visible. The calculator has a small screen and buttons, including one labeled "OFF".

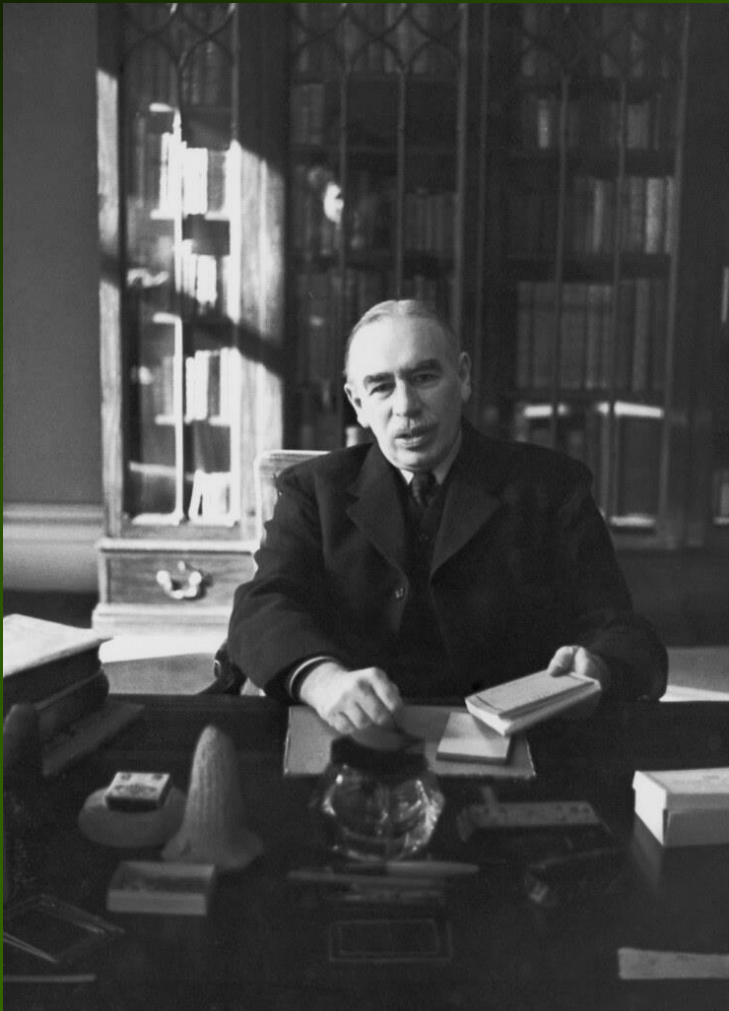
Reduction of Inequality = Increased Socialization of Key Activities/Industries

Potential Pitfalls:

- Persistence of “run government like a business” mythology
- Persistence of managerial-level “competition for scarce talent” compensation practices

Necessary Policy/Regulation:

- Marginal additions to leisure must also accompany redistribution
- When public pricing happens, govts. must discriminate between differing levels of consumption



Redistributive
Taxation, Keynes's
General Theory,
Work and Leisure &
The Fertility
Transition

Average Hours Worker, Per Person Employed, 2017

China, 2025: $\approx 2,300$

India, 2025: $\approx 2,200$

United States: $\approx 1,742$

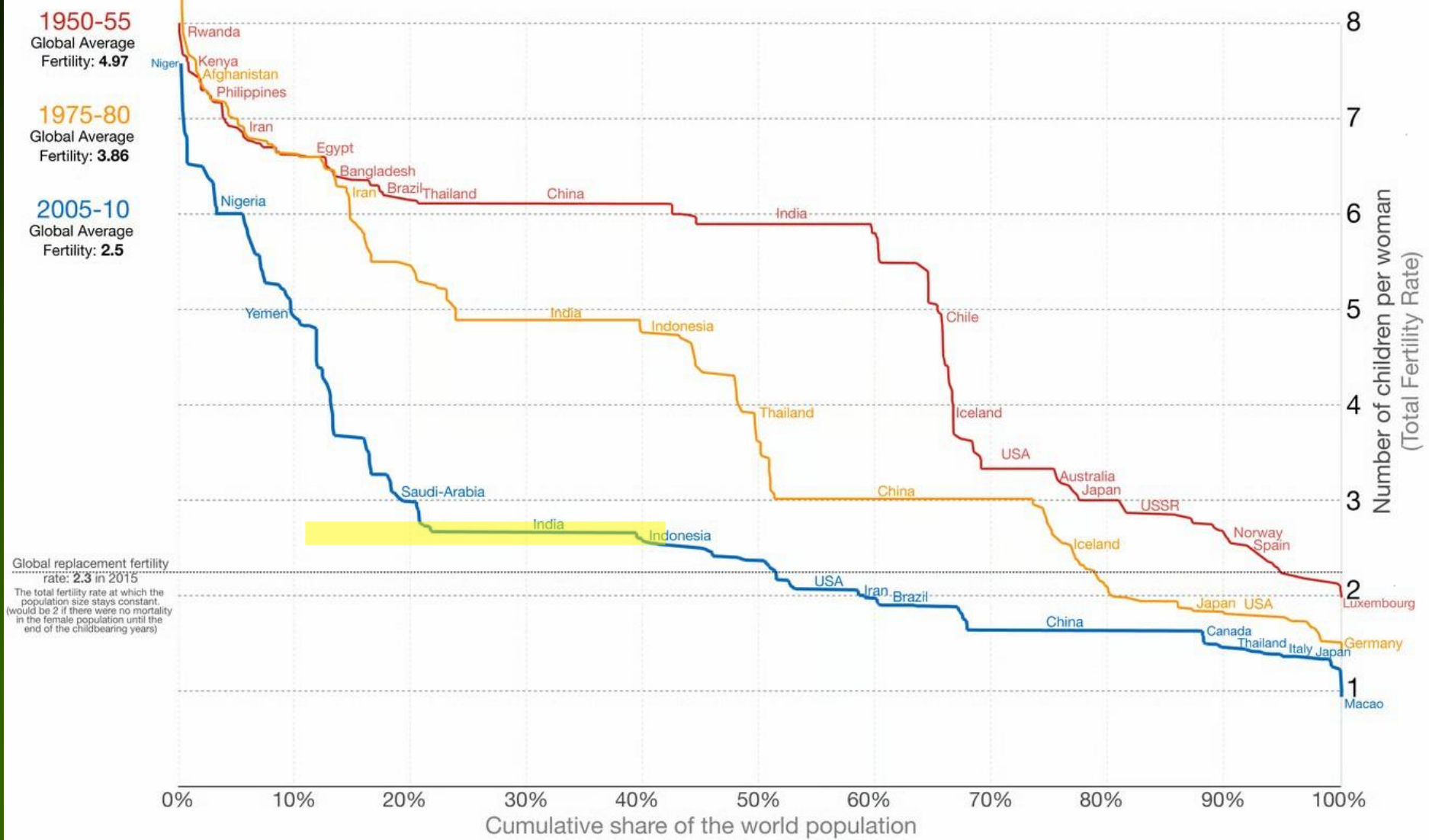
Sweden: $\approx 1,626$

Germany: $\approx 1,355$

Vanuatu, 2025: $\approx 1,280$

World population by level of fertility over time (1950-2010)

On the x-axis you find the cumulative share of the world population. The countries are ordered along the x-axis descending by the total fertility rate of the country.



Data source: United Nations Population Division (2012 revision).

The interactive data visualization is available at OurWorldinData.org. There you find the raw data and more visualizations on this topic.

Licensed under CC-BY-SA by the author Max Roser.

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Taxes, Steady-State Style

Follow Our Progress: Engage Us in Progress

- Subscribe to the *Steady State Herald*
- Study feeder bills; comment
- Monitor draft table of contents with bills linked to sections

<https://steadystate.org/steady-state-economy-act-draft-table-of-contents/>

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