

Government Needs No Money to Curtail Pollution

People often complain that government isn't spending enough money fighting pollution. Even many economists repeat this complaint. That's very odd, because standard market failure theory tells us that governments don't *need* any money to fight pollution.

Why not? Simple: In standard market failure theory, governments are supposed to *tax pollution*! Such taxes simultaneously reduce pollution *and* collect revenue. As a result, fighting pollution is one of any efficiently-managed government's top profit centers.

If you object, "Virtually no government pays attention to standard market failure theory," I couldn't agree more. But I still don't understand why activists keep asking for taxpayer money instead of loudly advocating the negative-cost remedy that appears in every intro econ textbook.