

Beyond Gunsmoke And Mirrors

A free market-based approach to gun control

By Edward J. Nell and Ibrahima Drame

THE HENRY GEORGES SCHOOL OF SOCIAL SCIENCE

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“Social reform is not to be secured by noise and shouting ... but by the awakening of thought and the progress of ideas.”

- Henry George
New York, 1883

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Introduction

Whenever a mass shooting in the United States hits the headlines, a tragic irony reappears; Americans on all sides of the gun control debate agree that the country remains plagued by too much gun violence, but agreement on solutions seems as far off as ever.

A mutually reinforcing combination of ideology and mistrust seems largely responsible. Supporters of the major gun control proposals view opponents of such measures as narrow-minded libertarians or callous extremists indifferent to common sense collective interests – especially public safety concerns. Hard-line guns rights backers fear that even many non-confiscatory measures will start public policy down a slippery slope ending in the complete nullification of rights they consider enshrined in the Constitution’s Second Amendment.

As the above description should make clear, this gap is unlikely to be bridged anytime soon. Yet a widely accepted American value can be invoked to develop an effective national anti-gun violence strategy, and a proposal championed by the pioneering 19th century American political economist Henry George can turn this belief into specific, broadly supported policies.

The value is “user pays” and its clearest expression in the Georgist canon is implicit in his best-known proposal for reducing excessive inequality in the United States and promoting more broadly shared prosperity by making its economy more productive – the Land Value Tax. The philosophical justification for this measure was George’s belief that no one should profit from what belongs to the community without paying rent to the community for its use¹. Together, they point the way to ways of reducing gun violence significantly by greatly shrinking America’s total gun supply through powerful disincentives to excessive gun ownership. Even more promising: These disincentives themselves are based on commonly used and uncontroversial measures used to regulate numerous other

products with hazardous potential – products and services that affect Americans’ well-being in highly unequal ways.

I. User Pays – An American Tradition

“User pays” practices have been used by governments in the United States at all levels practically since the founding of the Republic.

Early experiments date back to 1792, with the construction of the first turnpike later known as the Philadelphia and Lancaster Turnpike. Though at the beginning it was limited to toll roads, the idea quickly expanded to many other public services.²

User pays is a pricing approach based on the notion that resources are most efficiently allocated when consumers – i.e., users or beneficiaries – pay the full cost of the goods that they consume or the services they enjoy.

Fairness is therefore a key aspect of user pays, for it minimizes what might be seen as an unjustified subsidization of consumers by others who do not enjoy the service or purchase the commodity in question. The user pays principle has the advantage of providing a direct way to link private benefits and demand to public costs incurred. The fees are similar to private market prices and are based on an individual’s consumption of the goods or services in question.

Nowadays, user fees are required for many government services and facilities. At the federal level, for example, there is a fee to drive into the country’s national parks³. Also, certain services offered by the Library of Congress in Washington, D.C. require the public to pay a fee⁴. In all of these cases, the fees collected are used to maintain and improve the services offered.

Similarly, so called excise duties on tobacco and alcohol,

1. Rybeck, W., (1981) The Property Tax a Super User Charge, *Proceedings of the Academy of Political Science, Vol. 35, No. 1, The Property Tax and Local Finance* (1983), pp. 133-147.
2. Bird, R. M., (2003) User Charges in Local Government Finances. Retrieved from: <http://www1.worldbank.org/publicsector/decentralization/June2003Seminar/Bird2.pdf>
3. <https://parkplanning.nps.gov/document.cfm?documentID=83652>
4. <https://www.loc.gov/duplicationservices/products-pricing/>

also known as sin taxes, are imposed to price an externality or discourage the consumption of products that imposes costs on others. These taxes help recoup some of the cost of this externality, as the revenue collected can and is actually used to improve health services – which of course need to be put into use to treat the maladies caused by these unquestionably addictive and physically harmful goods. For example, the state of Kentucky helps fund cancer research with cigarette taxes. Indiana increased its cigarette tax in 2007 to fund the Indiana Check-Up Plan, which provides improved access to health insurance to Hoosiers.⁵

Another example of implementing user pays is the Federal Aid in Wildlife Restoration Act of 1937, popularly known as the Pittman–Robertson Act. The Wildlife Restoration Fund established under this act is funded by an 11% federal excise tax on sporting arms, ammunition, and archery equipment, and a 10% tax on handguns⁶. The revenue collected are exclusively dedicated to restoring wildlife. These examples suggest that user fees are part and parcel of our regulatory and fiscal arsenal. They are premised on the idea that the primary beneficiaries of an activity must pay for it and that it would be unfair to allow them to shift those costs on to non-benefiting third parties.

II. The Unequal Burden of Gun Violence

No one can reasonably doubt that gun violence imposes important costs on the nation as a whole – for law enforcement, for the regulatory apparatus that does exist, for security services, for emergency rooms and other forms of medical care. Specific estimates vary widely, and the problem needs further study, but the case is compelling that these costs have reached levels of significance

for the entire national economy. According to a recent study by the Gifford Law Center, these costs exceeded \$1.4 billion in California, last year alone⁷. The total cost nationwide was estimated by group of medical doctors from the Massachusetts General Hospital and Harvard Medical School at \$174 billion per year⁸.

But what's rarely recognized is, on the one hand, how many of these costs fall on the victims of gun violence, and on citizens and taxpayers who don't own guns; and on the other hand, how few are paid by gun owners themselves.

For survivors and their families, moreover, these costs can matter greatly for their well-being and future prospects. Even after the immediate hospital costs, there are lifetime medical care expenses including but not limited to recurring hospital visits and nursing care. There are also financial losses resulting from diminished productivity and wages. Estimates by Phaedra S. Corso from the University of Georgia, College of Public Health and James A. Mercy of the National Center for Injury Prevention and Control, suggest that productivity losses – that is the sum of wages lost – due to short or long-term disability in the recovery phase total an average of \$28,478 for each survivor of an assault by firearm⁹.

Society unquestionably recognizes these costs – which is why in various instances, it tries to pay compensation. Every state, for example, has established a compensation fund for crime victims and families. And all are partly funded by the Federal Government. In 2018, more than \$3.4 billion in federal grants was awarded to thousands of local victim assistance programs across the country and to help compensate victims in every state for crime-related losses.

Yet the actual payment levels can vary considerably by

5. See <https://www.bgdlegal.com/blog/the-roles-played-in-tobacco-taxation>. Similar measures can be found in other countries as well. For an international comparison, see https://publications.iarc.fr/_publications/media/download/4028/7fa59ae33d3040521ea97557a0a3d978d7fad-c7a.pdf
6. Crafton, R.E. (2019), Pittman-Robertson Wildlife Restoration Act: Understanding Apportionments for States and Territories. Retrieved from <https://fas.org/sgp/crs/misc/R45667.pdf>
7. <https://lawcenter.giffords.org/wp-content/uploads/2018/03/Economic-Cost-of-Gun-Violence-in-California.pdf>
8. Lee, J. et al. (2014), *The Economic Cost of firearm-related injuries in the United States from 2006 to 2010*. Retrieved from http://www.verityresearch.org/wp-content/uploads/2019/01/Lee2014_Societal-Costs.pdf
9. Corso, P. S. et al., (2007). Medical costs and productivity losses due to interpersonal and self-directed violence in the United States. *American Journal of Preventive Medicine*. 2007 Jun; 32(6): 474-482

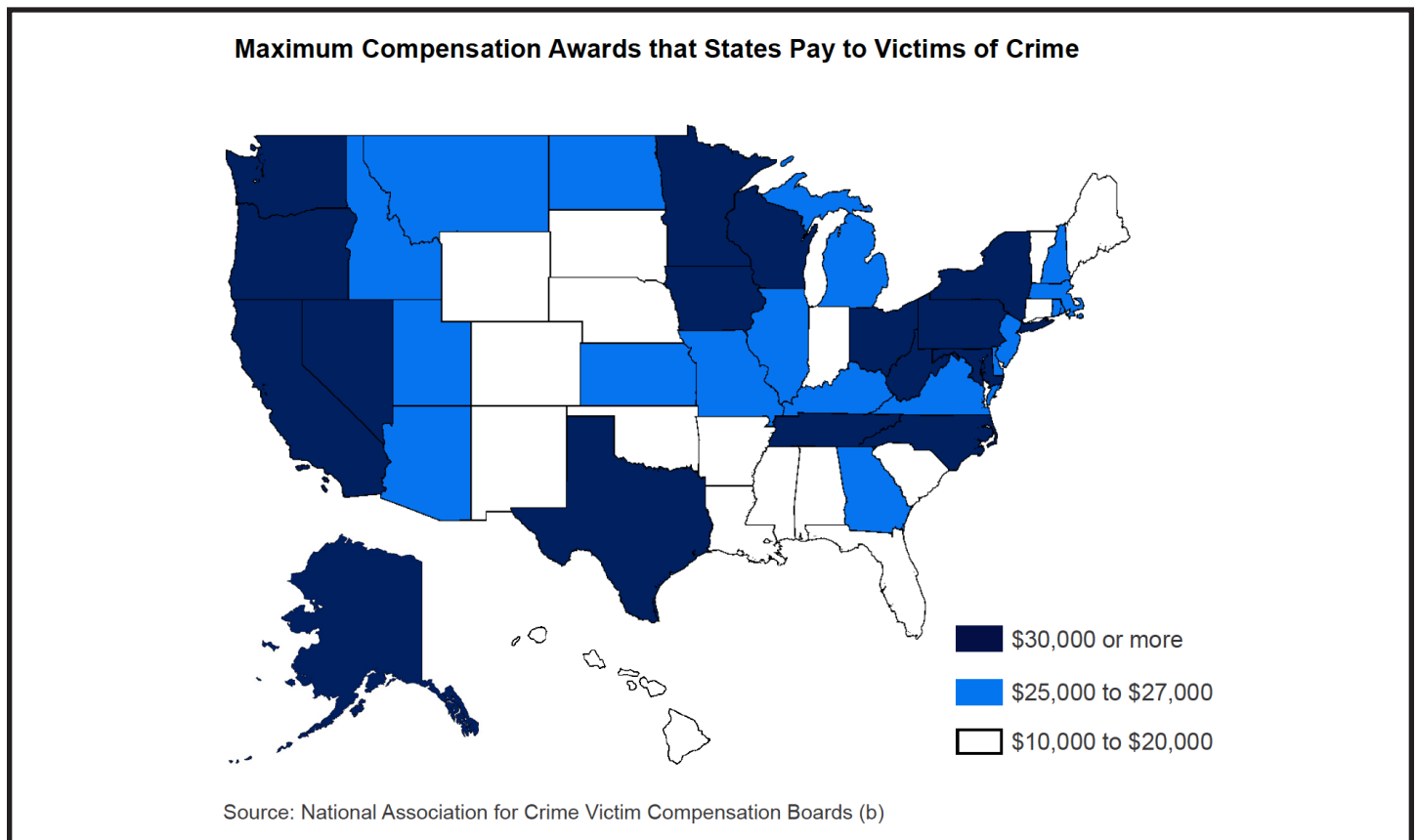
state. For example, according to Douglas Evans, researcher at the John Jay College of Criminal Justice. California has set the highest listed maximum compensation amount (\$63,000), although two states (Iowa and New York) do not have statutory limits on the amount of compensation that victims and survivors can receive. The average maximum across all states is approximately \$26,000¹⁰.

Much evidence, however, indicate that these compensation schemes can be sorely inadequate. Not only is the process for completing payment lengthy and toilsome, the amounts payable to an eligible victim fall short of full compensation, and only provide basic financial assistance to reimburse or offset direct financial losses and expenses that have not been recouped from other sources, such as Medicare, private insurance or litigation¹¹. Moreover,

victims with a criminal record or their relatives are legally barred from applying to the Fund.

The resulting inequities should be obvious to all Americans – including those deeply involved in the gun policy debate. And even worse, these victims bear no responsibility whatever for these costs. Nor do non-gun owners, who nevertheless shoulder most of the load for efforts to prevent and to address the consequences of gun violence.

By contrast, except in their role as taxpayers, gun owners pay no costs – which clashes with fundamental notions of fairness as well. Also crucial to recognize is that gun owners are left off the hook even when their own guns and behavior have nothing to do with gun violence episodes (in any of their forms – ranging from suicide to mass shoot-



10. See Evans, D. N. (2014), *Compensating Victims of Crime*. Available at: http://www.njjn.org/uploads/digital-library/jf_johnjay3.pdf
 11. Van Brocklin, E. (2018), *States Set Aside Millions of Dollars for Crime Victims. But Some Gun Violence Survivors don't get the funds they desperately need*. Retrieved from: <https://www.thetrace.org/2018/02/gun-violence-victims-of-crime-compensation/>

ings to gang-related slayings). For as difficult this contention has been for many gun-owners to accept, abundant research by David Hemenway and his colleagues from the Harvard Injury Control Research Center¹² shows that the very supply and easy availability of firearms per se is a significant contributor to gun violence of all types.

III. More Guns Equal More Gun Violence

Available statistics show a strong positive correlation between the number of guns in private hands in a community and the frequency of gun violence in it¹³. This is true of states, counties and communities in the USA, and it is also largely true internationally (although Switzerland has a huge number of guns – strictly controlled – and almost no gun violence)¹⁴.

First, let's briefly compare rates of gun violence in different major high-income economies. In the United States, every 100 residents own 101.5 guns, and the rate of gun deaths per 100,000 residents is 11.1. The rates for Germany? Thirty-two guns 100 people, and 1.01 gun deaths per 100,000 people¹⁵. Germany's statistics are nearly the same as the United Kingdom's on both counts. And in Canada, which closely resembles the United States culturally, gun ownership is 25.33 per 100 people, and gun deaths run 2.05 per 100,000 people¹⁶.

In fact, no other high-income country in the Organization for Economic Cooperation and development (an international grouping of the world's wealthiest countries) has reached levels of gun violence comparable to the United States¹⁷.

Moreover, the United Kingdom has banned handguns completely for some 20 years – and almost no handgun deaths have been recorded in that time. When guns were abundant in Australia, and gun-related deaths were common, an extensive gun buyback program was instituted. Both gun numbers and gun violence were cut in half.¹⁸

The relationship between gun ownership and gun violence is reinforced by America's own experience, too. Alaska and Alabama top the list of states with the highest gun related deaths¹⁹; they are also among the states with the highest level of gun ownership with per household.

Given the relationship between gun ownership and gun violence rates, and the evidence from Australia's buyback program, reducing the number of firearms in private hands seems like an obvious way to cut gun violence rates significantly. However, much of the general public remains adamantly opposed not only to confiscation, but to supposedly more moderate policies like buybacks and regulatory or legal reform aimed at restricting access to guns by members of allegedly trouble-prone groups. Their reticence seems to reflect a concern that such measures would create a slippery slope ending in confiscation and the de facto nullification of the second amendment.

IV. How User Pay Policies Can Foster Effective Gun Control

User pays policies aim to reduce the national gun supply by shifting the costs of gun ownership-fueled gun violence onto the owners themselves and reducing the appeal of buying and keeping firearms. And they can take several different forms.

12. See literature review – Harvard Injury Control Research Center. Retrieved from: <https://www.hsph.harvard.edu/hicrc/firearms-research/guns-and-death/>
13. Miller, M. et al. (2018), *Firearms and Violent Death in the United States in Reducing Gun Violence in America – Informing Policy with Evidence and Analysis*, Webster, D. W. and Vernick, J.S. eds, p.14. Retrieved from: https://jhupress.files.wordpress.com/2013/01/142141113_updf.pdf
14. See charts in VOX, Oct 2, 2017: “Gun violence in US Explained in 17 Charts”. Retrieved from: <https://www.vox.com/policy-and-politics/2017/10/2/16399418/us-gun-violence-statistics-maps-charts>
15. Murphy, S. L. et al., Deaths: Final Data for 2015, *National Vital Statistics Reports, Vol. 66, No.6, November 2017*.
16. Source: Gunpolicy.org. Retrieved from: <https://www.gunpolicy.org>.
17. Grinshteyn, E. and Hemenway, D. (2016) Violent Death Rates: The US Compared with Other High-income OECD Countries. *American Journal of Medicine, March 2016, volume 129, Issue 3, Pages 266–273*.
18. *The Australian Gun Buy Back, Harvard Injury Control Research Center, Bulletins - Spring 2011, Issue 4*. Retrieved from: https://cdn1.sph.harvard.edu/wp-content/uploads/sites/1264/2012/10/bulletins_australia_spring_2011.pdf
19. See CBS, Death by Guns. Retrieved from: <https://www.cbsnews.com/pictures/death-by-gun-top-20-states-with-highest-rates/20/>

For example, government could take the lead with licensing and registration fees. The rates should be based on financing the fullest array of anticipated annual gun violence costs. As mentioned above, these include the costs of policing, of treating victims and compensating families, and possibly of paying for publicly administered gun safety programs. If, as one estimate puts it, these costs have now reached \$174 billion per year²⁰ and there are at least 393 million guns in private hands²¹, the average fee for licensing or registering each gun per year would come to about \$456.

Another possible licensing and registration strategy: greatly increase the per gun fee for owners of large collections of guns. This proposal could be justified in part by the unusual dangers that seem to be posed by such collections, and by the huge numbers of guns that they seem to contain. In fact, only three percent of the nation's gun owners are estimated to hold half the total number of these weapons²². And too often, inadequate supervision of these collections has resulted in firearms use by relatives, friends, and others in owners' circles whose activities simply can't be monitored effectively by law enforcement, and who often never receive the level of official scrutiny to which the owners themselves are subjected.

Alternatively, most of the shifted costs and risks could remain in the private sector by requiring gun owners to carry insurance. Market forces would lead insurance companies to set premiums high enough to discourage gun ownership by persons judged to be especially risky bets (in terms of their propensity to use firearms irresponsibly, and generate the costs currently paid by victims and society at large). Similarly, demonstrated safe storage practices (e.g., trigger and cabinet locks), and permitted firearms usage practices and patterns could qualify responsible gun owners for significant discounts – and encourage other gun owners to act follow suit.

V. The Political Appeal of the User Pays Approach

In addition to its impressive potential for reducing the national gun supply, the user pays approach boasts two critical political advantages over the gun control schemes that currently dominate the debate that could break the ideological deadlock blocking anti-gun violence progress. First, its focus on fairness should appeal strongly to both backers of currently proposed gun control schemes and their opponents. Second, the non-punitive nature of carrots and sticks policy regimes should assuage the staunchest gun rights backers' fears that any gun control measures will eventually and inevitably weaken the Second Amendment fatally.

After all, the user pays approach does not try to ban guns, or take any guns away from anyone, or ban ammunition, or force owners to modify their guns, or store them in special ways. It depends on no background checks, no prohibitions on ownership by the mentally ill or other individuals deemed by the state as high risk individuals, no dealer regulations, no assault weapons bans, and on none of the other measures that have proved so fatally contentious so far.

In addition, the user pays approach suffers none of the weaknesses of the various technological fixes proposed to reduce gun violence – e.g., making firearms safer or manufacturing them to prevent unauthorized use. These measures would simply apply bandages on mortal wounds, especially since applying them retroactively to the immense existing stocks of weapons would prove so difficult.

Instead, user pays simply requires that gun ownership pays its way – that is, that it covers the expenses to society as a whole caused by the presence of guns in private hands and statistically significant resulting high levels of gun violence. Therefore, no constitutional right needs to be surrendered outright, none needs to be compromised, and no

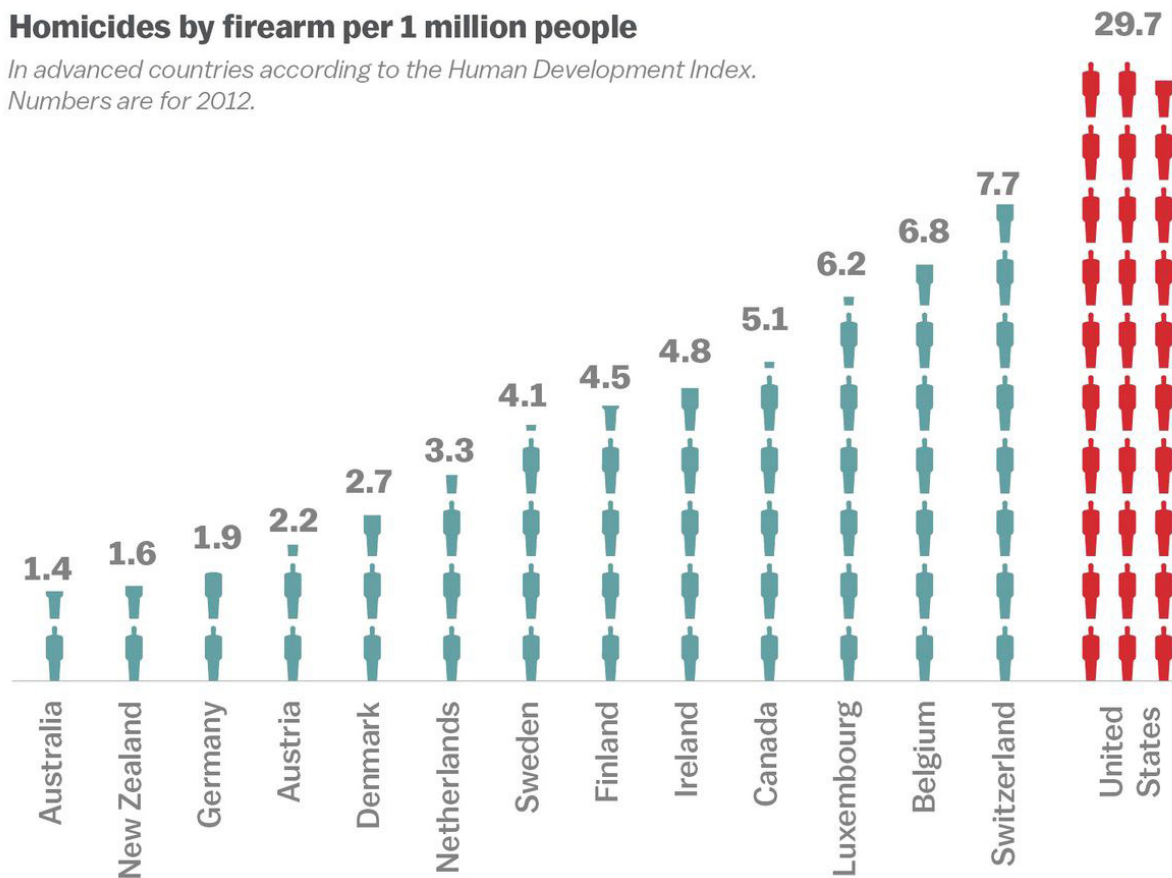
20. Lee, J. (2017), *The Economic Cost of firearm-related injuries in the United States from 2006 to 2010*. Retrieved from http://www.verityresearch.org/wp-content/uploads/2019/01/Lee2014_Societal-Costs.pdf

21. Karp, A. (2018) *Estimating the Global Civilian held Firearms Numbers*. Retrieved from: <http://www.smallarmssurvey.org/fileadmin/docs/T-Briefing-Papers/SAS-BP-Civilian-Firearms-Numbers.pdf>

22. Beckett, L., (2017), *The Gun Numbers: Just 3% if Americans own 133million Firearms*. Retrieved from: <https://www.theguardian.com/us-news/2017/nov/15/the-gun-numbers-just-3-of-american-adults-own-a-collective-133m-firearms>

Homicides by firearm per 1 million people

In advanced countries according to the Human Development Index.
Numbers are for 2012.



SOURCE: UNODC, Small Arms Survey, via The Guardian.

Vox

“slippery slope” precedents allegedly creating such threats are set. The user pays approach would simply ensure that neither taxpayers nor gun violence victims subsidize the exercise of these Second Amendment rights.

Moreover, American courts have constantly upheld the imposition of reasonable, nonobstructive fees or taxes on constitutionally protected rights such as obtaining permission to operate a broadcasting service. They have even done so with purchasing a gun²³. All that’s accomplished by applying the user pays principle to gun policy is taking the extra step needed to ensure that the fees are on par with the economic and social costs of gun ownership. These policies would reconcile gun owners’ right to bear arms

with the equally important right of non-gun owning taxpayers to keep the wealth and income they currently pay for the costs of gun violence for which they are completely blameless.

VI. Conclusion

User pays approaches are highly unlikely to eliminate all forms of gun violence in America, or even the most troubling forms (however these are defined). For gun violence simply entails too many types of dramatically different behaviors stemming from too many causes to justify hopes in cure-alls.

23. See, Beekman, D. (2017) The Washington state Supreme Court ruled 8-1 to uphold Seattle’s gun tax. Retrieved from: <https://www.seattletimes.com/seattle-news/politics/washington-state-supreme-court-to-issue-decision-on-seattles-gun-tax/>

But the strong empirical evidence that gun availability per se supports unacceptable levels of gun violence argues compellingly for user pays policies that reduce America's bloated gun supplies. Indeed, a combination of user pays-style sticks and carrots, combined with the requirement that funds from licenses and other fees (including insurance) be sufficient to offset the costs imposed on society, could reduce gun violence to an acceptable minimum. Moreover, it would accomplish these aims while avoiding the ideological stigma often attached to command and control regulations.

And user pays' grounding in American tradition and practice – along with a non-punitive approach that avoids the ideological stigma often attached to command and control regulations – should appeal to all but the most extreme fringes of the gun policy debate. The result could be a new bipartisan consensus broad and deep enough finally to spur meaningful gun control success even in a bitterly divided Washington.

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