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A flawed but historically robust emergency response to the Covid-19 pandemic by Congress and our nation's central bank helped America avoid the second Great Depression that so many prominent economists feared. Still, few progressives are declaring mission accomplished: The Biden administration and Democratic legislators are mired in political trench warfare over how to pay for desperately needed infrastructure and a climate change package.

President Biden has so far ruled out any measure that would increase deficit levels. And Republicans are arguing against any new taxes on the affluent or businesses. Because many states and cities now report surpluses rather than the yawning deficits that were predicted last year, most conservatives say Congress should use as-yet unspent local aid dollars from spring's American Rescue Plan to pay for the infrastructure, rather than issue new spending.

The standoff is a microcosm of a much larger dilemma that we'll be stuck with for years: For America to tackle climate change, it most likely needs not only to expand federal efforts but also to build up state and local governments' capacities to make their cities more eco-friendly and build things like new flood walls or drainage systems. Yet for such efforts to be politically viable, policymakers probably have to avoid burdening people with unpopular middle-class tax hikes. (This knowledge has led President Biden to pledge, first as a candidate and now as president, that he will never increase taxes on families earning under \$400,000 annually.)

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The New York Times

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July 16, 2021

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