

Environmental Preservation: A Matter of Property

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The study of the laws of economics has been greatly aided by the development of the idea of the evenly rotating economy (ERE) as an artificial construct wherein the world is held constant in a changeless and endless round of the same repetitive, mindless activities and transactions.



As Ludwig von Mises described it, "...in the evenly rotating economy there is no choosing and the future is not uncertain as it does not differ from the present known state. Such a rigid system is not peopled with living men making choices and liable to error; it is a world of soulless unthinking automatons; it is not a human society, it is an ant hill."^[1]

Environmentalists, it seems, have their own version of the ERE. The major difference is that environmentalists hold the evenly rotating *environmental* economy (EREE) to be real, and not as an artificial construct to look at exact conditions. Under the EREE, by holding the environment and all the processes it goes through as unchanging, the environmentalist can then readily blame the entirety of environmental changes on "greedy" human action. This is perhaps the single greatest fallacy of the environmentalist movement.^[2]

The EREE, then, like the ERE, is a convenience, though, without which we cannot apply economics to understand the real world in which we find ourselves. Unlike the EREE or the ERE, the real world is one of flux, of change, where entrepreneurial activity flourishes, interest rates rise and fall, and people come to value different goods differently at various times, the winds blow from different directions on some days, floods occur periodically, all of which show that while the environment may exhibit some broad general patterns, these patterns are not continual. We do not see rain hit the same places in the same amounts on the exact same time on the exact same days every year just as we do not see the same movements in interest rates every year.

The social sciences cannot function as a laboratory science, and this is where the ERE needs careful handling. Human nature cannot allow for all things to be held equal. Obviously, then, the environment is limited by similar constraints; it too is a dynamic place. All weather save wind cannot be held equal to see the effect it may have on the Earth; the environment is a complex, ever-changing matrix, much like that of the market economy, which, like the environment may be said to exhibit general broad patterns at times, but without a endless continuation of the same activities.

When human action is curtailed by government regulation, then economic activity goes "underground." This is another way of saying that a free market has been established in defiance of a regulated market backed by threats of government involvement. If the environment were, in a sense, "regulated" or interfered with by human emissions of pollutants, then the environment would surely adapt and continue on in its operations, much in the manner of those who make exchanges on black markets. To assume that the environment is incapable of dynamic change overlooks how our present hydrogen-oxygen atmosphere developed.

If the EREE is true as environmentalists insist, then we find that humanity is responsible for dire environmental changes. How, then, the well-meaning environmentalist asks, can the environment be "protected" from the excesses of human action? The answer, it should be obvious, is property rights. But, to the environmentalist, this is not the obvious answer, so a comparison of property rights in a hypothetical free market^[3] to empirically-proven conditions under the Soviet Union to see how the environment fares under each should provide a basis for making rational decisions regarding the role of property rights, and, as a corollary, government intervention.

Property Rights: In the Home of the Free

Murray Rothbard ingeniously solved the problem of air pollution that environmentalists quibble about endlessly. His argument for private property inclusive of air over a piece of land solves, among other things, the problem of pollution. "In so far as the outpouring of smoke by factories pollutes the air and damages the persons or property of others, it is an invasive act. Air pollution, then is not an example of a defect in a system of absolute property rights, but of failure on the part of the government to

preserve property rights." [4] If property rights include the right to modify the air over one's land, then one may pollute so long as this pollution does not spill over into the air space of another. This is an outright impossibility given the flow of air; and many cunning ways can be developed to prevent emissions from getting into the air, anywhere from storing emissions in bottles to finding ways to convert emissions into water vapor, thus alleviating the problem. Emissions, the bane of environmentalists, would be significantly reduced on a free market, as individuals who do emit pollutants could face legal action by their victims.

The free market solution, then, is based on rational calculation by the individual as to the best use of the environment under his control. The incentives to preserve and protect such environment are sensible: preserving an asset is preferable to squandering it. But, in all their recommendations to adapt society such that economic activity has less of an impact on the environment, environmentalists make no mention of property rights of air and water as developed by Rothbard. Instead, environmentalists advocate a myriad of concepts from tax breaks on hybrid cars to trading emissions between companies to meet government regulation on maximum emissions output. No matter how close to a "market" solution, these recommendations do modify property rights, sometimes blatantly, such as the alleged right to "pollute" implied by the existence of emissions trading, and the more subtle forms such as behavior modification through aforementioned tax breaks. These concepts, all of which involve government regulation to achieve the goals of the environmentalists, lead to one important question: is rational economic calculation under environmentalism possible?

Property Rights under Socialism: Mandatory Ignorance

The only answer we can possibly draw is an assertive negative to the rhetorical question, which also leads to another error of interpreting the EREE as true. Environmental exploitation has occurred since primitive man began to plant crops and move out from caves and into homes purchased with the toil and sweat of labor and time. As the capitalist system advanced man, so it has advanced the way man interacts with the environment. Under socialism, the scourge of the twentieth century, the environment was exploited, depleted, and ravished by the Marxist labor theory of value which holds that only labor is the source of any value and unused land is therefore — like air — without value. The difference between the processes of acquiring resources from the environment under these systems ultimately reflected differing views on the role of property rights.

In the Soviet Union, "...officials and academics insisted that... pollution was a capitalist, not a socialist, problem. It was the inevitable result of private corporations pushing off their costs onto the public sector [externalities costs]. Since the Soviet Union had no private corporations, by definition there could be no pollution." [5] The first stage of any misallocation of resource is the denial and suppression of the truth: that pollution is the discharge of substances into an area where they should not exist. Under this definition, a piece of trash that falls out of a trash can and onto the ground would rightly qualify as pollution. Modification of the environment, such as creating a lake by building a dam on a river, falls into a different category, but is noteworthy as it is also not a naturally-occurring event.

In the world of Marxist doublethink, the Soviet Union, where pollution was deemed impossible, faced a continual series of impossibilities in unprecedented environmental destruction and devastation. "The drying up of the Aral Sea is, for instance, an obvious result of the party line on irrigated cotton as the monoculture of Soviet Central Asia. Among other examples we could refer to wind erosion of soils and dust storms on a huge scale (due to the policy of ploughing Kazakhstan's virgin land — up to 30 million hectares in the 1950's)..." [6] This wanton destruction of land to achieve short-term Soviet economic goals now prevents the land from being as productive in the present as it could have been had it not been mismanaged — a perversion of the broken window fallacy on a grand scale. Clearly, land is the foundational resource for all human activity, whether it is for the materials it provides, or for the physical space needed on which to provide services.

Conclusions

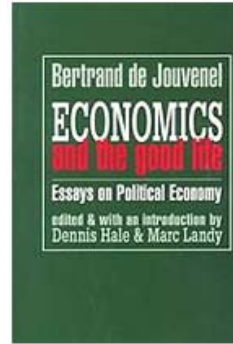
It seems, then, that environmentalism has become the last refuge of the socialist and leftist scoundrel; by holding to the theoretical EREE to place the blame for environmental changes on human activities such as the driving of automobiles, they are in a far better position to advocate eradication of private modes of transportation in favor of public transportation under such criteria as the 'environmentally friendly' solution.

But the solution to what? To the personal enjoyment and freedom that comes with owning a car? [7] This is hardly a solution at all; merely the imposition of

arbitrary values supposedly backed by an alleged compassion for the environment with, at best, shaky scientific theories in support. If individuals are stripped of the ability to use the environment to further their own ends to the point where sustenance becomes an issue, then they will have no choice but to succumb to government for their sustenance; some will hear the siren-song of "free" housing, health care, etc., far before they reach that breaking point. The choice, then, is a clear echo of the choice between socialism and capitalism: the environment, or civilization.

As we have seen, only property rights can instill the necessary desire to be respectful and resourceful with environmental assets. The logical implication is that as the standard of living rises in a country, so the treatment and appreciation of natural resources in that country will rise.

Government modifications of property rights in the name of environmental protection will only cause a decline in the standard of living; clearly "tragedy of the commons" is not a phrase in the environmentalist lexicon. No matter which way environmentalism turns, as long as it retains its socialist ambitions and accepts the EREE as true, then the successful implementation of environmentalist policies will serve to make the environment worse over time.



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[1] Mises, Ludwig von. *Human Action*. 2006 Ludwig von Mises Institute, p. 249.

[2] Another major fallacy is the evidence backing climate change, which uses a massive infusion of empirical data to somehow 'prove' that the Earth's temperature has risen by so many hundredths of a degree in the past century, results that are barely outside the margin of error of the most technologically advanced measuring equipment.

[3] Since there is no country yet in existence that adheres to a completely free market economy.

[4] Rothbard, Murray. *Man, Economy and State*. 2001 Ludwig von Mises Institute; p. 156.

[5] Goldman, Marshall. "Environmentalism and Nationalism: an Unlikely Twist in an Unlikely Direction." *The Soviet Environment: Problems, Policies and Politics*. Ed., Stewart, John Massey. 1992, University Press: Cambridge, p. 1.

[6] Altshuler, Igor, Golubchikov, Yuri, and Mnatsakanyan, Ruben. "Glasnost, Perestroika, and Eco-Sovietology." *Ibid.*, p. 199.

[7] And, conversely, the responsibility for upkeep and maintenance.