(p. 83). They also suggest that markets have too short a time horizon and do not adequately account for the value of future consumption. This is not true, though it may be correct to say that these things are undervalued in western societies. Markets merely reflect the underlying values of market participants. If market participants place a high value on culture, then they will not sacrifice their culture for something else that they value less. The same is true of nature, human health, and the needs of future generations. If current generations place a high value on the well-being of future generations, they will reduce their consumption and save more money, lowering interest rates and increasing the market value of investments, including investments in environmental conservation that are expected to yield high future benefits.

Rather than dismiss the authors’ concerns about technology and markets, it is important to recognize that technology often does dehumanize the work environment and the communities in which we live. As an example, the dominance of the automobile can make communities less human and our lives more hurried and less connected to our neighbors. Markets, consumer goods, and the pursuit of profits can come to so dominate a society that we neglect our relationships with the Lord, others or the environment. As an example, witness the growing number of retail outlets open on Sundays even in Bible belt communities.

Most of the weaknesses of this book reflect either exaggeration of a problem about which there is legitimate cause for concern, misdiagnosis of the relation between current problems and economic policy, or the way in which the authors use terms like market economy. The essential point of the book—that our economic system needs to be reoriented—still rings true, though I might disagree with some of the details of their specific proposals. One doesn’t have to accept all the authors’ recommendations to find this book a challenging and thought-provoking call for reform of modern society.

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**Eco-Sanity: A Common-Sense Guide to Environmentalism**

by Joseph L. Bast, Peter J. Hill, and Richard C. Rue


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**Reviewer**

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Nobody wants to be an extremist when it comes to the issue of the environment. That is what makes the title of this book so appealing. It promises a middle-of-the-road, pragmatic approach to preserving the environment, written for a popular audience. The biographies of the authors stress their commitment to environmental preservation, as well as their academic credentials. P. J. Hill is well known in our
circles as a long-time member of ACE and professor at Wheaton College.

In fact, this is quite a polemical work. It is relentlessly critical of the leading organizations in the environmentalist movement. While the book offers some praise for the past accomplishments of the movement, it takes a very patronizing tone toward them, accusing those organizations of immaturity, and of taking scientifically irresponsible positions for the sake of raising money. The authors distance themselves from the "environmental backlash," but they offer no explicit criticism of it. This one-sidedness makes the book unsuitable as an introduction to environmental issues for students.

The biggest part of the book is devoted to "debunking" the scientific basis for many current environmental concerns, including acid rain, ozone depletion, greenhouse warming, and toxic chemicals. The book presents in popular terms the scientific case that none of these problems exists. These are matters of controversy in the scientific community, and only one side gets a hearing in this book. The authors justify this by suggesting that the news media pick up on the evidence for these concerns, but never the evidence on the other side. My observation has been that the news media quickly drop issues that have no real foundation, but maintain coverage where there is some real scientific basis for concern. The authors suggest that research sponsored by government is politically influenced. But most people in the academic world understand that there is rigorous peer review of government-sponsored research, while private research sponsors often look around for an investigator who already takes a sympathetic point of view. The authors warn against scientists who offer opinions outside their areas of expertise, which drove me to the biographies in the back of the book. None of the authors claim any credentials or expertise in any field of science!

The authors do claim expertise in policy analysis, and there the book does somewhat better. The policy approach the authors prefer is to use the tort system to deter environmental damage, allowing the victims of pollution to sue the polluters. Preservation of land and ecosystems would be accomplished by private organizations buying up land and development rights, and by private businesses seeking to avoid waste, or acting out of pure love of nature. The argument that is made is basically an ideological one. Capitalism is better than socialism, so therefore lawsuits and private wildlife sanctuaries are better than regulations as a means of controlling environmental degradation. The argument is helped along by the assumption that there are no regional or global environmental problems, only local ones.

This position has a long and distinguished history in economics, but I don’t think of it as a pragmatic or middle-of-the-road approach. The use of the courts and the tort system to control pollution involves just as much government intervention and coercion as straightforward regulation does, and produces curious and irrational results with equal frequency. A pragmatic economist would ask which approach achieves the policy objective at lower cost. That is an empirical question, and the answer isn’t obvious. It likely would come out differently depending on what particular environmental problem we are discussing. Torts are likely to work better for local issues (a small number of businesses sharing a lake), and are unlikely to work well on the large-scale issues that have recently received more attention (which these authors think don’t exist). The deregulation movement of the early 1980’s lead to the litigation explosion, which now prompts calls for tort reform as well as the endless jokes about lawyers. If litigation is hindering American competitiveness, as Vice-President Quayle’s commission suggested, we have to be careful about recommending more of it.

Against the position taken by most conservative politicians these days, the authors call for more economical management of the public lands, including higher
fees for grazing, mining, and logging, as well as for recreational users. (They also favor ending the subsidies for agricultural irrigation.) However, they seem to really prefer the alternative of selling off the National Forests. They cite cases of tree-hugging business executives, and the private non-profits which are involved in conservation of land. However, they have difficulty dropping the economist’s assumption that all businesses act the same way. The difficulty is not the environmentalists in business—rather, the difficulty is putting irreversible decisions in the hands of those executives who are excessively preoccupied with the short-term interests of the shareholders. There is much laudable work being done by the private nature groups like Nature Conservancy, the American Farmland Trust, and Ducks Unlimited. But doesn’t economic theory teach us that such private groups will be chronically underfunded? There is a free-rider problem here that the authors don’t recognize.

The book’s position on the automobile problem I find really curious. After praising the catalytic converter and the CAFE standards, they claim that technological progress on making cars cleaner and more efficient is at an end. Against all evidence I have seen, they claim that demand for driving is so elastic that further increases in fuel efficiency would not reduce gasoline consumption anyway. Their agenda for the auto is to crack down on poorly maintained cars and to impose congestion fees on crowded streets. Most writers in this area see a lot of potential for further technical progress on gas mileage and emissions, but question command-and-control regulatory strategies. A really stiff gasoline tax would push consumers and car manufacturers in the direction of carbon-fiber and ceramic materials, gaso-

line/electric hybrids as well as all-electric cars, and alternative fuels. There are a lot of urban areas where progress on auto congestion and pollution won’t come until drivers have real alternatives in the form of safe, quick, and flexible public transportation. Network and scale economies make it unlikely that the private sector will offer that service absent some form of regulation or subsidy.

The authors also apply to the area of solid waste their basic position that environmental regulation so far has been good, but anything more would be bad. Technical improvements to landfills and incinerators are seen to represent real progress, but recycling is viewed as uneconomical. While it is true that recycling has questionable economic benefits at this point, we are beginning to see that there are network, learning, and scale economies here that prevented private development of this industry until the legal and social framework encouraging recycling was in place. As the authors rightly point out, flat-fee waste disposal pricing to consumers still obstructs the goal in some places. But plastic lumber is not the curiosity it once was, nor the losing proposition that the authors seem to think it is.

Eco-sanity is a clear and well-written popular statement of a respectable position in the environmental debate. The position it takes is certainly less extreme than the backlash position, though in its tone it sometimes risks being confused for a backlash tract. It may come as an eye-opener for some people who get most of their information from Time magazine or the network news. But this audience really deserves and wants a balanced and pragmatic introduction to the environmental issues of current interest, and this book isn’t it.