

## Desperately Seeking Mission: Why the State Department's Gone Green

by Peter Van Doren



Peter VanDoren is assistant director of environmental studies at the Cato Institute.

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**W**hen a business isn't making money, it usually tries to market new products and attract new investors. When a bureaucracy's reason for existence is threatened, it typically generates new missions. One difference between businesses and bureaucracies, though, is that businesses have to satisfy customers and investors. Because bureaucracies are under no such constraint, they require more oversight.

The most recent evidence for this is *Environmental Diplomacy*, the State Department's first annual report on the environment and foreign policy. According to the report, the end of the Cold War has reduced the demand for the agency's traditional tasks and given it time to ponder other threats to U.S. vital interests. And what do you know? The world is filled with environmental crises that the State Department must solve.

What are the environmental problems that warrant the attention of the State Department? According to the report, they fall into five areas: climate change, toxic chemicals, species extinction, deforestation and marine degradation. In each area, terrifying scenarios abound that necessitate reliance on the State Department to save the day. For example, "Forests four times larger than Switzerland are lost every year. 70% of the world's marine fish stocks are fully to over-exploited. The people of the world annually release 23 billion tons of CO<sub>2</sub> into the air . . . The range of impacts [from CO<sub>2</sub> release] is likely to include: threats to human health including increases in heat-related deaths and illnesses, and in the incidence of infectious diseases. . . . There is no way to estimate the potential benefits that may come from millions of species yet to be studied, or yet to be discovered. And there is no way to estimate the health, economic, and spiritual costs to our children who could inherit a world robbed of a drug to cure AIDS, stripped of a strain of disease-free wheat, or bereft of the wonder of such diverse creatures as tigers and sea turtles."

Let's avoid speculating on the desperation that led the State Department to produce a post-Cold War mission that required the invocation of children, AIDS, wheat, sea turtles and tigers all in the same sentence. Instead, consider the paucity of evidence for the existence of those problems. Take, for instance, the panic over global warming. Observed warming since the late 19th century is only .5 degrees centigrade rather than the 1990 prediction of the United Nations' climate change panel of 1.3 to 2.3 degrees centigrade, according to Patrick Michaels, professor of environmental sciences at the University of Virginia. Greenhouse physics predicts that the driest air masses -- those in the polar regions during the winter night -- should respond first and most strongly to CO<sub>2</sub> emissions. In fact satellite data confirm that over the last 18 years the globe has cooled in general, but the coldest winter regions in Siberia and Canada have warmed. Are warmer winters in the Arctic Circle a problem?

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Although the State Department claims there is no way to estimate the potential benefits from species yet to be discovered, the loss of biodiversity as a threat to pharmaceutical discoveries has been studied by economists for Resources for the Future. In a February 1996 article in the *Journal of Political Economy*, they estimate the pharmaceutical benefits from saving one additional plant species from extinction to be, at most, about \$10,000. That translates into an estimated willingness of pharmaceutical companies to pay about \$8 an acre for land in tropical regions. The authors conclude that both the value of species preservation for use in pharmaceutical research and, by extension, the incentive to conserve threatened habitat are "negligible" in comparison with other development uses.

Let's assume, however, that some of the problems are real and as serious as the report alleges. What will the State Department do if we give it more money to save us from those impending disasters? It will "help stabilize" regions where pollution contributes to political tensions. It will "enable nations . . . to work cooperatively to develop initiatives to attack regional environmental problems." It will "strengthen our relationship with allies by working together on internal environmental problems." In short, it will expend a amount of hot air to create domestic political capital.

If *Environmental Diplomacy* were a prospectus for a company trying to raise additional money in the stock market for its new mission to solve environmental problems, would you invest your money? I think not, because the solution to environmental problems is not more meetings or negotiations but property rights. To the extent environmental problems exist, both within and between countries, the cause is the lack of adequately defined and enforced property rights. If people own resources, they seek to conserve their value rather than waste them. Rhinos and tigers are slaughtered to near extinction because no one owns them. Water and air resources are used with little thought because no one owns them.

If the State Department is serious about solving environmental problems, it should educate the world about the establishment of property rights, the enforcement of contracts, and the role of courts in resolving dispute. And then it should get out of the way. No one need decide the difficult tradeoffs about the use of land, energy, water or air. Prices will communicate the value of those commodities to all and they will be used to everyone's best advantage. Short of that, the State Department should stop preaching and concentrate on developing a coherent post-Cold War national security strategy.