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Capitalism is best for environment

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Today is Earth Day, and we can celebrate it by thanking the environment's best friend: capitalism. The progress we've made since the holiday's inception in 1970 is largely due to the free market.

"Earth Day is traditionally a day for the Left — a celebration of government's ability to deliver the environmental goods and for threats about the parade of horrors that will descend upon us lest we rededicate ourselves to federal regulators and public land managers," the Cato Institute's Jerry Taylor said. "This is unfortunate because it's businessmen — not bureaucrats or environmental activists — who deserve most of the credit for the environmental gains over the past century and who represent the best hope for a greener tomorrow."

For example, it's due to markets — not due to mandates or regulations or government stimulus — that natural gas is starting to replace coal and petroleum to power our electrical infrastructure and even our vehicles.

That's good news for Texas, of course — we have lots of natural gas. But it's also good news for the environment, because natural gas pollutes much less than coal and oil. In fact, U.S. carbon emissions are down, below even the levels called for by the Kyoto treaty, because of natural gas.

Another benefit to the environment is capitalism's concept of individual property rights.

"Property rights — a necessary prerequisite for free market economies — also provide strong incentives to invest in resource health," Taylor said. "Without them, no one cares about future returns because no one can be sure they'll be around to reap the gains. Property rights also are important means by which private desires for resource conservation and preservation can be realized."

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All right, that was all economist-talk. What he means is property rights are important because we take care of what's ours. If it's our field or our forest, we maintain it. The opposite of this is

what's called the "tragedy of the commons." Common spaces, ostensible held by all, are usually cared for by no one.

There are other ways capitalism helps the environment.

"Capitalism rewards efficiency and punishes waste," Taylor said. "Profit-hungry companies found ingenious ways to reduce the natural resource inputs necessary to produce all kinds of goods, which in turn reduced environmental demands on the land and the amount of waste that flowed through smokestacks and water pipes. As we learned to do more and more with a given unit of resources, the waste involved (which manifests itself in the form of pollution) shrank."

In other words, profit-driven companies recognize that using more resources costs more money — so they strive to use less. That leads to less pollution — because pollution is waste.

It's the wealthy societies that become passionate about the environment. Capitalism is key to that wealth, and therefore to that concern.

"This is not to say that government regulations haven't had an impact or aren't occasionally worthwhile," Taylor said. "It is to say, however, that free markets are an ally — not an enemy — of Mother Earth."

So let's celebrate Earth Day, and capitalism.