

Where Markets Meet the Environment

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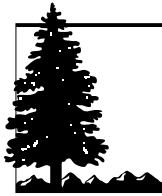
Special Issue



ENVIRO-CAPITALISTS

■ Nature's Entrepreneurs ■

Based on the book by Terry L. Anderson and Donald R. Leal



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Cover Photo: Grandfather Mountain, Linville, North
Carolina. Hugh Morton, photographer.

INTRODUCTION

By Terry L. Anderson and Donald R. Leal

When PERC helped pioneer free market environmentalism in the 1980s, the idea was an oddity, and the term was viewed as an oxymoron. Markets, in the eyes of most environmentalists, policy makers, and opinion leaders, were seen as the cause of environmental degradation, not its salvation.

The nation was coping with a proliferation of command-and-control laws designed to hamper the market in the name of the environment. Using such examples as nineteenth-century mining, logging, and hunting practices, as well as twentieth-century air and water pollution, environmentalists argued that capitalism must be regulated to prevent further harms.

These market antagonists ignored the fact that long before the fanfare of the first Earth Day, entrepreneurs in the private sector were quietly protecting the environment. Like all entrepreneurs, they saw opportunities in the marketplace. In their case, they had visions of how to help endangered species, how to preserve wild lands, and how to restore and enhance environments for people. They had the imagination and the persistence to find the necessary resources and put them together to attain their visions. We call these individuals “enviro-capitalists” because they are using the system of capitalism to achieve environmental goals. Another term for them is “nature’s entrepreneurs.”

Just as we now understand that the tragedy of the commons, rather than private property, is the major cause of environmental problems, we also understand the powerful role played by the private sector in environmental protection. We wrote our book *Enviro-Capitalists: Doing Good While Doing Well* (Rowman & Littlefield) to tell some of the stories of these men and women.

Through our research we learned that America’s first conservation movement was largely a private one. It was rooted in the same soil as the Industrial Revolution, namely, in entrepreneurship, private enterprise, and profits. Step back for a quick historical review of early “enviro-capitalist” pioneers.

- In Seattle, Mr. and Mrs. W. W. Beck established Ravenna Park in 1887 as a private park to preserve dwindling Douglas fir stands. Included in their park was the famous “Roosevelt tree,” named for the conservationist president who visited their private reserve.
- In Michigan’s Upper Peninsula, John Longyear and associates formed the Huron Mountain Club and privately preserved thousands of wooded acres of pristine forest. The club later hired conservationist Aldo Leopold to advise it on managing what remains today one of the few undisturbed remnants of maple-hemlock forest.
- Before wildlife laws protected birds of prey, Rosalie Edge and a small group of friends single-handedly purchased Hawk Mountain, a promontory in Pennsylvania along a major hawk migratory route. They closed the mountain to hunters, thus protecting hawks.



MIKE HOLLEY

Individuals like the employee who put up this nesting box for wood ducks often do more to protect the environment than do laws and regulations.

- The spectacular and scenic Grandfather Mountain in North Carolina was saved by Hugh MacRae, who saw profit potential in preserving this small wilderness in the late 1800s. (See page 15.)
- Even the formation of Yellowstone National Park in 1872 can be credited to enviro-capitalists. Contrary to popular belief, it was not a group of far-sighted conservationists who first saw the value of preserving Yellowstone's natural features and fought to save them. Executives of the Northern Pacific Railroad, seeking profits, saw the large potential revenues from carrying passengers to the wonderland. They funded early expeditions to document Yellowstone's treasures and lobbied Congress to save the park from homesteaders, loggers, and miners—and to make it available to their paying passengers.

Today, it is easy to forget that we are the beneficiaries of the labors of early enviro-capitalists. It is easy for us to jump on the environmental bandwagon. But how different a bandwagon it is from the one that carried enviro-capitalists! It is built on political solutions.

However, in the quiet sector of private conservation, some enviro-capitalists still follow the lead of the early pioneers. Whether providing nesting boxes for ducks that swim in ponds on private forests or enhancing a corporate landscape with natural flowers, these entrepreneurs are taking the innovative route. They tackle contemporary natural resource and environmental problems with the same tools found in Silicon Valley. They attract venture capital, contract with private landowners, hire labor, and market products—sometimes for profit and sometimes not.

In our effort to elevate their approach to the level of attention it deserves, the remainder of this *PERC Reports* documents the successes of today's environmental entrepreneurs. As Aldo Leopold recognized in his early conservation writings, "conservation will ultimately boil down to rewarding the private landowner who conserves the public interest." Finding those rewards is the business of enviro-capitalists.



Who Are They?

ENVIRO-CAPITALISTS

By Linda E. Platts

A love of animals could not keep red ink from spilling across the pages of Christine Jurzykowski's account books at the Fossil Rim Wildlife Center. Jurzykowski and her partner Jim Jackson had purchased 2,700 acres of rolling Texas hill country with good intentions and hefty bank accounts and made it home to more than sixty rare and endangered species from five continents. Their highly successful breeding programs and first-rate animal care earned them an international reputation for excellence but did nothing to help bankroll their ambitious project. The partners had to come up with a profit-making venture that was compatible with the center's wildlife mission, or Fossil Rim would end up on the auction block.



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CHRISTINE JURZYKOWSKI

TOM BOURLAND



TOM BOURLAND

Even in the shade of a fragrant southern pine forest, wildlife biologist Tom Bourland could feel the sultry Louisiana heat. Hired to manage wildlife on the vast holdings of the International Paper Company, Bourland found himself eye to eye with the corporate bottom line. If he was to achieve his ambition of effectively protecting wildlife habitat and increasing populations of deer, quail, rabbits, turkeys, woodpeckers, bluebirds, and other species, he had to make them pay their way. Bourland wagered that the giant timber producer would manage its commercial forests for the benefit of wildlife if he could show the executives how it would benefit their profit margin.

As Ron Bowen toiled over tulip beds and Bermuda grass, he had a vision of another landscape that required neither weed whackers nor lawnmowers. The tallgrass prairies thick with wildflowers that once carpeted his native Minnesota would make beautiful, virtually care-free landscapes for homes and businesses. Wild rye and thimbleweed, pussytoes and prairie sage, blazing stars and porcupine grass, these were the plants that Bowen wanted to tend. His summer job as caretaker had opened his eyes to a career as a native plant landscaper, and he set his sights on restoring at least some small patches of the American prairie. Now, he needed to find a way to earn a living doing the work he loved.



PAUL JACKSON

RON BOWEN

Jurzykowski, Bourland, and Bowen—three people with a vision about the natural world, but all in need of capital to carry out their work. So they did what every successful entrepreneur had done before them. They used imagination, innovation, persistence and grit, dogged hard work, business acumen and whatever else it took to make their ventures successful. They did not seek the support and assistance of government agencies. They did not call for new laws and regulations. They did not ask for taxpayer dollars. Instead they found value in the natural world, developed goods and services, and sold them in the marketplace for a profit. As their businesses flourished, so too did the endangered cheetah, the wild turkey, and the prairie wildflowers.

We call these individuals, and thousands more like them, enviro-capitalists. They are doing good while doing well.



Christine Jurzykowski

FOSSIL RIM WILDLIFE CENTER

As Fossil Rim Wildlife Center teetered on the brink of economic ruin, Christine Jurzykowski came to an obvious conclusion: “Let’s apply business and economic principles to conservation.” Although a philanthropist at heart, she realized she could no longer single-handedly keep the center afloat.

The previous owner had reached the same conclusion. In an effort to stem his losses, he built a nine-mile scenic drive for wildlife viewing and charged an entry fee. Jurzykowski and Jackson decided to go even further, turning Fossil Rim into a for-profit tourist center and using the proceeds for their breeding programs and other conservation activities.

Today Fossil Rim offers an array of guided naturalist tours, educational programs, conservation camps, and special events such as a Moonlight Safari. A café, gift shop, elegant lodge with a spring-fed swimming pool,

a safari camp, and rustic cabins are all popular with tourists, while the scenic drive continues to draw a steady stream of visitors—more than 120,000 last year. Just an hour southwest of Fort Worth, Fossil Rim is well on its way to becoming a destination resort.

The expanded tourist programs have helped fill the



Giraffes, rhinos, and other animals find a haven at Fossil Rim, thanks to tourist revenues.

coffers and allowed the conservation work to continue. Cheetahs, which are notoriously difficult to breed in captivity, have given birth to an astounding ninety cubs at Fossil Rim. Eight endangered black rhinos have been given safe harbor at the center because of civil unrest in Zimbabwe and increased danger from poachers. Also thriving amidst these glamorous visitors from other continents is the Attwater’s prairie chicken, a native species of

Texas that is listed as endangered. In 1996 the center released more Attwater’s prairie chickens than existed in the wild at the time.

Tom Bourland

INTERNATIONAL PAPER

When Tom Bourland joined International Paper Company (IP) in the early 1980s, he knew there was a growing demand for hunting, fishing and other recreational experiences. He also knew that consumers were willing to pay for a quality experience. If he could turn these activities into moneymakers for the company, it would allow him to improve wildlife conditions throughout International Paper's 2.3 million acres of timberland in Texas, Louisiana, and Arkansas.

Beginning in the 1950s, IP had successfully experimented with a timber program in Georgia that was designed to benefit wildlife and earn profits from recreation. Bourland built on this success with a comprehensive plan to expand recreation and increase revenues. It called for selling hunting club leases, seasonal family camping permits, and daily use permits. Within three years revenues from recreation had tripled and represented more

than 25 percent of the firm's profits in the region.

With wildlife now contributing to the bottom line, forest managers modified their methods and made wildlife habitat a higher priority. Corridors of trees 100 yards wide were left between harvested areas, clumps of older trees were left standing beside younger trees, the size of cut areas was reduced, and harvests along streams

were halted.

Wildlife was the big beneficiary. Eastern wild turkey increased tenfold and whitetail deer increased fivefold. Non-game species such as heron and bluebirds flourished as well. With the abundant wildlife, hunters and anglers, hikers and campers were willing to pay more to use company lands. Today two-thirds of IP's six million acres in the United States is managed profitably for wildlife and recre-

ation. Bourland's belief that the market could be wildlife's best ally was confirmed by one of the country's largest timber producers.



Carefully controlled fires stimulate the growth of new food for wildlife.

Ron Bowen

PRAIRIE RESTORATIONS

Market timing gave Ron Bowen's new business a boost. About the time that he began growing native plants and landscaping with them, many homeowners were ready to abandon the great American pastime of mowing the lawn. Households with two working adults were starved for time between longer commutes and childcare. Water to keep the grass green was increasingly expensive and new health concerns had surfaced over the use of fertilizers, weedkillers, and pesticides.

All of these changes seemed to provide a perfect niche for Bowen's business. Native landscapes have lower maintenance and better water conservation and erosion control, require fewer chemicals, and provide habitat and food for a variety of wildlife. As for aesthetics, the visual beauty of a natural landscape was appealing to many people who had grown up amidst manicured lawns and flower beds laid out in grids.

Corporations such as General Mills and IBM found the native landscapes attractive for many of the same reasons as homeowners. And they saw an added advantage in using their native plant landscapes to project an environmentally sensitive image.

Last year Prairie Restorations grossed \$1.5 million, employed fifteen full-time employees and twenty

seasonal workers. In addition to the full-scale landscaping operation, the company runs a retail greenhouse and a store. Bowen designs do-it-yourself kits for homeowners who want to install their own landscapes, offers a computer program that helps customers plan a native plant landscape, and gives educational seminars.

Bowen takes pride in his thriving business, but perhaps he is most proud of the part he has played in restoring some of

the flowers and grasses that once covered 2 million acres of Minnesota prairie. "Economics sold the projects," Bowen says, "but aesthetics are the greatest reward."



Native grasses and flowers that once adorned prairies and savannahs flourish again at the Prairie Restorations "farm."

RON BOWEN

GOVERNMENT OBSTACLES

By J. Bishop Grewell

Whether they are saving salmon or preserving wildlands, entrepreneurs must overcome hundreds of obstacles to bring their visions to reality. All too often one of those obstacles is the government. This side of their stories is not well-known, however.

THWARTED BY REGULATION

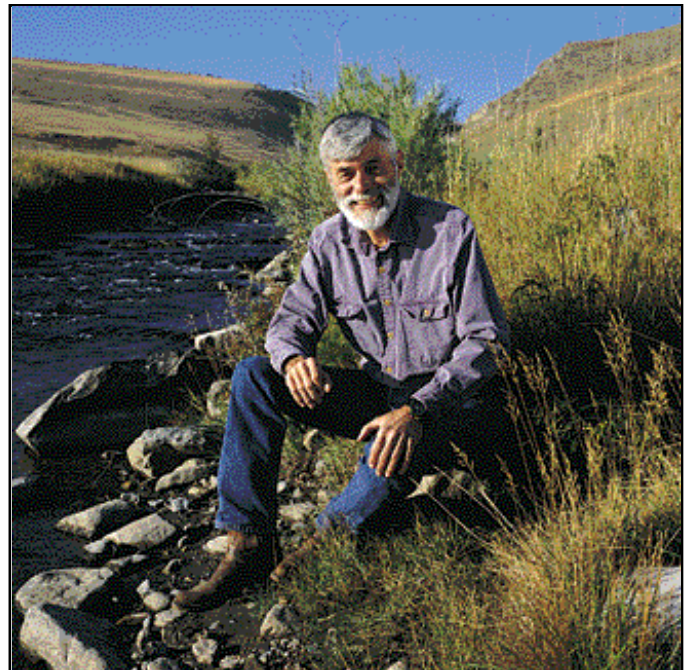
David Cameron is a third-generation Montana rancher. A lanky, middle-aged man with a genial manner, he raises cattle and sheep. Cameron is also a biologist, recently retired from Montana State University. He and his family have a long tradition of protecting wildlife. Elk, deer, mountain lions, and bears inhabit his ranch.

A few years ago Cameron decided to reintroduce a native Montana fish, the grayling. This fish had thrived when Lewis and Clark passed through the region but had disappeared in recent years. After consulting with specialists, he found a suitable stream on his ranch for bringing back the fish.

Then he learned that the U.S. Fish and Wildlife Service was considering listing the Montana grayling as an endangered species under the Endangered Species Act. "I sadly bowed out," he says.

Cameron realized that once he had an endangered fish on his property, even though he had reintroduced it, federal officials could change his life. They might think that

his cattle would pollute the stream. If so, they could prevent him from using his streamside areas. In his case, regulation achieved results counter to those intended.



© LYNN DONALDSON

Regretfully, Montana rancher David Cameron changed his mind about restoring the grayling.

BUREAUCRATIC HURDLES

Peter O'Neill is on the cutting edge of a new trend—ecologically sensitive developments. In the early 1980s, his path-breaking River Run residential development in Boise, Idaho, was laid out with open space, woods, a seven-acre lake, and free-flowing streams.

O'Neill saw an opportunity to further enhance the site. Along the north edge of River Run, an ugly flood-relief channel built by the U.S. Army Corps of Engineers paralleled the Boise River. O'Neill realized that if water could flow continuously through it, the flood channel could be converted into a beautiful stream. All it needed was additional water.

So in 1982 O'Neill applied for a right to divert ten cubic feet per second from the Boise River into the flood channel. But Idaho Department of Fish and Game officials opposed him. They argued that this diversion would reduce the river flow to levels below the minimum needed to maintain trout populations. The department was already restocking the river every year, since the Boise River doesn't have the small gravel beds and fast-flowing water needed for trout to spawn. They didn't want the situation to worsen.

O'Neill saw a way to address both problems—the lack of spawning habitat and the problem of the ugly



A long series of permit requirements posed obstacles as Peter O'Neill tried to turn a ditch into this Boise, Idaho, trout-spawning stream.

ditch. He proposed turning the flood-relief channel into not just a stream, but a trout-spawning stream. But his project needed to get approval—not only from Idaho Fish and Game, but also from the Idaho Department of Water Resources, the Boise Parks Department, the U.S. Bureau of Reclamation, and the Army Corps of Engineers.

Fortunately for O'Neill, once Idaho wildlife officials saw his plan for increasing spawning beds, they dropped their objection to his water right application. And more importantly, they became strong supporters because more trout would ease the annual job of restocking. They helped River Run get approval from the other government agencies. Without this local support, the project would have been bogged down in bureaucratic red tape.

IT'S AGAINST THE LAW

Glendive is a small agricultural town in the eastern part of Montana. When farm prices fell in the 1980s, the town went into a steep decline. Farms were sold at rock-bottom prices, stores closed, and long-time residents left town.

Joseph Frank Crisafulli, a local businessman, knew there was a hidden asset just outside of town, in the lower Yellowstone River. The paddlefish, a large bottom fish with a paddle-like snout, is prized for its white meat. It

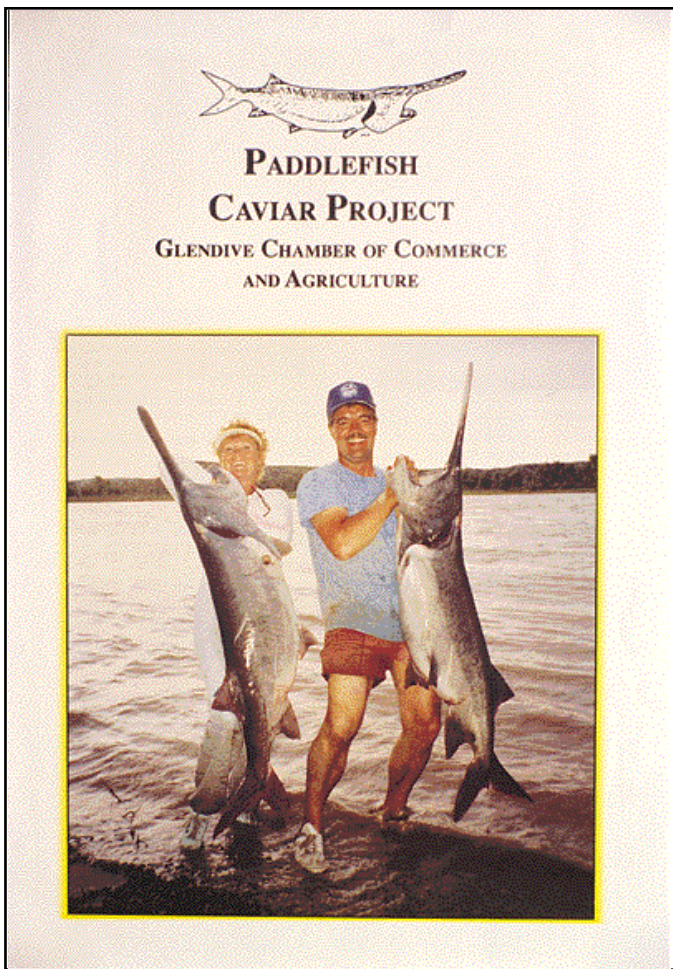
draws tourists each spring to the Glendive area. But when fishermen cleaned their fish, they threw the eggs and innards on the ground, creating an unsightly mess.

Crisafulli knew that paddlefish roe is the leading source of American caviar. He figured out a way to clean up the river banks, help the town, and increase research on the paddlefish. Crisafulli joined with the Glendive Chamber of Commerce and Agriculture to develop a market for the roe.

Unfortunately, he faced some hurdles, and not just the challenge of building a market. In Montana, as in most states, it is generally against the law to sell wild game products. The Chamber of Commerce had to persuade the legislature to change Montana law so that the roe of the paddlefish could be sold. Once the Montana Department of Fish, Wildlife and Parks understood the plan, it went to bat for the Glendive project, and the law was changed.

The department also rallied around the chamber in a more difficult fight. While paddlefish populations are healthy in Montana, the fish is endangered in some parts of the Mississippi River system. The U.S. Fish & Wildlife Service wanted to ban trade in paddlefish and its products. The agency pushed for listing it under the Convention on International Trade in Endangered Species (CITES). This would have severely limited the market for paddlefish roe.

Fortunately, with the support of Fish, Wildlife and Parks, listing was averted. Project employees now clean the paddlefish in return for the eggs, which are sold to gourmet food shops around the country. The proceeds, typically over \$200,000 per year, go to local civic projects and paddlefish research.



GLENDDIVE CHAMBER OF COMMERCE AND AGRICULTURE

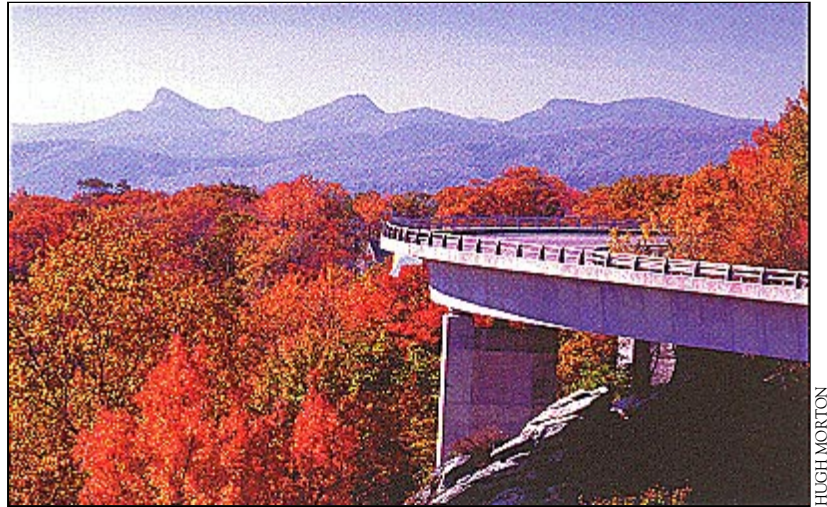
A law had to be changed before the eggs of paddlefish could become caviar and help revitalize the town of Glendive.

The preservation of spectacular Grandfather Mountain is partly a story of resistance to government incursions. In the 1880s, Hugh MacRae, a mining engineer, moved to North Carolina. Traveling on horseback into Avery County, he was awestruck by the high-country beauty. He wanted hikers and nature enthusiasts to enjoy the area's many vistas.

With financial backing from his father, MacRae purchased nearly 16,000 acres, including the highest point in the Blue Ridge Mountains, Grandfather Mountain. He built a road, founded a stagecoach line, and even created a small resort town at the bottom of the mountain.

In 1939, President Roosevelt wanted to connect Great Smoky Mountains National Park with Shenandoah National Park, using a route that ran right past Grandfather Mountain. The family sold a right-of-way 1,000 feet wide and eight miles long across the eastern slope of Grandfather Mountain.

That was not enough, however. In 1945, when Hugh Morton, another family member, was at the helm of Grandfather Mountain, the North Carolina Highway Commission wanted to build a second route higher up the mountain and demanded more right-of-way. Morton balked, fearful that the road would hurt Grandfather Mountain's pristine setting and commercial appeal. Undeterred, the state condemned the parcel under eminent domain. Morton fought back, complaining that this additional demand was an "abuse of discretion," since his



A major highway intrudes on Grandfather Mountain, but not as severely as federal officials first demanded.

family had already sold right-of-way to the state in 1939. Morton prevailed.

But not for long. By the 1950s, the National Park Service was pushing for the higher route and an expanded right-of-way. Again, Morton fought back. He even debated the head of the National Park Service, Conrad Worth, on television. Morton's comment that "cut and fill at that elevation would be like taking a switch blade to the Mona Lisa" made headlines across the state. During the debate, Morton recalled later, "the switchboard just lit up and 90 percent of the calls were on our side." Morton was not entirely successful. The issue ended in a compromise—a middle route, lower down the mountain.

Today, under arrangement with the Nature Conservancy, Grandfather Mountain is permanently protected and remains in private hands, home to 47 rare and endangered species, and continues to awe visitors with its majesty.

Orri Vigfússon won PERC's 1998 Enviro-Capitalist Award for his innovative ways of protecting North Atlantic salmon. An Icelandic businessman and sports fisherman, Vigfússon recognized that commercial fishing of salmon on the Atlantic high seas has decimated salmon stocks in the North Atlantic. But Vigfússon didn't push for an international treaty or lobby governments to stop the fishing. Instead, he used the tools of the market.

In 1989, he created the North Atlantic Salmon Fund to buy up commercial fishing rights. Using private funds raised with the help of the Atlantic Salmon Federation, he paid commercial fishers off the Faroe Islands (located between Iceland and the Shetlands) to stop netting. For \$685,500 a year, they did, and the number of salmon returning to native rivers nearly doubled.

He also paid fishers off Greenland a total of \$400,000 per year, reducing the catch from 213 metric tons to 12 metric tons. He estimates that 1.3 million salmon have been saved in this way.

But Vigfússon, too, is finding that governmental politics can stymie environmental entrepreneurship. Private ownership of the right to fish off Greenland and the Faroe Islands is critical to his success, but private fishing rights are not universal. Far from it.



UNNUR KRISTINSÐÓTTIR

Unless fishing rights are privately held, it will be hard for Orri Vigfússon to protect salmon for future generations.

Even though England has private fishing rights on its streams, fishing is a common right off the coasts of England and Ireland. If one commercial fisher were bought off, another could take his place. Vigfússon is trying to persuade the British and Irish governments to cut back on salmon catches but he faces formidable political opposition.



Enviro-capitalists don't have eminent domain authority; they don't have taxpayer money; they can't tell anybody what to do. In contrast, bureaucrats and government officials have a lot of power. When government officials oppose a project, they can create insurmountable obstacles. Most of the individuals discussed here overcame the roadblocks, especially when the roadblocks came from local officials. But we are left to wonder how many would-be enviro-capitalists have been thwarted by government obstacles they could not topple.

NURTURING ENTREPRENEURS

By Jane S. Shaw

What institutional climate will nurture and support tomorrow's "enviro-capitalists"? The answer is straightforward: Nature's entrepreneurs need a setting that respects private initiative. They need an environment that encourages private property rights and that allows flexibility. Here are some recommendations, both general and specific, that would help create that setting.

1.

LET PEOPLE KNOW ABOUT THESE PIONEERS.

Chances are, the readers of this issue of *PERC Reports* were unaware of most of the individuals mentioned here until now. Perhaps a few have visited Fossil Rim and some have read in *PERC Reports*

about Orri Vigfússon's purchase of salmon fishing rights. But the environmental successes of most of nature's entrepreneurs go largely unheralded.

Enviro-capitalists don't spend their time writing press releases. Indeed, some folks didn't think their projects worthy of public attention until they were featured in Terry Anderson and Don Leal's book *Enviro-Capitalists*. Nor do enviro-capitalists spend much time in Washington pleading with congressmen or meeting with lobbyists. They don't set out to butt heads with anyone—industry, environmental groups, or government officials. By and large, their stories are private ones.

These are, however, success stories that are well worth reading about. For adults, they suggest positive

new directions for environmental policy. For young people, they offer hope for the future and the inspiration to initiate their own enviro-capitalist projects.

Terry Anderson and Don Leal wrote *Enviro-Capitalists* to publicize these actions and encourage more. Today, publications such as *Reader's Digest* and *Time Magazine* have picked up the theme with features on environmental entrepreneurs.

Governmental agencies and environmental groups recognize their importance, as well. The Competitive Enterprise Institute's Center for Private Conservation focuses almost entirely on collecting case studies. Perhaps the first serious effort to tally private environmental successes occurred in the mid-1980s when the President's Council on Environmental Quality published a study of private environmental projects compiled by Robert J. Smith.

PERC is committed to learning more about enviro-capitalists and spreading the word far and wide. The examples illustrate not only the effectiveness of private action but also the cooperation that is engendered by market transactions. We encourage other organizations to search out and disseminate these stories as well.

2.

SUPPORT PROPERTY RIGHTS.

Government support of private property rights is essential to enviro-capitalists' success. Property rights are the key ingredient of a market, and whether they are creating a wildlife preserve or restoring a prairie, enviro-capitalists rely on markets. Orri Vigfússon's efforts to protect salmon (page 16) have prospered where private fishing rights exist and have faltered where they do not.

Government policies sometimes fail to uphold private property rights and, in fact, may challenge them. Fear of excessive intervention led Montana rancher David Cameron to give up his goal of restoring a native fish that had disappeared from many Montana streams (page 12). Indeed, the Endangered Species Act has been less effective than its supporters originally hoped because landowners fear that endangered species will bring government officials onto their property.

In a celebrated case in North Carolina, Ben Cone was so incensed by government control of his property when the red-cockaded woodpecker was found on it that he threatened to log the rest of his land more rapidly than he had before. A shorter logging rotation would keep the woodpecker from settling there, because the bird nests in old trees.

This unfortunate but understandable reaction seems widespread. Larry McKinney, a Texas Wildlife and Parks official, has said that after the black-capped vireo and the golden-cheeked warbler were listed under the Endangered Species Act, more of these birds' habitat was lost than would have been lost if they had not been listed at all.

Because of people's fear of government intrusion, it is increasingly difficult to match the wildlife success stories of the past. Private individuals helped restore the

wood duck and the bluebird by placing nesting boxes on their property. If these species were listed as endangered today, many people would be reluctant to attract them. Property rights must be upheld if endangered species are to be protected.

3.

EXTEND PROPERTY RIGHTS.

If upholding the rights of individuals is critical to enviro-capitalists' success, extending those rights is essential to furthering private environmental protection. One place to begin is with private rights

to fish through individual tradable quotas, as in Iceland. Recently the state of Virginia authorized such quotas for commercial striped bass. (See "What We Did in Virginia," *PERC Reports*, September 1998).

In other areas also, the government could extend rights to own or use resources that it currently controls. This process of extending rights will not be easy, but it will bring about tremendous opportunities for harmonious resolution of environmental conflicts. For example, state agencies are beginning to give more control to landowners who practice good game management.

Environmental groups could be allowed to purchase or lease public grazing permits from current holders, letting elk and deer rather than cattle and sheep feed on grassland. Current holders of grazing leases should be recognized as having secure property rights and be allowed to trade those rights, if they wish.

Similar changes for forestry that allow non-logging interests to purchase timber rights should be explored, although the process of long-term forest management is more complicated than grassland management. The potential for dangerous fires exists if forests are not thinned.

One move in the direction of putting private funds into forest preservation is the planned purchase of tim-

ber rights to Loomis Forest in Washington state. To stop logging on this state-owned roadless land, the Northwest Ecosystem Alliance, an environmental group, is paying for the timber. The alliance will compensate the state for the timber, while the forest will be set aside for conservation. The alliance will also pay for the purchase of additional land, elsewhere in the state, that the state will log.

To protect fish in the streams of the arid western United States, we should extend markets to instream flows. The right to divert specific amounts of water is already a private right in the West, and ranchers and farmers often trade their rights with one another. However, state laws currently hamper the use of markets to keep water in streams. (See *Saving Our Streams*, by Clay Landry, available from PERC.)

In Oregon, Andrew Purkey of the Oregon Water Trust and Zach Willey of the Environmental Defense Fund are negotiating trades that keep water in the stream rather than divert it. Laws in Oregon and some other states were changed to allow such trades. Other western states, however, maintain restrictions that inhibit water trading to increase instream flows. These laws should be changed.

4
**DECENTRALIZE
ENVIRONMENTAL
CONTROL.**

Environmental regulation is sometimes necessary. When it is, local or state-based approaches are often preferable because they encourage environmental entrepreneurship.

Peter O'Neill ran into obstacles when he tried to turn a ditch into a stream (page 13). The Idaho Fish and Game Department opposed his request for water at first. However, the officials were based locally, and they ended up helping him overcome regulatory obstacles. Similarly, state offi-

cial help helped Joseph Frank Crisafulli of Glendive, Montana (page 14), change a law that would have prevented him from developing a market for paddlefish roe.

Improvement in the quality of the Tar-Pamlico Sound in North Carolina came about when the Environmental Protection Agency decentralized its authority. In 1983, a serious fish kill occurred in the Pamlico Sound, due to heavy discharges of phosphates and nitrates into the Pamlico River. EPA officials and state regulators admitted that their command-and-control regulations weren't working. They turned the problem over to a newly-formed river basin association.

While the EPA and the state had been tightening the screws on industrial polluters, runoff from farms and dairies was still polluting the rivers and the sound. The association, with the support of a diverse group including the Environmental Defense Fund and industrial executives, now supervises trades between industries and farmers. Industrial firms pay the farmers to reduce the runoff of nutrients.

In New York City, the city government has turned day-to-day operations of Central Park over to the Central Park Conservancy. This is a private organization that has provided much of the funding for park amenities and major renovation of park structures, and it can provide the care and attention that the park requires. So, even though state and local laws can frustrate enviro-capitalists, local and state officials can sometimes be cooperative and flexible.

We are all rewarded by an environment that allows enviro-capitalists to flourish. We can further this environment by broadcasting the successes of enviro-capitalists, enforcing and extending private property rights, and encouraging flexibility through decentralization. In these ways we can help enviro-capitalists achieve the goals that have inspired them over the past century—the protection of habitat, open space, and environmental beauty—through private enterprise.

ENVIRO-CAPITALISTS MAKE A DIFFERENCE

In the end, it all comes down to individuals. In spite of all the talk about laws and regulations, it is passionate, dedicated individuals who figure out ways to soften the impact of human beings on the environment, to restore damaged places, and to enhance surroundings.

Look inside this special issue of *PERC Reports* to learn about such individuals, whom we call enviro-capitalists. Most of them work quietly outside the limelight. If you would like to read more about them, we invite you to purchase *Enviro-Capitalists: Doing Good While Doing Well*, by Terry L. Anderson and Donald R. Leal. Published by Rowman & Littlefield, this book is available through Laissez Faire Books (800-326-0996 or orders@laissezfaire.org).



PAUL JACKSON

Commerce and environmental protection are compatible, as this corporate lawn with its native flowers indicates.

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