

Review of Robert Nelson's *Economics as Religion* By Fred L. Smith

As an undergraduate math major, I found economics confusing. I understood self-interest: I have a TV, you have a \$100 bill, both of us would prefer what the other has and so we'd like to trade. Good enough, but why, I kept asking my professor, when -- as was likely -- one of us has both items in hand, why didn't the trading stop? Why wouldn't one of us keep both the money and the TV? But, in that era of institution-free Samuelsonian economics, such questions were irrelevant and my grades suffered accordingly.

Years later, the work of Dan Klein on reputation and Ronald Coase on institutions suggested partial answers but Robert Nelson in his book *Economics as Religion* deals with the issue more systematically. Quoting William Galston, he notes that a liberal economy requires liberal virtues -- the restriction of self-interest to those areas where positive sum arrangements are likely. In the wake of the recent scandals in Washington, analysts, politicians and businessmen would all be well advised to consult this book.

Nelson emphasizes the fact that a successful economy will depend not only upon self-interest but also upon a culture and institutions to ensure that self-interest is held *reasonably* within bounds. Nelson defines that cultural/institutional framework as religion and then discusses how this view allows one to see economics in a new way. Economists from this perspective are preachers, seeking to legitimize among the general public those arrangements essential to the virtuous society, economically at least. Yet, Nelson notes that the failure to realize the important religious role means that economists are operating without a well-defined play book. They seek to develop economic answers for society but have failed to think through the consistency and the implications of their "theology." He argues that this neglect has weakened the prospects for economic growth, that economists should take more seriously their beliefs and become more effective "preachers," as it were.

He relates this story by discussing the various theological schools and sects within the economics profession. He notes that modern economics -- stemming from the Progressive Era -- treated only implicitly the core beliefs, the critical prerequisites for economic growth. The discussion could be muted because Anglo-American culture had internalized the basic tenants of "fair play," private property, the sanctity of contract. In America, those beliefs were codified in our secular sacred writings including the Constitution; in England, an unwritten constitution achieved much the same result.

The story Nelson tells in this book and his earlier work, *Reaching for Heaven on Earth: The Theological Meaning of Economics*, is an interesting and intriguing one of how the creative destruction of the Industrial Revolution weakened this Old Faith, undermining the ethical structures that sanctioned and disciplined self-interest. Intellectuals, in particular (as discussed below), came to believe that rationalism would better guide society than would abstract principles. Their fatal conceit argued that "social" justice required that we discard the icons of the past, and place our faith in the new gospel of "social" efficiency. Economists and other intellectuals would assume the priestly role of guiding the nation toward those actions most appropriate to advance America's journey toward Heaven on Earth. . The Constitution, private property, enforceable contracts -- all would be replaced by case-by-case decisions guided by the enlightened view of the new economic and other social science priesthoods.

Nelson distinguishes two theological schools within economics: the Cambridge (roughly Catholic in basic ways of thinking) tradition and the Chicago (roughly Protestant) tradition. Both favored economic efficiency but the former believed that this required more hierarchic control -- that a paternalistic "church" (the intellectually guided secular state) would best move society forward. The latter tended toward the view that society would be disciplined by competition -- that virtue would normally be rewarded by good (pro-growth) policies - but left many areas where government intervention (disciplined by economics) would be necessary. In practice, the two

schools were less different than appeared at the time. Both accepted economic efficiency as the metric of virtue – both saw government action as often useful (although the Samuelson school saw much greater scope and much less risk in a regulatory state).

Gradually, the Chicago school – or rather some within that tradition -- came to have doubts. Some, such as George Stigler, Nelson notes, lost their faith, becoming almost fatalistic. Ideas, Stigler came to believe, would have little value in determining social outcomes. Self-interest alone would determine economic decisions. Government was merely a playground for such self-interest, another form of market set of interactions. Friedman and most of the Chicago school retained their economic faith, refining the “correct” boundary lines between the moral role of the individual and the paternalistic role of the priesthood. Government should intervene when the “market failed” but Chicago increasingly found fewer and fewer areas where the disciplines of competition had to be replaced by the actions of political bureaucracies.

The Progressive Faith of both schools that economic growth alone would produce *Heaven on Earth* was weakened by two world wars (and, in America, the Vietnam War) and the failures of the welfare/regulatory state. The fading of the Progressive Era today makes Nelson’s examination of economics timely, indeed critical. Nelson is concerned that, if economists fail to understand the necessity of strengthening the cultural and institutional foundations of growth, then anti-growth “religions” will gain control and undermine the global economy.¹ The growing literature on the failure of foreign aid to alleviate poverty poses both an opportunity and a threat. Unless a pro-competitive religious “revival” can somehow occur, the future is worrisome. Nigeria and Louisiana and other bastions of corrupt societies indicate that natural resource wealth and an educated citizenry alone are inadequate to economic success.

To repeat: Nelson is arguing that, while self-interest is an important force that can – and has – produced great benefits for mankind, self-interest must still be embedded in an ethical context that disciplines self-interest. Others may prefer a different term but Nelson refers to that contextual framework – those social beliefs – as “religion”. Ideas can help shape a creative societal framework and somehow those ideas must be internalized, becoming a part of the belief structure of the citizenry. There are two aspects of Bob Nelson’s book that I would like to expand on and which relate to my own work: 1) the manner in which the Progressive school of economic “religion” moved America from its limited government past to the Leviathan of today (how “cultural values” were redirected from the classical liberal framework of the Industrial Revolution to a modern belief in an enlightened Leviathan) and 2) the way in which new modern religious forces have justified the growth of today’s anti-technology, anti-growth environmental movement and again derailed the evolution of the institutions of liberty. The failure of progressive economics as religion, the discrediting of the traditional religious support for a moral order of trust and “fairness,” left a vacuum into which still more pernicious belief structures have recently moved. Classical liberals are right to re-examine the intellectual framework for freedom but they must also find a way to make freedom a core belief of the citizenry – an essential part of the civic religion of America -- if they are ever to regain the ground lost over the last century.

The Derailment of Classical Liberal Evolution:

The Progressive Era “gospel of efficiency” undermined the belief in freedom – the restrained view that market competition rather than government “scientific management” would better guide society. This outcome in part reflected the deep underlying religiosity of the progressives. They looked to direct government action to “improve the competitive process,” or to replace it altogether, rather than to await institutional and/or technological innovation to address its problems. They ignored the evolutionary potential of competitive forces to continuously improve

¹ Nelson (p. 11) uses the example of the Confucian capture of power in China and their success in “stabilizing” China. In today’s world, this Confucian role is more likely to be played by the environmental establishment.

the efficiency (that is, the ability of voluntary forces to better equate individual interests) of economic processes. Specifically, as Ludwig von Mises admonished:

It is true that where a considerable part of the costs incurred are external costs from the point of view of the acting individuals or firms, the economic calculation established by them is manifestly defective and their results deceptive. But this is not the outcome of alleged deficiencies inherent in the system of private ownership of the means of production. It is on the contrary a consequence of loopholes left in the system. It could be removed by a reform of the laws concerning liability for damages inflicted and by rescinding the institutional barriers preventing the full operation of private ownership.²

This statement captures the classical liberal view of the critical role of institutional evolution. For classical liberals, the economy is the framework of voluntary arrangements whereby people advance their values via private exchange. As resources come to be valued, the institutional framework evolves to integrate them into the exchange system. Land, subsurface mineral rights, the electromagnetic spectrum, the “environment” – all merit the property right protections of classical liberalism. A free people should decide what it values, and what should be sacrificed for this purpose. Classical liberals have no social utility function. In Nelsonian terms, the classical liberals believed that the basic principles of a free society were immutable, but as values and technologies changed, as new resources and tastes emerged, entrepreneurs would find ways to integrate these new concerns, these new capabilities, into the established faith. Society was a work in progress. We could do better but Heaven on Earth was not something that would ever be attained. That constrained vision was also supported by traditional religious values that viewed mankind and society as imperfect institutions, reflecting the belief that man himself was imperfect. Our challenge was to allow the evolution of institutions and cultural beliefs that reflected this reality of man, the fallen angel, not man with godlike powers for good in the world. That humbleness was soon swept away, however, in the millennialism faith of the progressives.

In the classical liberal worldview, institutions evolve spontaneously, as values change and resources become scarce. Classical liberals look to precedents – in history or in other economies—to guide that evolution. Classical liberals reject the now popular view that market mechanisms can be “manipulated” by an economic priesthood for social purposes.³ The process by which newly valued resources institutions co-evolve with values is not well understood. Civilization is the trial and error process in which property right and other institutional experiments are validated by their success or failure.⁴

This classical liberal evolutionary view held sway well through the mid-19th century. But then the Progressive Era undermined it based on an antagonism to private property of a powerful new secular religion -- scientific management and the progressive “gospel of efficiency.”. Resources not integrated into the classical liberal order prior to 1900 are not so integrated today. Rather, the Progressive Era substituted centralized political management for the private evolutionary approach that had prevailed. The result is a confusing mish mash of public policy today that serves no one well.

² Ludwig Von Mises, *Human Action: A Treatise on Economics*, 3rd rev. ed. (Chicago: Henry Regnery Co., 1966), 657-658.

³ Amory Lovins presented this perspective at an ERIS conference in Aspen several years ago. He noted his appreciation of markets and his view of how they should be employed as follows: “Markets should row; politics should steer!”

⁴ For example, my wife and I have lived in inner city Washington for many years in a cooperative apartment building. Co-ops are one of the two major institutional ownership arrangements in a multi-unit building. The major difference between the two forms of collective ownership is that in the coop one owns shares in the corporation owning the building along with a “proprietary lease” to a specific unit. In the condo, one owns the “unit” – or rather the space defining a specific unit along with a non-sellable right in the collective spaces of the building. Both forms have advantages and disadvantages. The market decides which form makes the most sense in which areas and for which owners.

Most policy analysts, even libertarians, seem unaware today of the great political importance of the progressive religious movement. Consider environmental policies. The possibility of private ownership of water, wildlife, airsheds, and other resources is generally raised and swiftly dismissed in favor of political control. Basic infrastructure such as electricity, telephones, ground and air transportation that developed after the progressive era remain a mixed public and private bag today. The private sector often dominates the flow (automobiles, planes, power generation, telecommunication) but the grids -- the infrastructure over which the flows travel -- are either government owned or regulated (highways, airports, and the ATC, the wires and cables).

The classical liberal challenge is to re-examine this history, and to understand the religious and other forces involved, to assess what institutions might have evolved had America not adopted progressive collectivism. The roots of most modern public policy problems stem from the destruction of the evolutionary process in response to the efforts of free individuals.

The implications of this thesis are far reaching. It explains many of the fallacies of modern economics: market failures, "natural" monopolies (never, one might note, found in Nature), public goods, externalities, lack of competitive grids. All stem from an impoverished state of institutions throughout a modern economy. Only sectors where government was too slow to intervene (the internet, for example) have escaped this problem. I develop this theme in two areas: The environmental problem and the network deregulation problem.

Note, after all, that environmental issues are as old as mankind. The first cave dweller who dragged home his kill must have suffered some criticism from his neighbors as the discards began to decay. Those early environmental problems were dealt with by the evolution of cultural rules—carry away offal, pollute waters only downstream of the tribe, move fires safely away from the huts. Traditional societies evolved sophisticated procedures for managing environmental issues.⁵

The key question is: Why, as wealth increased, allowing this greater appreciation of environmental values, did new institutions not adapt that would have empowered individuals to express their evolving preferences? The answer, I believe, can be found in the undermining of the classical liberal evolutionary process that occurred during the Progressive Era. Reflecting their new faith in a powerful state church and the arrogance of the Fatal Conceit, Progressives concluded that markets and private property would slow progress, that collective management of society would more surely advance the public interest. Thus, they blocked the extension of private property to natural resources that had not yet been privatized (indeed, in the case of the electromagnetic spectrum and some arid western lands, rolling back fledgling homesteading efforts). Progressives also transformed the rule of law, making it more utilitarian, more willing to ignore individual values to advance the "common good," as necessarily defined politically. The progressive intellectual priesthood of social scientists would in a Solomon-like fashion judge each case wisely, enabling us to abandon generalized market rules in favor of the individualized social justice of government decision making. Earlier common law defenses of individual property rights that might have encouraged more environmentally sensitive paths of economic development were abandoned.

The Progressives also created or expanded a vast array of "promotional" agencies—the Army Corps of Engineers, the Bureau of Reclamation, the U.S. Forest Service—to dam rivers, build canals, and manage timberlands. The progressive biases of these institutions led them to neglect environmental values in favor of faster economic growth. Progressive views came to dominate American culture, leading courts and legislators to weaken traditional nuisance limits and protections. Economic growth became associated with neglect of environmental protection; thus, it is not surprising that many Americans now see economic development as "causing" disasters.

⁵ For a discussion of culturally-enforced property rights in the fisheries area, see *A Sea of Small Boats*, edited by John Cordell, (Cambridge, Massachusetts: Cultural Survival, Inc, 1989).

When a wealthier America (in the 1970s) began to place greater value on ecological concerns—when, in fact, the effective political majority began to demand that the environment be protected—pollution and other environmental problems were viewed as a result of too much economic activity. The “market failure” explanation was accepted uncritically. Indeed, most economists—even most “free market economists”—still accept it.

Yet, as the earlier quote by Von Mises suggests, this line of thinking is confused. Had classical liberal institutions evolved, environmental values would have been reflected in the workings or property rights and markets, according to individuals’ varying preferences. In earlier eras, voluntary exchanges might have favored economic development over environmental preservation—poverty leaves little room for aesthetics. But, even then, some would still have preferred the deep tranquility of the woods. Thoreau was not unique, even in his time.

Another example of this derailment of evolutionary forces was found in the evolving institutional arrangements for managing underground liquid resources. America had departed from the European tradition, allowing private ownership of sub-surface mineral rights. That small shift encouraged a much more aggressive entrepreneurial private exploration for things of mineral value in that newly available market sector. A dramatic result of America’s privatized underground resources was the development of the modern petroleum industry.⁶

The history of the Industrial Revolution is glorious, albeit poorly understood. Statists see this period as one of “robber barons,” “greed,” and “exploitation” – of the triumph of private evils. However, Burton Folsom’s *The Myth of the Robber Barons* provides a healthy contrasting story, as does the edited volume by Frederick Hayek, *Capitalism and the Historians*.⁷ So I do not need to repeat this history.

In contrast to oil’s rise in the late nineteenth century, groundwater became a scarce—and therefore valued – commodity much later, after the Progressives had gained control.⁸ Groundwater was abundant. Its value until recently did not justify the costs of creating the institutional arrangements for its more efficient use.⁹ Rights therefore were never extended to the groundwater resource, as had happened for oil. The result of these different treatments of underground liquid resources is striking: A relatively scarce commodity (petroleum) has become ever more abundant, while a relatively abundant commodity (water) has become ever scarcer.

Believing that scientific management was the only way to save the forests, the U.S. Forest Service’s founding chief Gifford Pinchot—a prominent Progressive—was convinced that only government management of forests and other natural resources would ensure their sustainable development. Private owners were too selfish and short-sighted to consider the full social impacts of forest resource management. America would run out of timber, minerals, and almost everything else unless the professional “experts” took control. In the early days, many Progressives were convinced that private individuals would exploit their resources too little; our modern environmental Malthusians came to believe the reverse.

⁶ I am aware that oil wells had existed far earlier – in China around 1000 A.D. However, the modern petroleum industry is largely a U.S. creation.

⁷ See Burton Folsom, *The Myth of the Robber Barons: A New Look at the Rise of Big Business in America*, (Herndon, VA: Young America’s Foundation), 1996. Also see *Capitalism and the Historians*, edited by Frederick Hayek, (Chicago: University of Chicago Press), 1954.

⁸ Quasi-property rights associated with surface water—such as fishing rights and use rights for power and processing—had played an important role in protecting that resource which had become valued earlier. Fishing clubs were able to defend the quality of the fishing areas under their control, even when those threatening that quality represented powerful interests, such as industries and municipalities.

⁹ See, for example, Elizabeth Brubaker, *Property Rights: In Defense of Nature*, (London: Earthscan Publications, 1995); Roger Bate, “Water—Can Property Rights and Markets Replace Conflict?” in *Sustainable Development: Promoting Progress or Perpetuating Poverty?* ed. Julian Morris, (London: Profile Books, 2002); Morton Horowitz (Common Law)

In some areas, fragments of a classical liberal institutional order did survive. In England, fishermen formed associations that were able to win reductions in harmful pollutants from both industry and municipalities. In some regions, custom and culture produced property rights arrangements to protect shellfish in bays and estuaries.¹⁰ But the broad outlines remain dismal. Resources that were outside the private sphere in the 1890s mostly remain so today. And resources that were only beginning to enter the private sphere at that time—the electromagnetic spectrum, fisheries, and western lands—effectively reverted to political control and suffered the tragedy of the commons. As a result, the gradual emergence of the environment as a high priority occurred in a world bereft of classical liberal institutions. Older property rights defenses had been eroded; and newer adaptations were now blocked. The result was that when environmental values became majority values in society, few realized that any classical liberal approaches might better have protected these values. Progressive “religion” was the greatest barrier.

Our goal is to jump-start the discovery process that would have resolved many of these problems if it had been in place over the twentieth century. We are forced to play catch-up because of the Progressive derailment of classical liberalism. We should cautiously adopt a constructivist approach to recreate the results that this institutional evolution would have yielded—legitimization of decentralized and privatized policies, devolution of policy making to states and localities, removal of barriers to private ecological rights, and restoring property rights defenses. The direction is clear—to think creatively about the changes that would likely have occurred had the Progressive tide not derailed the classical liberal evolutionary process.

Indeed, in the ecological field, we face problems similar to those faced by Hernando De Soto in seeking to create private property rights in such conventional resources as land and buildings in political jurisdictions where they have never existed. In both cases, we know where we wish to go but we have no road map to guide us. Indeed, the problem in the environmental field is more complex. In the economic sphere, there are working approximations of the classical liberal world, while in the ecological field, there are only partial fragments.

Nelson does not tell us how to embark upon this restoration of the restraints once powerfully felt in society – the Constitution and the cultural support network that made that document more than a pious set of words. He does, however, convincingly argue that, absent some deep belief in the need to restrain Leviathan, and to spur the evolution of arrangements more compatible with liberty, we face an ever downward spiraling system of failed collectivist policies. The current failures of the welfare, regulatory state may provide an opportunity for a classical liberal revival but it is difficult to know how to bring it about. Indeed, welfare state failure has produced a still more virulent threat to liberty than was the optimistic religious faith of the Progressives, the modern environmental movement.

The New Environmental Gospel ¹¹

Whereas the progressive gospel was the great challenge to a free society of the first part of the 20th century, the classical liberal vision today faces a greater challenge from another direction. Like the old progressive faith, the new environmental gospel also preaches that property rights are evil and that the power of the state is benevolent. Religious forces in both cases have been powerfully marshaled against classical liberal principles.

Hence, my goal here is twofold: first to argue that classical liberals should more directly engage the environmental debate (the neglect here has been foolish and dangerous); and, second, to

¹⁰ See articles produced by the Center for Private Conservation, a former affiliate of CEI, at http://www.privateconservation.org/pubs/case_studies.htm.

¹¹ This section of the paper originally was presented at a meeting of the Council for National Policy at a meeting, Henderson NV, February 11, 2006

warn that, while classical liberals have a deep and important moral responsibility to care for God's creation, the best way to meet this responsibility is to extend the institutions of liberty (private property, the rule of law, private action) – not by joining a collectivist environmental parade.

Let me state two of my main themes¹²:

- Eco-Paganism? Most environmentalists do not, of course, see themselves as pagans. Yet, many do espouse a watered down form of pantheism which elevates nature to near the status of a deity. They have confused the biblical truth that *The earth is the Lord's* with the fashionable environmental slogan that *The Earth is the Lord!* Moreover, the environmental establishment demands a place for the Cathedrals of Nature that they deny vigorously to the Cathedrals of God.
- Eco-Socialism? Again, most environmentalists would reject the socialist label, and many look favorably on economic tools, insisting that they wish only to “correct market failures” (which they seem to find everywhere). But, their “free market” would be rigidly controlled by environmental rules, with the social outcome of the “market-mechanism” now controlled by pervasive regulatory taxes and quotas. That was the system put forward by socialist economic theorists such as Oskar Lange in the 1930s as market socialism. It failed then and eco-socialism is now failing again. . In their world, EPA will steer; you and I are allowed only to row! In their world, there is little role for private conservation of natural resources or for private property in nature.

With the defeat of Russian communism and the failures of economic socialism, the hopes of the left have moved into the environmental area. No longer does the left promise a new Heaven on Earth based on economic progress - now they claim only that they must have wide governmental powers to prevent a new Hell on Earth.

One leader of this Doom and Gloom Alliance is former vice president Al Gore. Yet, it is important to realize that Al Gore (a former theology student) believes passionately in an apocalyptic view of the world. He is not a charlatan but a True Believer, calling for the radical transformation of American society to ward off future ecological collapse. Gore champions a Malthusian view of the relationship between man and nature, the famous

I=PAT

equation. For Gore, man's impact on our planet (seemingly mostly negative) is seen as exacerbated by:

- P, population (environmental activists have led the population control fight, often praising China's one-child policy)
- A, affluence (America, they note, consumes a grossly disproportionate fraction of the world's goods – they fail to note that we produce an even larger share)
- And T, technology (nuclear, biotechnology, chemicals, cell phones, you name it – they find it worrisome).

In this framework, the solution to environmental woes is obvious. The world needs population controls (fewer people), consumption controls (rationing and taxing of resource use), and technology controls (holding the creative genius of the entrepreneurs down to the speed of political bureaucracies). All social control should be voluntary, if possible, but coercive, if necessary. In many ways, the modern environmental movement resembles the Counter-Reformation within the Catholic Church of the sixteenth century, a revitalized faith that a professional priesthood must retain control over the fate of this earth, of mankind itself. There

¹² Note that I am dealing here with both the transformation of the older economic-focused religiosity of the progressive movement (an optimistic approach to secular goals) and its newer variant, the environmental-romantic pessimistic view of mankind (now relegated to the most negative force on our planet – indeed, the “cancer” of Planet Earth).

can be no salvation without the cleansing of society of the evils of modernity (evils, it might be noted, that were often directly the product of the policies and programs of the earlier progressive movement).

To classical liberals, this program – fewer people, fewer goods and services, less innovation - sounds suspiciously like a path of Death, Poverty and Ignorance. Yet, no one should denigrate all environmental values. Classical liberals should, and often do, realize and accept humanity's duty to care for God's Creation, to protect and respect the beauties of Garden Earth. The neglect of environmental policy among political conservatives, a failure to develop and then commit the resources to implement a limited-government vision for addressing environmental problems, created a vacuum into which environmentalism moved.

Environmental organizations are seeking today to enlist the support of religious, social, defense and populist conservatives. . And they have been, in part, successful. A recent *USA Today* editorial, numerous TV shows over the last few weeks, paid ads in *The New York Times* – all emphasized the same point: “even Christian conservatives” concede the moral need to “defend the Creation.” That some Christian conservatives now seemingly espouse a Malthusian agenda reflects the confusion that many conservatives have with respect to the environment. Social conservatives recognize that human beings must meet stewardship responsibilities for the earth; yet, they have little knowledge or awareness of how such principles could be realized in practice. As a result, many social conservatives have come to doubt that the moral and constitutional principles of a free society are applicable to environmental policy. Also, of course, the popular media strongly reinforce such thinking, encouraging the recent emergence of “eco-evangelism.”

Of course, this is not the first time that such doubts in the principles of liberty have arisen. Fortunately, over time, the Welfare State's intrusiveness, its paternalism, its denial of respect and rights, and other failings became evident. The promises of early progressive religion became ashes in the mouths of many around the world. In the United States, that awakening was accelerated by the creative works of classical liberal scholars and religious leaders alike such as Charles Murray and Marvin Olasky. They argued successfully that policies regarding private charity as degrading, the receipt of welfare payments as a right, and the poor were victims were incompatible with basic human nature; instead, we are all free and responsible. Earlier critics had pointed out the economic waste and the inefficiency of these programs; but these individuals went further, demonstrating that poverty programs perpetuated poverty because they failed morally. And with that realization, classical liberals recaptured the high ground and welfare reform became a political bi-partisan reality in America.

Today, it is increasingly apparent that national environmental policies have also failed—that the Endangered Species Act endangers species, that Superfund enriches lawyers while cleansing only taxpayer's wallets. The Clean Air and Clean Water Acts restrict growth and control land use but do little to make America more healthful; EPA increasingly alarms rather than informs the American public. When I was a child, many people were worried that chemicals in the water supply might cause harm – and many still hold that view today. But then it was fluorides, most people weren't overly concerned and the alarmists were private citizen groups. Now the fears are about chlorination to kill bacteria, more people do take these fears seriously, and the leading alarmist is a government agency, EPA. Ironically, that fear in part explains the massive expansion of bottled water consumption – with its attendant energy, litter and solid waste problems.

The apocalyptic nature of the modern environmental movement has often been likened to that of the fire-and-brimstone evangelical movement – and rightly so. The Progressive Movement had also been more emotive, more religious, than commonly realized, and that element is a key conclusion of Nelson's work. It was not technical details that persuaded the American people to abandon their traditional faith in liberty, to allow the destruction of the institutional safeguards (the Constitution, private property, enforceable contracts). Rather, deeply felt ideals – ultimately religiously based – inspired them, however misguided all this turned out to be. If the values of liberty are again to hold sway over the American polity, it will require equally fervent “preaching”

on the virtues of freedom, on the creative energies of a free people in a framework of liberty, to better steward this Planet Earth. That faith once governed America; it can again.

Yet, no one should be deluded that this counter-counter-reformation will be easy. Those now dominant in the intellectual community will fight fiercely to retain power. They seek to reframe their claims to power, to legitimacy, in ecological terms. And they are winning many converts among former believers in the economic tenets of progressivism.

Recently, a group of eco-evangelicals, having failed to persuade the National Association of Evangelicals, formed an ad hoc group Evangelical Climate Initiative that issued An Evangelical Call to Action. That Call was a highly political statement that advocated a strong federal regulatory policy to reduce greenhouse gas emissions:

“In the United States, the most important immediate step that can be taken at the federal level is to pass and implement national legislation requiring sufficient economy-wide reductions in carbon dioxide emissions through cost-effective, market-based mechanisms such as a cap-and-trade program. On June 22, 2005 the Senate passed the Domenici-Bingaman resolution affirming this approach, and a number of major energy companies now acknowledge that this method is best both for the environment and for business.

“We commend the Senators who have taken this stand and encourage them to fulfill their pledge. We also applaud the steps taken by such companies as BP, Shell, General Electric, Cinergy, Duke Energy, and DuPont, all of which have moved ahead of the pace of government action through innovative measures implemented within their companies in the U.S. and around the world. In so doing they have offered timely leadership.”

That such policies would make energy much less affordable to average consumers and do great harm to the energy-poor of the developing world was ignored. However, the only known way to dramatically reduce greenhouse gases is to drastically reduce fossil fuel consumption. To accept the modern environmental faith is to seek less affordable energy. Moreover, this strategy will do little to alleviate whatever risks might be posed by climate change. Note that current models (the basis for global alarmism – models dubious in their own right) still show that no real change can be expected by anything less than draconian reductions in energy use – in a world that is already suffering from energy poverty. Many in America, and most people in the poorer nations of the world, now use little energy; they lack the mobility, the labor-saving technologies, the safety and comfort provided by central heating and cooling. And only economic and technological growth – with the increased energy use thereby entailed – offers the hope of improving their ability to address *existing* natural disaster risks (storms, floods, earthquakes, fires). If their situation is to improve, they must use much more energy than today. Yet, the goal of environmental alarmists is to make that path more difficult, to make the US, Europe and Japan more akin to India, China and Africa.

Thus, the reality is that eco-evangelicals would “help” the poor by closing the doorway out of poverty. The real path to a cleaner environment is to increase global prosperity, based on the workings of societies grounded in property rights and the rule of law. Only a wealthier world with greater knowledge of how to work with nature offers any hope of achieving the better stewardship envisioned in Creation Care.

As with progressivism in the twentieth century, current environmentalism involves deep religious as well as policy confusions. Let me review some of them:

Having abandoned God, many prominent environmentalists seem eager to worship Gaia – the goddess of earth. Few join the Church of Wicca, or dance around trees at midnight, but they seem to have substituted for the Christian rule – The Earth is the Lord’s – a confused view that The Earth is the Lord! If any credence is given to the concept of Gaia (our planet evolving toward some form of self-consciousness), however, then man is clearly its “soul” and its “brain cells.” To reject this special responsibility is to abandon the unique ability of human beings to care for God’s creation.

The Christian tradition is clear: mankind was given both dominion and stewardship over the earth. The dominion concept is clear (all quotations taken from the New Living Translation of the Bible):

Genesis 1:27-28 "So God created people in his own image...God blessed them and told them, multiply and fill the earth, and subdue it. Be masters over the fish and the birds and all the animals."

And also:

Psalm 8:5-6 " For you made us only a little lower than God, and you crowned us with glory and honor. You put us in charge of everything you made."

But, equally clear, is the fact that we are made responsible for its care:

Genesis 2:15 "And the Lord God placed the man in the Garden of Eden to tend and care for it."

But, Christianity denies deity to nature. The Bible warns against this explicitly:

Roman's 1:25 "Instead of believing what they knew was the truth about God, they deliberately chose to believe lies. So they worshiped the things God made but not the Creator himself."

The Old Believers recognize that the biblical guidance on Creation Care is very different from that of most today in the environmental establishment. They recognize the biblical view that man has stewardship responsibilities for the earth. Our challenge here, as in the case of welfare, is to translate that religious obligation into meaningful effective policy acts. Concern is not enough – we are charged with acting prudentially to ensure that our actions will actually have real beneficial environmental impacts. We must act wisely to ensure that our moral concerns have moral consequences. Simply passing a law will not suffice. The Bible is not "green" in the sense that some recent eco-evangelists would pretend.

The old progressives favored economic and technological growth since they were confident the future belonged to them. Theirs was the heresy of arrogance – the Tower of Babel hubris – that they would themselves create Heaven on Earth. Many of our new "green" progressives condemn progress – modernity in general – and fear that change means loss of power. Their environmental policies alone can prevent Hell on earth. Thus, their endorsement of the Malthusian I=PAT equation.

The environmental gospel not only rejects the private property orientation of the Bible, but also rejects the American Constitution with its defense of private property. The checks and balances of the Constitution, we're told, make it too difficult for the EPA to achieve its noble missions. But this is wrong. Nothing is more suitable to integrating environmental values, to reducing conflict, to advancing both liberty and environmental quality than an American society based on a constitution of liberty.

The Constitution lays out that environment of liberty. One scholar, William Dennis, defines it thusly:

"The environment for liberty is characterized by a social order where the individual is secure in his person and his property against invasion by other persons, including agents of the State, by an economic order of well-defined opportunities for a person to contract for goods and services and freely to transfer property to others; by a civic order providing a myriad of opportunities for voluntary cooperation on projects for social good; by a political order in which the power of the State is strictly limited, and where common law rules on trespass and tort govern, instead of bureaucratic regulations of productive activity, govern the problems caused by accidental injury to others." Dennis: p. 64

The environment for liberty is always fragile and made more so by a government seeing its duty to protect us from everything. George Washington warned that political power, like fire, was a dangerous servant. And the EPA has become a very dangerous “servant” indeed – seeking to manage our life styles, our backyards, sometimes our very bodies.

There is a classical liberal alternative. Classical liberal environmental policies should be based on the same principles that have done so much to advance human well being in other areas. The elements can be found in those two great documents of civilization: the Bible and the Constitution. No text is better in understanding the needs of a free society than the parable of the Good Shepherd (Gospel According to Saint John, Chapter 10, verses 11-14, King James Version):

I am the good shepherd: the good shepherd giveth his life for the sheep. But he that is an hireling, and not the shepherd, whose own the sheep are not, seeth the wolf coming, and leaveth the sheep, and fleeth: and the wolf catcheth them, and scattereth the sheep. The hireling fleeth, because he is an hireling, and careth not for the sheep. I am the good shepherd....

The Christian tradition makes it clear that man is to meet his moral duties to care for God's creation prudently. Our duty is not simply to “care” but to devise institutions that will empower and incentivize each of us to fulfill our moral stewardship obligations wisely. And the most important of those institutions is that of private ownership of resources. Ownership links man directly to the resource in question – there are no endangered plants or animals in our private gardens or among our pets and commercialized species. The example of animals is instructive. Mankind earlier domesticated some animals for their instrumental value – dogs for hunting, cows and sheep for milk and meat, horses for mobility and farming. Plants likewise were soon integrated into our tradition and plant breeders selected the better seeds and soon were expanding yields. Over time, some plants proved better suited for economic production but the heritage species rarely disappeared, rather they became the “exotics” raised by the wealthier farmers, served at the special occasions. Gardeners today will realize that the catalog of flowers and other plants available today has never been so great. The diversity of human tastes and capabilities has led to a similar diversity of those plants and animals we own. Why should not that ownership link be extended to those plants and animals today locked into political control?

The American people must find ways of clarifying that only the extension of the institutions of liberty to the environmental area is compatible with meeting our moral duties to “care.” And, as the Good Shepherd parable shows, private property is the most important environmental policy in the world. Most environmental problems reflect problems with resources that have been left unowned as common property resources. History suggests that such common property resources too often suffer the tragedy of the commons. That is, everyone “owns” the resource but no one protects it. “Hirelings” are rarely good stewards.

The environmental alarmists, however, play on our fears: desert tortoises are endangered in Nevada, human chromosome damage is found in citizens around Superfund sites, the Cuyahoga River in Ohio catches fire, tropical rainforests are disappearing, and (of course) global warming threatens the future of mankind. That such claims may be false, over-stated or loosely linked to non-human causes is rarely considered. Bad things are happening – and the human presence must be the cause. And, as moral individuals, we do feel a responsibility to concern ourselves with these factors.

However, in addressing these concerns, we remain too unaware of the history of private conservation and the real trends that saw the reduction of the horrendous pollution of waters and air of air in the much poorer cities of a century or so ago. Classical liberals have done a poor job of educating Americans on the history of man's relationship with nature. They have allowed

others to create a caricature where error was intent, where progress has been belittled, where creative experiments have been ignored.

Advances in technology have done much to lighten our footprint on this earth. Consider the massive reduction in pollution as the automobile replaced the horse. After all, the horse relied on renewable energy, was “organic,” and bio-degradable. But a horse produced 40 pounds a day of solid wastes, a gallon or so of liquid, and required many acres of farm land devoted to providing it grain. Moreover, although an abandoned car can be an eyesore, it is far less objectionable than the dead horse in the front yard.

Man is not the cancer of planet earth. We are not mere “stomachs” – consumers of scarce resources. Rather, we have hands and a brain and a soul and – given the institutions of liberty that America’s Constitution defends– we can and will make the world a better place. Environmental doomsayers to the contrary, the creative linkage of man’s genius and energies via the institutions of liberty can steadily lighten man’s future footprint on this planet.

Many environmentalists fear mankind’s increased knowledge and power. To them, man only harms our planet. Yet closer observation shows that mankind as stewards of the earth predominates. The authors of the famous bird guides, Roger Tory Peterson and James Fisher, in a book *Wild America*, speaking of America noted:

“never have I seen such wonders or met landlords so worthy of their land. They have had, and still have, the power to ravage it; and instead have made it a garden.” (quoted in Dennis, p. 59, mss; from their book p. 418, Houghton, Mifflin, Boston, 1955)

Conclusion:

Bob Nelson’s book can help classical liberals understand a critical question: how can we make the ideas of liberty, the ideals of our society? How can classical liberals create a society dependent upon the realization that most actions will be influenced strongly by self-interest, without having that same motivation bring about a Hobbesian world of all against all? Nelson thinks that any answer must look to find ways to create a “religious revival” – an ethically inspired restoration of the liberal virtues. He portrays such a revival movement in religious terms and this seems a reasonable approach. The beliefs of a people reflect links to core values – not to the formal intellectualizations of those beliefs. People once supported the institutions of liberty in ways that were profoundly religious. Indeed, the Constitution and the writings of the Founders enjoyed the status of the sacred writings of a free people. The Progressive Movement weakened that faith but did not entirely destroy it as current events (the uproar over the Kelo decision, the renewed interest in the Founders, the rediscovery of the virtues of the checks and balances of the Constitution) are working to demonstrate.

A secular society has great difficulty with belief. Our overly intellectualized elites seek to discard all institutions, all values, that cannot be readily rationalized in “scientific” terms. Nelson recognizes the limits of such arguments, writing an interesting digression on the work of Ronald Coase who cannot readily be classified as falling within either the “Catholic” tradition of the progressives or the Protestant tradition of Milton Friedman. Coase is appropriately more modest. Like Hayek, he sees the need to respect the institutions that have evolved over the centuries to discipline human self-interest, while retaining a willingness to allow experimentation with novel social arrangements that might offer improvements.

Too many classical liberals have neglected the need to reach beyond the intellectual elites to the populace. The current mood suggests that the times are right to address that neglect, to renew a faith that sustained America for its first century. A property rights based environmentalism is one chapter in that renewal of classical liberalism but there are others. America has long experienced revivals in both the secular and religious regimes – the time seems auspicious for that to recur. Those willing to entertain that concept would do well to review Nelson’s *Economics as Religion*. His book can inform much of the battle plan for that crusade.