

# Protect Sensitive and Disaster-Prone Natural Areas

Overdevelopment of wetlands, barrier islands, old growth forests, mountainsides and other disaster-prone areas often leads to exacerbating losses from natural disasters. Building on or near mountainsides, for example, can cause landslides and flooding. Such areas—often the most physically beautiful—also provide important wildlife habitat and key areas for recreation. While some of the benefits of conservation are clearly “soft”—appreciation for the beauty of nature, preservation of wildlife—there are also concrete, hard benefits to preserving such areas.

Wetlands, for example, play an enormous role in moderating the storm surges from all but the largest hurricanes and slowing hurricanes on their way inland. Conserving these resources and protecting the nation from disasters requires three policy changes: an appreciation that private property typically provides the best protection of these areas, a withdrawal of implicit and explicit development subsidies from many areas, and a determination to maximize public benefit from whatever land the federal government holds.

*Allow private conservation.* Private property owners have the best incentives to preserve land and federal policy should recognize that. A company with a deeded fee-simple interest in forest land, for example, will almost never de-

cide to clear-cut it simply because clear-cutting provides such a poor return on a long-term investment. On the other hand, a company leasing land from the government can maximize its profits if it clear-cuts that land.

Trusts and other non-profit charitable bodies often have a better incentive structure than the government to make sure that it remains preserved. A government must manage a number of competing interests and may find that a desire for economic development, tax revenue, or a favor to a powerful group overrides its desire for conservation. A private conservation trust, on the other hand, exists only to preserve the land and can be trusted to do so in the long term. Thus, to the extent possible, the federal government should transfer environmentally sensitive land to private owners—charitable and for-profit—that will do a better job managing it.

*End policies that encourage people to live in disaster-prone areas.* Congress should withdraw all subsidies from truly environmentally sensitive areas. For the most part, federal law and regulatory policy already restrict new development in heavily flood-prone areas and no *explicit* federal subsidies exist. Congress should also withdraw all *implicit* federal subsidies for development in these areas. If a developer wants to build over wetlands or on

a mountainside, residents in the area should be denied any federal subsidy that encourages them to live there, including infrastructure. Someone who moves into a disaster-prone area or who chooses to live on wetlands should expect nothing from the federal government besides a rescue craft and a bill. States that

provide more help—except through direct additional taxes paid only by people in the affected areas—should have federal aid reduced by the amount of help provided to residents in disaster-prone areas.

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