



The Free Market Does It Better

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Another global warming skeptic has dared speak up. Meteorologist John Coleman, founder of the Weather Channel, calls global warming "the greatest scam in history" [<http://tinyurl.com/2odpj6>].

"Environmental extremists, notable politicians among them ... create this wild 'scientific' scenario of the civilization threatening environmental consequences from Global Warming unless we adhere to their radical agenda. ... I have read dozens of scientific papers. I have talked with numerous scientists. ... There is no runaway climate change. The impact of humans on climate is not catastrophic. Our planet is not in peril. ... In time, a decade or two, the outrageous scam will be obvious."

I suspect he's right.

But what if he's wrong?

I've argued that even if global warming is something to worry about, it's dangerous to look to government to fix the climate. Government is a blunt instrument, riddled with self-serving politics and special-interest pandering. To expect it to do something as complicated as calibrate regulations and taxes to fine-tune the climate — without making many people poorer and a few cronies richer — is naive.

But that doesn't mean we can do nothing. We have a powerful generator of solutions if we let it work: the free market.

The market has solved environmental problems many times in the past. Before the automobile, America's cities suffered from a terrible pollutant. It bred disease and emitted noxious odors.

It was horse manure.

As economist Nobel laureate Robert Fogel said, "There were 200,000 horses in New York City at the beginning of the 20th century defecating everywhere. ... When you walked around ... you were breathing pulverized horse manure" [<http://tinyurl.com/3brr7e>]. From such air and water pollution, people contracted cholera, typhoid and other deadly diseases.

When the internal-combustion engine came along, the air and ground became much cleaner. Environmentalists romanticize the days before the car, but who wants to go back to that filth and disease?

How might the free market – which relies on consent, not coercion – be better than government at addressing global warming? Policy analyst Gene Callahan [<http://tinyurl.com/332o54>] points out that government is a big part of the problem because it encourages overuse of fossil fuels.

For example, use of highways is not subject to market pricing, so it appears to be free. The resulting traffic jams are bad for the environment.

We'd use less coal if the government didn't create regulatory obstructions to nuclear power.

The creative market process – if unburdened by state subsidies and regulations – would discover alternative fuels that bureaucrats can't even dream of. Today, an energy maverick is likely to be punished by the government, as Bob Teixeira learned when he had the audacity to run his Mercedes on soybean oil

[<http://tinyurl.com/3c2kb2>]. If climate danger is real, the profit motive will drive entrepreneurs to find technologies to reduce CO2.

Markets outshine governments in innovation and flexibility. Those virtues would come into play if global warming does become a problem. "For example, the financial industry, by creating new securities and derivative markets, could crystallize the 'dispersed knowledge' that many different experts held in order to coordinate and mobilize mankind's total response to global warming," writes Callahan. "Weather futures can serve to spread the risk of bad weather beyond the local area affected. Perhaps there could arise a market betting on the areas most likely to be permanently flooded. That may seem ghoulish, but by betting on their own area, inhabitants could offset the cost of relocating should the flooding occur."

A less-regulated insurance industry would have a strong profit motive to anticipate problems from any warming and set prices for property coverage appropriately. Insurance companies would rely on the best scientific information because, unlike government, if they make a mistake, they face bankruptcy.

The most important thing we can do is not to impede production of wealth. As the late Aaron Wildavsky said in his wonderful book "Searching for Safety," "Wealthier is healthier." A rich society is resilient and able to respond to unforeseen threats [<http://tinyurl.com/3bqkp4>].

People in the developing world desperately need prosperity. Blocking their development on the flimsy

promise of climate "fixes" will only make hard lives harder. Their primitive environments are killing them.

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