

# Zoned natural

**Environmentalists discover a new way to achieve their goals for nature conservation: working within the free-market system**

By J. Brian Phillips

**L**ike many entrepreneurs, Coloradan Jim Walsh has turned a hobby he loves into a profitable business he enjoys. His hobby is trout fishing. His business is Stream Team, which he describes as "a consulting firm that is oriented toward enhancing and repairing aquatic habitats" primarily for sport fishing.

Stream Team was founded in 1980 after Walsh completed a stream-rehabilitation project for Trout Unlimited. Realizing the difficulties a landowner would encounter in stream revitalization, Walsh used his experience in real estate and general contracting to open his business.

"It's kind of an excuse for me to be employed and knee-deep in a trout stream," he says.

Walsh revitalizes trout streams through a combination of land management—such as the prevention of soil erosion—and improvements to the stream itself. These repairs might require removing debris, altering the course of the stream, or using boulders to create the swift-moving water trout love.

Stream Team's clients include corporations, guest ranches, and homeowner's associations seeking to improve property values. In the western United States, there are great demands on water resources and the adjacent flat lands.

"We're finding out," Walsh explains, "that what's remaining is quite valuable and needs to be either protected or improved, just from a wise real-estate-investment standpoint."

This unusual business (Walsh estimates only eight companies in the US do this type of work) is part of an emerging trend in environmentalism. With governments at all levels straining to meet the demands on available resources, the private sector is assuming greater responsibilities in environmental protection and improvement. By utilizing property rights and the operation of the free market, environmentalists have found an effective means for achieving their goals.

Among the most successful examples of this trend toward free-market environmentalism is The Nature Conservancy (TNC), an international

organization devoted to "the preservation of natural diversity."

Founded in 1951, TNC has assembled the world's largest system of privately owned nature sanctuaries, protecting more than 3 million acres in the US, Canada, the Caribbean, and Latin America.

In the US, the conservancy operates more than 1,000 sanctuaries with preserves in nearly every state. But conservation and protection of fragile environments is only one of the conservancy's programs.

One of the group's most important and unique operations is the Heritage Program, a computer-assisted, ecological inventory of rare animal and plant species. Working with state and local organizations, the program identifies environmentally sensitive areas. Then, the conservancy begins efforts to protect those lands and waterways.

TNC, however, eschews the tactics of



traditional environmental groups. Rather than pursuing political solutions, the conservancy attempts to purchase the designated properties. And when it's unable to purchase a property, TNC will attempt to persuade the owner to undertake voluntary conservation efforts.

"We probably are more knowledgeable than anyone else about real-estate and tax and zoning regulations that affect conservation," Bill Blair, former TNC president, explained in a recent *Sports Illustrated* magazine article.

Financed entirely by private funds, TNC receives between \$75 million and \$90 million in donations annually. The organization also welcomes land dona-

tions, particularly those they consider environmentally fragile. It also accepts other properties—such as convenience stores, obsolete factory sites, and land remaining from development projects—if the donor does not object to the land being sold. The proceeds from such sales are used to purchase areas that are designated for protection.

**C**orporations and “conservatives”—often perceived as adversaries of environmentalists—find TNC’s approach very attractive, because it permits them to be nature lovers without compromising their economic interests.

In 1984, for example, Consolidation Coal Company, an energy conglomerate, donated nearly 8,000 acres to TNC—the largest single corporate donation to an environmental group.

At the time, a Consolidated executive

Bolivia to acquire lands. In Costa Rica, the conservancy has helped purchase more than 160 square miles of private land for the Guanacaste National Park.

“We help them find support,” says Jeff Wise, a communications specialist with TNC. “We give them the benefit of our fifty-odd years in this area.”

Following the successful example of its Heritage Program in the US, TNC is helping these other organizations from neighboring nations build a network of conservation data centers to identify and inventory scientific data on the environment in Latin America. Computers, data management, and other technical training are parts of the agreements between TNC and these national conservation organizations.

“We help them so they don’t have to reinvent the wheel,” says Wise.

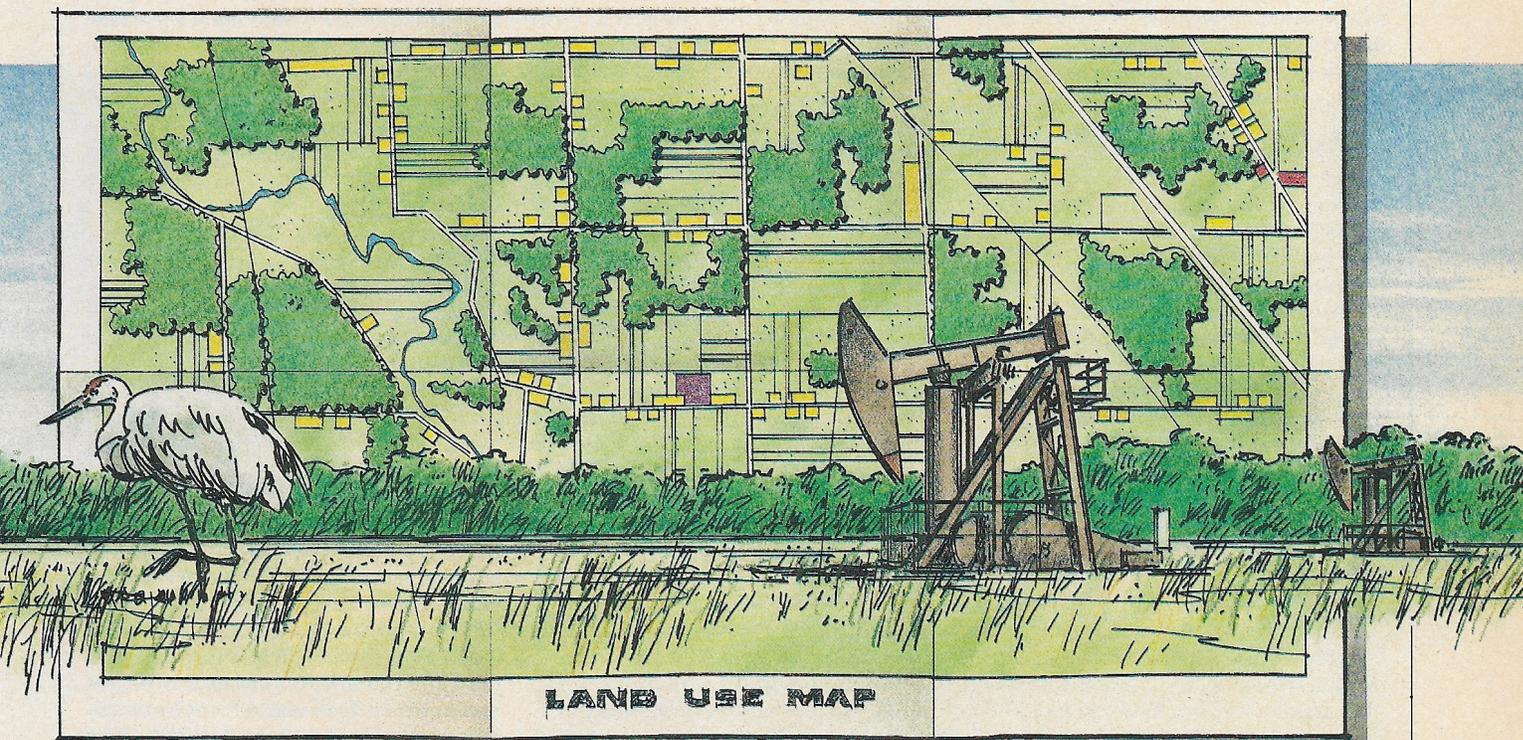
TNC advisers, however, also must consider the political and cultural dif-

land as it is to have a lunchroom and toilet in a national museum,” Janzen explained in an issue of TNC’s bimonthly magazine.

**T**he Nature Conservancy is one of several groups—such as Conservation International and the World Wildlife Fund—operating “debt-for-nature” swaps. These trades attempt to provide environmental protection and reduce the debt of Latin American countries simultaneously.

A debt-for-nature swap begins when the foreign debt of a nation is donated to a conservation group by a creditor or purchased at a discount. Then, through a series of complicated financial transactions, the debt is converted to bonds. The money raised from the sale of the bonds is designated for environmental projects.

In Costa Rica, environmental groups



said of TNC: “They acquire land for, I believe, a very good purpose, but do so within the framework of the free-market system. They do not seek to change the law or public opinion so as to deprive individuals or businesses of their just property rights.”

TNC works with private environmental groups throughout the Western Hemisphere. The conservancy provides financial and technical training to organizations such as Pronatura in Mexico, Ancon in Panama, and Bioma in Venezuela. The Charles Darwin Research Center on the Galápagos islands built an endowment with TNC help; similar aid allowed the Beni Biological Reserve in

ferences of the world. To protect animal and plant life, for example, many US private sanctuaries are closed to the public or access is tightly restricted. But in Latin America, “user-friendly” sanctuaries generate greater support from the local populace.

Daniel Janzen, a biologist at the University of Pennsylvania at Philadelphia and “godfather” of Costa Rica’s Guanacaste National Park project, believes combining educational and recreational facilities is one way environmentalists can overcome public relations problems in Latin America.

“It is as legitimate to have a soccer field and picnic area in a conserved wild-

are working to purchase 15,000 acres of tropical rain forest near La Amistad. It is estimated that if the groups can acquire \$2 million of Costa Rican debt, the forest can be purchased and permanently endowed.

“This is a tiny fraction of Costa Rica’s indebtedness,” says Randy Curtis, TNC’s debt-swap coordinator, “but the acquisition of this relatively small amount of debt could greatly benefit conservation of the country’s biological diversity.”

Though more politically active than TNC, the Audubon Society also is involved in free-market environmentalism. Encompassing nearly 900 acres, the Michigan Audubon Society’s Bernard N.

Baker Sanctuary is an important refuge for sandhill cranes. More significantly, the Baker Sanctuary also is the site of oil and gas wells.

Some environmentalists cringe at the thought of oil and gas wells in an ecologically sensitive area, particularly one owned and managed by a conservation group. At times, oil companies and environmentalists have considered one another adversaries, but the Michigan Audubon Society (MAS) has discovered that cooperation is possible and even mutually beneficial.

Royalties from the oil and gas lease have brought the MAS Endowment Fund more than \$300,000 since 1981. Thirty percent of the interest from these royalties goes toward maintenance and improvement of other MAS sanctuaries.

To protect the sanctuary from undesirable consequences of drilling, the lease stipulates a number of restrictions on the oil company. Drilling, for example, is prohibited between December 18 and March 10 to avoid disturbing the sandhill cranes. Other provisions are designed to

minimize the potential for oil spills and subsurface water contamination.

"We don't take drilling in Baker Sanctuary lightly," says MAS executive director Terry Yonker.

This example of the Audubon Society's environmental entrepreneurship is not limited to the Baker Sanctuary. Indeed, the organization similarly permits oil and gas wells in its Rainey Wildlife Sanctuary along the Gulf of Mexico coast in Louisiana. Again, restrictions are placed on the oil companies to prevent polluting the environment. To the oil companies it's just another business deal. To the environmentalists, it's an important source of revenue.

Both benefit, because, as Yonker says, "we've taken our relationship out of an adversarial setting."

In addition to TNC's and the Audubon Society's free-market programs, there are thousands of other organizations and individuals actively engaged in some form of private environmentalism. Their purposes and goals are as varied as the

organizations and the individuals themselves.

The Hawk Mountain Sanctuary, for example, is operated by a private, non-profit association established in 1934 to promote the protection of birds of prey. The sanctuary consists of a 2,000-acre refuge in eastern Pennsylvania and also is home to ruffed grouse, wild turkey, deer, and fox. Today, the sanctuary is an internationally known conservation, research, and education center.

Located on the Oregon coast, Sea Lion Caves Inc. is a for-profit organization that protects the only mainland breeding area for Steller's sea lions. The caves also are an important seabird rookery. Home to about 200 Steller's sea lions, the 125-acre property is a major tourist attraction in Oregon. And due to the rookery's accessibility and protection, numerous scientific studies have been conducted there.

Robert T. Mitchell, a retired biologist, owns and operates the Sassapaw Research Refuge overlooking the Chesapeake Bay in Maryland. The eighteen-acre farm is devoted to the study and propagation of butterflies, moths, and wasps. Concerned about declining populations of these insects, Mitchell has altered the farm's plant life to improve the habitat.

A statewide organization in Massachusetts called The Trustees of Reservations (TTOR) is custodian for more than 16,000 acres. Founded in 1891, TTOR was the first US independent organization devoted to land preservation.

TTOR's primary purpose is to preserve "beautiful and historic places and tracts of land" in perpetuity. Protected areas include ocean beaches and sand dunes, woodlands, rolling hills, and colonial farmhouses. The organization is funded by memberships, donations, admission fees, and income derived from various trusts and endowments.

With more than 2.7 million acres, North Main Woods Inc. (NMW), located in northwest Maine, is one of the largest examples of free-market environmentalism. A unique feature of NMW is its multiple ownership: There are about twenty landowners or landowner groups.

Timber generates most of the revenue for the owners, who also operate the region as a private park. Such activities as camping, canoeing, fishing, and hunting are offered at rates competitive with an adjacent state park.

Development on the resort island of Hilton Head, located off the coast of South Carolina, has been controlled by covenants between property owners. Wildlife sanctuaries dot the island, providing a home for alligators, white-tailed deer, marsh rabbits, and many species of birds. Many of these sanctuaries are maintained by property owners' associations and offer guided tours.

## Hunting, fishing clubs protect wildlife

Hunters and fishermen recognize the importance of conserving wildlife and protecting wildlife habitats. Hunting and fishing clubs worldwide educate members and the public on matters of conservation.

Though their motivations differ, these clubs often pursue activities that environmentalists support.

Nearly 11,000 duck clubs, for example, protect 5.2 to 7 million acres of wetlands in the United States. In comparison, outside of Alaska, the entire (US) National Wildlife Refuge System includes only 4.7 million acres of wetlands.

The largest duck club is Ducks Unlimited, an international organization dedicated to improving nesting and feeding habitats for ducks and other waterfowl. In 1984, the group spent \$45 million to improve nesting grounds in Canada, where most of North America's waterfowl breed.

The Ruffed Grouse Society is a conservation organization dedicated to improving the environment for ruffed grouse, woodcock, and other forest wildlife. With chapters throughout the US and Canada, the society primarily is an educational organization. Local chapters sponsor symposiums and workshops on forest rejuvenation.

Members of the Wild Turkey Federation plant trees and shrubs to create nesting grounds. Trapping

and relocating birds has expanded the number of states with turkey-hunting seasons from ten to forty-six. Wild turkeys now flourish where they had not been seen in 100 years.

Trout Unlimited, with more than 400 chapters and more than 70,000 members in the US, Canada, Japan, and New Zealand, is one of the fastest growing game-preservation groups. Members improve trout streams by clearing away beaver dams, building cattle fences, and stocking streams with fingerlings. Local chapters research wildlife and operate educational programs.

Hunting clubs and guest ranches also seek to improve wildlife habitat, though the efforts of these for-profit organizations usually are conducted on private property. The Word Hunting ranch in southwestern South Dakota is one example.

In the early 1980s, Don Word began replacing his cattle herd with pheasant and improving the wildlife habitat to attract deer. The 7,000-acre property was planted in milo, clover, and native weeds as both a food source and shelter for wildlife. To encourage insects and natural vegetation to thrive, no pesticides or chemicals are used.

Maintaining and protecting wildlife habitats is a means, rather than an end, for hunters and anglers. The result is an improved environment.

One of the most extensive examples of improving the environment through free-market operations is in Great Britain. There, individuals can own, buy, sell, or lease the right to fish a particular area of a stream or lake.

"The fact that the rights are privately owned means that the owners have a real stake in the quality of the fishing," says Richard Stroup, a senior associate at the Political Economy Research Center in Bozeman, Montana. And because the quality of fishing depends upon the quality of the water, the result has been less water pollution.

Owners of a fishing right can take a polluter to court to recover damages. The Angler's Cooperative Association (ACA) helps members fight pollution and has lost only one court battle since 1951.

Most cases are settled out of court, with the polluters paying the cost of restocking lakes and streams and reimbursing such expenses as the cost of the fishing rights in the affected areas.

"The private sector allows the kind of freedom—and also the kind of responsibility—that leads to innovative actions and diversity of opinion," says Stroup.

Taking this to heart, a group of scientists has proposed a free-market approach to a favorite issue of environmentalists: saving the whales.

Because whales are literally priceless, the argument goes, there is no economic incentive in conservation. Killing them is the only way to make money. But if whaling rights could be bought, sold, and leased—like fishing rights in Great Britain—the owners of those rights would have every reason to prevent overkilling.

Indeed, this is the argument put forth by advocates of free-market environmentalism: Property rights attach an economic value to scarce resources. In turn, this provides an incentive for conserving those resources and utilizing them more efficiently. In the case of renewable resources, such as fish, whales, or timber, this means harvesting those resources no faster than they can be replenished.

In its fifteenth annual report, the Council on Environmental Quality, a branch of the US Office of Management and Budget, attempted to explain the motivation for private-sector environmentalism: "There is no single incentive that stands out as critical in directing individual or organizational self-interest toward environmentally sensitive behavior. Such activities seem more to demonstrate that when private initiative is given free rein in nearly any area of human endeavor, there will be those who will take innovative steps and actions to put into effect their own plans, programs, and visions."

Ultimately, everyone—including the environment—benefits. ☐



The Fort Whyte Centre in Manitoba educates future decision-makers about the importance of environmental protection today.

## Kiwansians espouse environmental education

Today's children. Today's environment. Educating the former about the importance of protecting the latter may extend the existence of the entire world.

And the Kiwanis Club of Winnipeg, Manitoba, is doing its part to educate the children—and adults—of the Winnipeg area about preservation through the Fort Whyte Centre for Environmental Education. Completed in 1973 by the Wildlife Foundation of Manitoba, the conservation-conscious center encompasses a theater, a library, exhibits, and various aquariums.

"The center is relative not only in an environmental aspect, but also in the educational aspect," says Arnold Mielke, a Winnipeg Kiwanian. "It's extremely important that we educate the people about the environment and what's been happening to it. Pollution has become habit-forming with a lot of people."

The Winnipeg Kiwanians have been involved in the center's development since its inception. The Winnipeg club paid for the construction of the center's reception building, and the club's foundation funded a waterfowl facility that now flourishes with North American fowl as common as the mallard and as rare as the trumpeter swan, which is pure white in color and known for its sonorous voice.

"Every year the Winnipeg club and its foundation have been one of our most solid contributors," says William P. Elliott, executive director of the Fort Whyte Centre. "In Manitoba, concerns for the environment are at the top of a lot of agendas."

The theater at the Fort Whyte Centre, known as the Kiwanis Touch Museum, contains an extensive collection of books and articles on various aspects of the environment, particularly animals. According to Arnold, the collection is more thorough in many areas than a library's holdings.

Adjacent to the literary collection is the Kiwanis museum's animal facility, containing such species as black bears, deer, rabbits, chipmunks, and squirrels.

Increased visitor attendance at the Fort Whyte Centre reflects increasing interests in environmental preservation. About 10,000 persons visited the center annually during the mid-1970s, compared to the 1988 mark of 80,000. Visits by groups of schoolchildren greatly enhanced the most recent figure.

"Our mission with children is becoming more important with every passing year," Elliott says. "We're trying to bridge the gap between their natural heritage and where they are now. They are our decision-makers of the future."

In addition to opening the exhibits to the public, the center invites visitors to participate in its many activities, including snow ecology in the winter, plant and bird identification in the spring, nest box construction in the summer, and nature photography in the autumn.

"We don't want to blow our horn about Kiwanis as much as we want to educate people," says Arnold. "Ignorance about the environment is dangerous to our existence."

—Julie A. Carson