How much will the sweeper charge and who will pay him?

T.A.N.S.T.A.A.F.L.
(There Ain’t No Such Thing as a Free Lunch).
The Economic Strategy for Environmental Crisis.
By Edwin G. Dolan.

In Defense of People
Ecology and the Seduction of Radicalism.
By Richard Neuhaus.

Environmental Quality

How to Be a Survivor
A Plan to Save Spaceship Earth.
By Dr. Paul R. Ehrlich and Richard L. Harriman.

Toward a Rational Power Policy
Energy Politics and Pollution.
By Neill Fabricant and Robert M. Hallman.

By PETER PASSELL and LEONARD ROSS

The world, we are being told, is going to hell in a shopping basket. Every trip to the supermarket speeds us toward the apocalypse: every gain in prosperity takes its toll in pollution. The useful and uplifting things around which industrial man has built his life—detergents, Mustangs, the Sunday New York Times—turn out to choke his lakes, clog his lungs and overflow his vacant lots. The harsh lesson is that ecological sanity may require an end to economic growth.

Or so it seems if you listen to the ecologists. The economists have another view, ably presented by Edwin G. Dolan in a book with an awkward title but a lucid manner. The economists say that our basic environmental sin is not that we consume too many things, but that we produce them in the wrong way. Businesses have designed their production processes on the premise that they could dump their wastes without charge. Air and water have been free goods for manufacturers—no body has made them pay for using the biosphere as a giant garbage can. Naturally, industry took advantage of the privilege. If gold were free, businesses would use 24-carat monkey wrenches. Since dumping has been free, businesses have belched smoke into the sky and sludge into the sea.

The answer, economists say, is not to stop production, but to charge for pollution. Firms would be made to pay the social cost of the environmental damage they did—the price of producing The Times for example, would include a charge for cleaning up after the mill that makes its newspaper, and another fee for carrying away the paper on Monday morning.

If firms had to pay for pollution, economists believe, they would quickly begin to clean up their habits. For many kinds of pollution, the technology of abatement is already well developed—all that’s needed is a change in incentives. Jackhammer compressor noise, for example, could be reduced 99 per cent by the use of a quiet compressor which adds only about 10 or 15 per cent to equipment cost. But today builders have no reason to shell out their money to protect other people’s ears. A “noise tax” could change their minds.

The price of a livable environment, by this reasoning, is not an end to growth but an end to free-loading. Firms would have to pay annual clean-up costs amounting to less than one and one-half per cent of G.N.P. The price isn’t small—$18 billion a year by 1975, assuming that the job is done efficiently—but it does suggest an additional perspective on the clash between ecology and economics. Who, one may ask, is going to pay the bill for conservation? And who will reap its benefits?

Perhaps it wouldn’t matter so much if clean-up costs were limited to the $18-billion annual estimate for an efficient job (though even that sum is several times the amount of President Nixon’s proposed welfare reform). But nothing is further from most ecologists’ minds than efficiency. They usually scorn suggestions for pollution taxes (though Ehrlich and Harriman are exceptions), and call instead for rigid and wasteful administrative remedies.

A standard nostrum, for example, is to require every pollution source to make an across-the-board percentage cut in emissions. This makes about as much sense as yanking one wheel from every car in order to reduce auto accidents. It’s fine if you want driving, or production, to stop altogether—otherwise, it is a bit extravagant. Plans such as this could raise the environmental bill two or three times, adding costs that would inevitably come up in higher prices and higher taxes. The public, as well as the biosphere, will be taking a trip to the cleaner’s.

Are pollution taxes then, the whole answer? The electric-power crisis illustrates their uses and limitations. Neill Fabricant and Robert M. Hallman’s “Toward a Rational Power Policy” amply documents the conflict between clean air and electric power: Con Ed’s coal-burning power stations generate 40 per cent of the chemical pollutants and 10 per cent of the smoke in New York City. Yet the current demand for power is well above capacity at peak periods and is projected to double in less than 10 years. No matter what remedy is applied, the lag between drawing board and completed construction guarantees the East Coast at least five more years of summer brownouts and smog.

Economists would claim that the root of the problem is the gap between the price consumers pay for the service and its actual social cost. As Redi-Kilowatt used to inform us,
"electricity is the biggest bargain in your family budget," but the monthly power bill never included the cost to emphysema sufferers in Queens. Fabricant and Hallman propose new charges to put the economic burden on power users as well as those unlucky enough to live near Big Allis.

Lack of economic incentives may also explain the depressing record of the utilities in providing technical solutions to the power crisis. Nobody has been very interested in designing methods to reduce smokestack sulphur emissions or remove sulphur from fuels before they are burned. Until very recently, the power industry was unwilling to pay more for cleaner fuels because no one insisted. Public pressure has created new demands for ways to reduce sulphur pollution. But specific taxes on smokestack emissions are more dependable incentives than the directives of sluggish state-utilities commissions.

Enough research has not been done on more radical solutions to power needs. It may be feasible for power plants to convert fossil fuels directly into electricity without the intermediate step of generating steam to run turbines. The net result could be an end to smoke pollution. Direct fuel conversion has already been done in space flight. But we don’t know if the costs are reasonable on a larger scale until someone spends the money on research to find out.

Both the Commission and Fabricant-Hallman permit an important issue to slip by in their consideration of abatement strategies. No simple pricing scheme can take account of the (remote?) possibility of an ecological disaster. The dumping of carbon dioxide from fossil fuels may eventually raise the earth’s temperature sufficiently to melt the polar ice-caps and flood a good chunk of the Eastern Seaboard. Carbon dioxide in the atmosphere will increase by 18 per cent (Continued on Page 16)
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by the year 2000 and increase the earth’s temperature by about half a degree centigrade. However, additional smoke particles created by combustion tend to cool the earth, and some scientists argue that fuel consumption may actually trigger another ice age. Economists do not have much to say about Judgment Day, but neither do anyone else.

Similarly, environmental problems could be finessed if power plants were located far from urban areas. In the Soviet Union power is transmitted thousands of miles from hydroelectric stations in Siberia to industrial centers. A less ambitious transmission network links California with generating stations near the Rockies. However, the technology for long distance transmission is new and expensive, and is likely to remain so until utilities are made to pay the costs of fouling city air.

The crucial fault in the ecology movement has been a failure to distinguish between potential disaster and inconvenience. If air pollution could eventually lead to the Flood, slowing economic growth would not be a very high price to pay for averting disaster. But the penalties of putting up with a dirty environment are probably more modest; wasteful solutions borne heavily by the poor are worse than no change at all.  

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