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Protecting Whales **by Scott McPherson**

The government of Iceland has recently commissioned a whaling ship to hunt and kill 38 minke whales to study the contents of their stomachs. According to the *Washington Times* (August 18), the Icelandic government claims the research is necessary “to measure [whales’] effect on fish stocks such as cod, which are vital to the national economy.”

Naturally, the governments of countries that oppose whaling, including the United States and the United Kingdom, and groups such as Greenpeace and the International Fund for Animal Welfare are upset about the expedition. Our North Atlantic friends have apparently intimated that they could resume commercial whaling after 2006, and, the *Times* continued, “Welfare groups fear that Iceland is using the scientific whaling to gauge international reaction.”

It’s hardly likely that this particular venture will have any impact on the minke population, a fact that even ardent conservationists would have to concede: Iceland’s Marine Research Institute has estimated that there are currently about 43,000 minke whales in Icelandic waters.

Still, it’s the fear of a future massive harvest of the species that has Greenpeace’s *Rainbow Warrior* heading for the area and anti-whaling activists protesting in London. If Iceland reopens its whaling industry the future of the minke could be in jeopardy, especially if other countries lift their bans under pressure from whaling lobbies.

But what those who oppose commercial whaling fail to fully appreciate is that there is a very real demand for these prized catches. If Iceland does lift its ban, one can safely assume it’s because there are a lot of people waiting to make a very large profit from the move. Obviously, those on the consuming end of this arrangement are driving this demand, and professional whalers are simply trying to make a living giving people what they want.

So rather than issue governmental protests or march in the streets, conservationists ought to be trying to harness this demand in a way that will guarantee the future of whales. To truly protect whales, they ought to be embracing a free market in whaling.

What's this? The way to *save* whales is to endorse the *hunting* of whales? This of course runs contrary to everything that conservationists believe, and at first glance it might appear to run contrary to logic. They might ask whether it wasn't the hunting of whales that led to their becoming endangered to begin with, and how in the world returning to that regime will help the whale population.

The answer is simple: There was never a free market in whaling. National and international waters — and their contents — are, at best, publicly owned commodities. This means they are subject to the well-documented “tragedy of the commons.” That is, in the absence of clearly delineated property rights, the market has no way of regulating itself. As a result, with no one having a vested interest in its preservation, “property” that is not owned by anyone is exploited by everyone.

At this point someone will almost certainly object that if markets could be trusted to protect whales, then whalers would realize that they *do* have an interest in preservation — the long-term survival of their industry is dependent on the long-term survival of whales. Yet, they will point out, whalers gladly catch and kill as many whales as they can, all the while remaining ignorant of the long-term consequences of their actions. This, they claim, is proof of market failure.

The trouble is, to fully appreciate the incentives that whalers face under current legal systems one has to acknowledge that public ownership of whales makes *not* taking all of the catch one can the foolish thing to do. Leaving a whale for tomorrow means leaving it for another whaler. This is possible only under a system of public ownership.

For example, compare the business of whaling to, say, logging. If the logging industry were run like the whaling industry, all of the trees would be owned by the government (or not owned at all, which is a more accurate comparison) and individual logging businesses would simply go onto public lands at will to get their trees. This would quickly lead to massive overharvesting of trees and zero replanting — a very inefficient use of resources — and for obvious reasons: with no one having deed to timberland, it would be a race of first-come-first-served to get the trees to market to make as much money as possible before all of the trees ran out. And as no one would have any claim to land that he replanted, why would anyone bother planting trees only to see them taken by someone else?

It is precisely because so much timberland is in private hands that we can rest assured that there will never be a shortage of trees. Where property rights are clearly delineated, a healthy balance of resources is virtually guaranteed, because resource

owners know that their property is theirs alone to profit from or squander, and the wise ones will always have their eye on their own long-term economic well-being. Any resource-owner who foolishly exploits his property without any concern for the future only makes other such stores even more valuable, providing a general economic incentive to maintain the long-term integrity of resource investments. Not to be undervalued is the accompanying knowledge that private property can be protected against theft. But these incentives will be possible only under a genuinely free market of supply and demand — the private ownership of resources.

Now imagine that such a system could be implemented in the whaling industry. Whale herds would be privately owned, as cattle herds now are, with clear title recognized and enforced through courts of law and international treaties. Instead of having the largest incentives geared towards immediate use — the tragedy of the commons — whalers would face competition with other whale-owners. Those who foolishly exhausted their resource in hope of quick profit would soon be out of the whaling business altogether, as the smarter, long-term-profit-minded in the industry adopted conservation methods that would guarantee the future of the species — and their profits — indefinitely.

This development may not be as difficult as some might imagine. In their book *Free Market Environmentalism*, authors Terry L. Anderson and Donald R. Leal write that “[property] rights in whale stocks ... are highly plausible today, thanks to the global positioning system (GPS), DNA testing, and radio and acoustical tagging of species.” Once a clear and definite move towards whale ownership began to unfold, then the use of such technologies to protect these and other animal-property rights would begin a radical evolution.

The discovery in the oceans of profitable resources other than animal species could likewise provide impetus for the establishment of aquatic property rights. Most people are familiar with deep-sea oil drilling, but on August 21 the *Washington Times* reported that now “scientists ... have identified an ocean sponge living in the darkness of the deep sea that grows thin glass fibers capable of transmitting light better than industrial fiber-optic cable [and that] are much more flexible than manufactured fiber optics.” Sea sponges could prove to be a hot commodity to telecommunications firms. If ownership of the waters containing these sponges can be established now, it would mean both greater efficiency in communications technology and better protection for these natural wonders. Yet, if nothing is done, in time it could well prove to be another tragedy of the commons.

Most conservationists, however, prefer to ignore the signals and incentives of the marketplace and continue to promote the present system. As a result, they pit their relatively modest resources against the massive power of consumer demand. It certainly

makes more sense to have the market working in such a way as to preserve resources rather than to encourage their speedy consumption. Instead of embracing animal rights rhetoric and marching in the streets, those who truly care about the future of whale species ought to be demanding that those who profit from resource exploitation also be fully vested in their efficient use.

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