



TOWARD A SUSTAINABLE

Future

## By itself, free market does not lead to sustainability

*As effective as markets are, they are tools, not reality. . . . To improve on contemporary global trade . . . in hopes of alleviating poverty and addressing environmental degradation is like slitting an artery to reduce high blood pressure. There can be no sustainability when institutions whose primary purpose is to create money are dictating the standards. — Paul Hawken*

We all know that the markets are very powerful tools for accomplishing certain objectives. Markets are capable of rapidly accumulating capital to achieve astonishing results. But the ideology which believes that free markets, and only free markets, can ultimately solve all problems is naïve at best.

A few years ago a friend of mine who is a strong proponent of free market primacy insisted that we did not need to worry about global warming because the market, if left alone, would eventually correct itself. I agreed that if we waited long enough that might be the case. I pointed out, however, that if James Lovelock was correct, climate change ultimately could make the arctic regions the only place on the planet that would remain habitable for humans while supporting no more than half a billion people. And that certainly would cause the market to self-correct, albeit with results we might not like.

Iowa's famed Wallace family had a different take on sustainability. In December 1898 they changed the name of their farm publication to *Wallaces' Farmer* and put a credo on the front page that summed up the values they believed were important to sustainable agriculture: "Good farming, clear thinking, right living." By implication, markets were to operate within that clearly articulated ethic.

In fact, for Henry A. Wallace care of the soil was fundamental to living sustainably. In his book, *Whose Constitution: An Inquiry into the General Welfare*, Wallace wrote eloquently about the issue of soil conservation. In the chapter, "Soil and the General Welfare," he acknowledged that "rich soil and plenty of it" was the great gift to American farmers and warned that we dare not be "prodigal" with this gift. He recognized that we were terrible stewards of this precious heritage when compared to the previous occupants of this land. "During the past 150 years we white men have destroyed more soil, timber and wildlife than the Indians, left to themselves, would have destroyed in many thousands of years," he wrote.

"Good farming" was the necessary land ethic that provided the context for the free market in the Wallace view.

It was this insight that led Wallace to become a passionate champion of "soil defense." In 1939 he wrote a one-page essay for the Association of Land Grant Colleges and Universities in which he concluded: "It is selfishness that has destroyed our natural resources, and to plead for conservation merely to stop the loss of dollars is to appeal to the same selfishness that wrought the destruction." Unbounded free markets eventually destroy the very resources on which the markets depend.

Wallace wrote a longer essay in 1941, also called "Soil Defense," wherein he observed that "When Columbus first saw the eastern fringes of this continent he found 'the fields very green, and full of the infinity of fruits.' And gold, he wrote, was everywhere, in the streams, at the very roots of the trees." Wallace then went on to point out that as explorers, hunters, woodsmen, herdsman, trappers, miners, merchants and farmers swept across this great land, it became a "great white American soil rush."

Drawing on the insights of Liberty Hyde Bailey, Wallace insisted "that there is such a thing as the ethics of agriculture, and a morality of agricultural statesmanship" and how "astonishing and humbling" it was that "we farmers and agricultural people consented to the plowup of unsuitable acreage."

Markets are never free; we the people establish the rules within which markets function. The land ethic to which we subscribe determines how we care for the soil, water, farm animals, wildlife, and all of the rest of the biotic community (of which we are "plain members and citizens," as Aldo Leopold reminded us). Markets do not care about the land community. We the people have the responsibility to establish the rules of use that ensure the land's capacity for self-renewal. Without such an ethic, sustainability is by definition unachievable.

In Wallace's time it still might have been possible to regard such a land ethic as a moral duty rather than a practical necessity. However, the stakes are much higher now — a land ethic may be critical to our very survival. Today the ethic that directs our markets not only determines how much soil we lose and how many societies are thereby ruined in the long run, but also whether the planet itself remains habitable for the human species.

For those whose only concern is short-term returns, economist Herman Daly points out that even further growth in the Gross Domestic Product (GDP) may not be making us richer. "The evidence is that at the current margin, growth increases environmental and social costs faster than it increases production benefits, making us poorer not richer."

My guess is that most farmers already know that.