

Ownership: The Key Issue

by Glen Tenney

Senator Harry Reid was in Elko late last year in an attempt to somehow reconcile the various interests with respect to land conflicts in the northern part of the county. When asked whether these kinds of problems stem from the ownership of the land, he quickly said that ownership was not the issue, and then suggested that most of these problems were rather a matter of miscommunication and misunderstanding between the various parties involved. He then went on to express his confidence in the hope that things could be worked out satisfactorily to meet the desires and expectations of all those involved.

Sen. Bryan, on the other hand, in a recent meeting in Reno which was meant to be a collaborative effort to reconcile conflicting interests with respect to land issues, said that the public lands would never be privatized, and that those who speak of such matters are out of step with reality.

While I may be out of step with political reality, I would suggest that ownership is indeed the important issue, and that it is the deliberate attempt by many parties involved to skirt that issue that causes the numerous conflicts with respect to the use of nearly 88 percent of the land in the state of Nevada.

Elected officials are not the only ones that attempt to skirt the ownership issue. Ranchers, miners, environmentalists, and recreationists often have similar feelings. It sometimes seems like free-market economists, who don't generally have much direct interest in the public lands, are the only ones who see ownership as the root of the problem.

This bias against private ownership of land reminds me of the words of Terry Anderson, an economist from Montana State University. In his book, *Multiple Conflicts Over*

Multiple Uses, he relates his experience back in 1979 when he was invited to Salt Lake City to organize sessions at a Sagebrush Rebellion conference dealing with various land management issues. Feeling that he had much in common with many of the participants at the conference, he tried to center many of the discussions around privatization strategies. But, to his surprise, it soon became obvious that privatization was not the main issue of either the conference or the Sagebrush Rebellion. Anderson came away from the conference somewhat disillusioned, saying, "The rebellion was about getting more control of the federal estate and the accompanying federal expenditures than about ownership of the land...." In short, the issue [of privatization] was a non-starter because both environmentalists and commodity users thought they could get what they wanted for free through politics."

In the fourth century B. C., Aristotle said, "That which is common to the greatest number has the least care bestowed upon it." Economists of today are quick to point out that a system of common ownership provides incentives that are both incompatible with value maintenance and that breed conflict rather than cooperation between interested parties. Property held in common provides an incentive for people to not assess the true costs of their actions, while squeezing as much benefit out of the property as possible. That is the root problem with almost all public lands issues.

Think about it. If you were the owner of a chunk of land, and I wanted to use a portion of it (or all of it) to build a sanctuary for muskrats, you would probably want to know at least two things about my muskrat venture prior to agreeing to sell or lease the land. First you would want to know what kind of impact my muskrat project would have on the land, and secondly, you would want to know what kind of monetary lease payment I was willing to provide or what purchase price I was willing to pay for ownership. After obtaining this information, you would then weigh those costs and benefits against all other offers from people wanting to use the land. After all, you may have already had inquiries, from miners, cattle ranchers, deer hunting clubs, the Sierra Club and Michael Eisner from Disneyland, who are all interested in your land.

Being the owner of the property, you would have a great incentive to take the desires of all these various groups of people into account. The wishes of these various groups constitute both the benefits and the costs associated with various uses of the land. For example, if the Sierra Club offers you \$1 million to use it as a refuge for bull trout, and I'm only willing to pay \$100,000 to use it for my muskrats, then you suffer financially if you lease it to me. Perhaps the trout refuge is compatible with muskrat preservation—perhaps not. Perhaps both are compatible with four-wheeling and gold mining—perhaps not. My desire here is not to lead you to favor any particular land use over another, but rather to highlight the point that if it's your property, then you have the right, the responsibility and the incentive to thoughtfully weigh the costs and the benefits of alternative uses and to choose accordingly.

If you think that the foregoing discussion of weighing cost and benefits of competing uses sounds similar to the situation where land is owned collectively and managed by the BLM or the U.S. Forest Service, you are only partly correct. The most important question to ask with respect to land owned in common is this: Does the decision-maker with respect to the land personally bear the costs associated with alternative uses of the land? The answer is, of course, no. When land is owned collectively, those who desire to use the land want the benefits of the use of the land, but do not expect to bear the costs personally. For this reason there is much conflict over the use of the lands. The political process is used to make important decisions about the wise use of property, but those involved do not have the necessary tools with which to do so. The land managers have no way of knowing the relative values of the different uses of the land because there is no market that generates the prices that are necessary in ascertaining those values.

In short, the land management agencies in a common ownership regime are being asked to do something that is not in their power to do—except through arbitrary favoring of one group over another based on vibes coming through the political process. We shouldn't blame these agencies for not shooting straight when they are working in a system

that makes it impossible to do so. When property is not privately owned by people who are required to bear the costs associated with that ownership, the costs and benefits of alternative uses will not be fully considered. Wise use of public lands—use that takes costs and benefits into account—requires that the lands be private, not public. No amount of collaboration will suffice as long as the full costs are not born by the same party that enjoys the benefits. In politics that is never the case. Only the institutional arrangement we know as private ownership is up to that task.NJ

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