

**Theodore Roosevelt said:**

***"The nation behaves well if it treats the natural resources as assets which it must turn over to the next generation increased and not impaired in value. Conservation means development as much as it does protection."***

**Was he right?**

Surprisingly far-sighted for his time, in 1910 Theodore Roosevelt set out his vision for the management of America's natural resources. As part of that vision he declared that "conservation does not mean...non-development. It does not mean the tying up of the National resources...It means the utilization of those resources under such regulation and control as will prevent waste...but at the same time...encourage such use and development as will serve the interest of the people generally"<sup>1</sup>.

Roosevelt's words now adorn the American Museum of Natural History but nearly one hundred years later, a question as to the validity of his views in today's world can legitimately be raised. Does Roosevelt's vision sit comfortably in a world that has inherited many arguably overdeveloped natural assets?

### **The Anthropocentric view of natural resources**

The very phrase "natural resources" gives an indication as to how the human population has tended to view the environment. We have developed as a species partly because of our ability to harness the assets around us to improve our quality of life. At the time when Roosevelt made his speech he was concerned with the problem of balancing the individual use of assets whilst population pressure in the United States was increasing. This pressure was sufficiently serious to prompt him to declare that "resources must be kept for the whole people and not handed over for exploitation to single individuals"<sup>2</sup>, not a sentiment for modern-day capitalist "masters of the universe".

Today, population pressure is even more intense. The world population was estimated to be 6.7 billion in 2007<sup>3</sup>. In 1910 it stood at 1.7 billion<sup>4</sup>. In the intervening period, despite huge advances in areas such as farming efficiency, there has been an increased strain on finite resources.

As Indur Goklany points out:

"Between 1910 and 1924...the US population increased by 205 percent, the amount of cropland harvested declined 3 percent while total water with-drawn...increased by 251 percent"<sup>5</sup>.

One reason Goklany posits for the disproportionate increase in land use efficiency over that of water is that, whilst land is generally privately owned, water is not. So whilst a "private property right to land provides its owner with

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<sup>1</sup> New York Times report of Roosevelt's speech in Denver on 29 August 1910

<sup>2</sup> ibid

<sup>3</sup> "Population Newsletter Number 83" June 2007 United Nations Population Division

<sup>4</sup> "Historical Estimates of World Population" US Census Bureau

<sup>5</sup> At 221 of "The Improving State of the World" 2007

powerful incentives to maximise long-term productivity per unit of land"<sup>6</sup> there is no similar incentive to be as efficient with the use of water.

### **The true cost of development**

The challenge of incentivising individuals, and even nations, to use resources efficiently, or perhaps not at all, was addressed at the United Nations Climate Change Conference held in Bali in December 2007. The need for international intervention in the management of natural resources and the measures discussed in Bali indicate that Roosevelt's statement that "conservation means development as much as it does protection" is not entirely correct in 2008. Measures that were debated in Bali included some that were aimed at encouraging developing countries not to utilise various of their natural assets at all<sup>7</sup>.

Perhaps a more accurate definition of conservation today would be "the joined-up management of natural resources". This may mean leaving one type of resource (such as virgin rainforest) intact to balance the more intensive development of a related resource (nearby land for the production of palm oil) or sustainably utilising a resource whilst having regard to the principles of inter-generational and international equity<sup>8</sup> (the limited development permitted in areas designated as Ramsar sites or World Heritage Sites is an example of this latter approach).

### **Defining "value"**

If we are to pass on assets to the next generation "increased and not impaired in value" (an aim that few would argue was unreasonable given the human instinct for the preservation of their off-spring<sup>9</sup>), then a definition of "value" ought to be established.

It is entirely possible that in 1910 Roosevelt intended "value" to be defined purely in economic terms. Today, a natural resource may also be defined in terms of its historical, biological and even intrinsic value<sup>10</sup>. It may even be of value in helping to muffle the effects of climate change<sup>11</sup>.

The increased awareness of the effects of climate change demands that we as a global population use natural resources more efficiently when we do develop them. One of the most efficient ways of doing this may well be to encourage markets to price the cost of developing an asset. Developments in the pricing of

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<sup>6</sup> Page 226 *ibid*

<sup>7</sup> See for example Decision -/CP.13 Reducing emissions from deforestation in developing countries: approaches to stimulate action

<sup>8</sup> Intergenerational equity has been looked at in some detail from a legal perspective, notably by Brown Weiss in "Environmental Change and International Law" UN University Press, 1992. Essentially, it is the concept that the needs of present and future generations should be placed on an equal footing. Future generations under this concept have equal rights to the world's natural resources with today's generation.

<sup>9</sup> See for example the case report in the International Journal of Gynaecology & Obstetrics Volume 84, Issue 3, March 2004, Pages 287-290 "Self-inflicted caesarean section with maternal and foetal survival"

<sup>10</sup> The criteria used in selecting World Heritage Sites may be a useful guide to the different elements of value that can be attributed to a natural resource. See "Operational Guidelines for the Implementation of the World Heritage Convention"

<sup>11</sup> The ocean for example is one of the greatest carbon sponges on earth. By trapping carbon dioxide it could be seen to be limiting our exposure to global warming. The more the balance tips in favour of protecting that resource, the more robust its ability to help in this regard.

carbon over the last decade have demonstrated the potential for resources to be regulated effectively, not simply by looking at their positive value to an individual or country, but by accounting for the negative impacts that developing that resource may have.

If a fully functioning international market for carbon were in operation, as recommended by the Stern Report<sup>12</sup>, then the impact of developing a resource such as the tar sands in Alberta, Canada would have to assess the overall cost of developing such a resource versus leaving it intact. Roosevelt's vision of handing over assets "increased and not impaired" in value cannot be attained if all the world's resources are put to use. The key is to achieve a balance of development over the world's resources as a whole.

Regulation through market forces contrasts with the model that Roosevelt espoused. Roosevelt advocated using federal and state controls to limit development of resources by companies. In 2008 such top-down regulatory control seems a cumbersome way to achieve the same outcome as that of a successful international carbon pricing scheme<sup>13</sup>. This is not to say that regulatory intervention is always inappropriate, indeed the proposed 60% cap on carbon dioxide emissions<sup>14</sup> or indeed on site energy generation will be important drivers when UK businesses are deciding which assets to develop.

Roosevelt was not wrong to reach for a pro-development solution to the laying waste of American resources. However it must be recognised that in the last ninety-eight years, technology, understanding and awareness have evolved to the point where the value of leaving some resources untouched is as valid in some instances as controlled development was to Roosevelt.

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<sup>12</sup> Stern Review: Report on the Economics of Climate Change at ix

<sup>13</sup> The Stern report suggests that an international scheme could be based on the EU Emissions Trading Scheme model, now in its second phase. The EU ETS is not without criticism, many commentators have noted that the decision not to auction allowances in the first phase (2005-2008) has led to an artificially low price for carbon.

<sup>14</sup> See clause 1 of the Climate Change Bill 2007-08 which proposes that by 2050 this target will be met