Al Gore or Julian Simon: A 50-year bet at the midway point

What's the real state of the environment?

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In 1999, while others were fretting about the approaching millennium time bomb — a supposedly lurking computer virus that could shut down the global economy — a new book by University of Maryland business professor Julian Simon was posthumously published, challenging the gloom-and-doom mood of the day. "Hoodwinking the Nation," released months after Simon's untimely death, challenged the widespread belief that the "environment is getting dirtier, we are running out of natural resources, and population growth in the world is a burden and a threat."

In the introduction to the book, American Enterprise Institute Senior Fellow Ben Wattenberg, author of "The Good News Is The Bad News Is Wrong" (1984), set up an interesting challenge: "Fifty years from now readers who peruse 'Earth in the Balance' by [former Vice President] Albert Gore and 'Hoodwinking the Nation' by Julian Simon will giggle at one of them. Let's bet which."

Since we're more than halfway to 50 years, my colleague Jacob Maichel and I thought this would be an interesting time to take stock.

Writing for The Independent Review, we noted that the public remains pessimistic about the environment, despite improving trends. A March Gallup survey, for example, indicated that 80% of U.S. adults worry either "a fair amount" or "a great deal" about drinking water pollution, while just 20% worry "only a little" or "not at all."

It's hard to square this fear with the reality that more than 90% of Americans, according to a 2021 Environmental Protection Agency publication, are served by water that fully meets EPA standards (a 20% increase from 1993, when only about 75% of U.S. drinking water met the EPA's criteria).

Air pollution trends have moved similarly. EPA trend data shows dramatic decreases in several measurable air pollutants since 1980, including carbon monoxide (down 88%), nitrogen dioxide (down 66%), particulate matter (down 65%) and volatile organic compounds (down 61%). Despite these and other improving environmental trends, 62% of Americans rate the environment as "getting worse," Gallup found in March, up 5 percentage points from 2024. Why is this happening? Simon argued that the basis of such fear is an oversupply of false, bad news painting a dreary picture. If anything, the social media megaphone — focused almost entirely on calamity and crisis, rather than progress — has amplified this problem. As a result, fear rather than facts prevail.

The fear also has leaked into business. Corporations try to be proactive, not reactive, when it comes to environmental issues. That, in turn, has led to environmental, social and governance investing, which directs investments to firms and funds that show appropriate fealty to the conventions of the day.

Some readers may consider this a good thing. The problem is, addressing ESG measures has a hidden price. When companies spend more of their scarce resources (dollars, human talent and physical facilities) on meeting environmental objectives, less resources are available to spend on other priorities. What's more important, reducing your company's "carbon footprint" or finding a cure for a disease, expanding your business or increasing your payroll?

Moreover, the decisions companies make on these issues are not always motivated by altruism and "good corporate citizenship" alone. When large auto manufacturers lobby for nationwide net-zero or near-zero emissions vehicle targets, for example, they know full well that smaller competitors will be less able to take on the costs necessary to meet these targets. Environmental regulations then become a tool for big corporations to kill competition.

Returning to the bet proposed by Wattenberg, who passed away in 2015, we're in an interesting place. Despite the fact that trends seem to be improving, attitudes are not. Most Americans still side with Mr. Gore's scare stories over Simon's sober facts — an attitude that has made its way into corporate C-suites and boardrooms as well.

It's time for Americans to take a deep breath of clean air, have a tall glass of clean, refreshing tap water and tell the environmental doomsday merchants to lighten up. If the public moves away from fear, maybe politicians and business executives will follow.

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