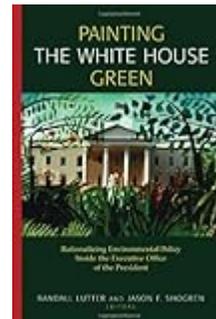




Randall Lutter, Jason F. Shogren, eds. *Painting the White House Green*. C.: Resources for the Future, 2004. xi + 205 pp. \$25.95 (paper), ISBN 978-1-891853-72-2; \$55.00 (cloth), ISBN 978-1-891853-73-9.



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The Council of Economic Advisors and the Fight for Efficient Environmental Policy

It is easy to forget today that the Council of Economic Advisors is one of the most important governmental bodies guiding environmental policy. Created during the Truman administration, the CEA's mandate is to provide unbiased and objective analysis on every policy that impacts the economy. Its mandate is to ensure efficiency, to identify and quantify the costs and benefits of various policy choices. In this text edited by the economists Randall Lutter and Jason Shogren, eight former CEA staffers from the Clinton and Bush administrations, including the editors, recount their experiences in shaping environmental policy. The literature on the Environmental Protection Agency and, in a larger sense, the environmental records of the various presidents is extensive. Here, however, for the first time the CEA gets the credit it deserves. As an insider's view of the environmental battles within the nation's two most recent presidential administrations, this book is an invaluable addition to the literature.

Not surprisingly, the writers agree on little beyond their admiration for the CEA and their assurances that their small agency is not an opponent of the environ-

ment, as many might assume, but simply an advocate for good policy. In this they are largely successful, although most authors do end up painting the environmental lobby as the chief culprit against efficiency. Lutter points out, for example, that EPA refused to consider the health benefits of low-level ozone, such as protection from ultraviolet radiation, and instead focused solely on ozone's harmful effects. While many scientists still debate this point, Lutter is correct that EPA did not practice good government by completely ignoring at least the potential for benefits. Stephen Polasky makes a strong case that environmentalists sought to raise the quantitative requirements for renewable energy in the Clinton administration's electrical restructuring bill above reasonable levels. As such, the CEA was correct to object.

While too often the bearer of bad news to environmentalists, the CEA still encouraged efficient environmental protections, the book implies. While the CEA opposed much of the Kyoto Protocol, it also advocated a carbon tax that promised real incentives not to pollute. The agency objected when the value of healthy forests was underestimated and, if nothing else, it accepted the

premise that the damage from global warming was real and significant. Indeed, almost half of the book deals directly or indirectly with global warming issues. As one example, the CEA wisely proposed the transfer of technology and wealth as a way to encourage international compliance and cooperation.

Not all the essays are equally convincing. Author William Pizer defends market-based incentives to fight air pollution as part of Bush's Clear Skies proposal. An informed reader will recall, however, that Clear Skies also delayed deadlines and undermined New Source Review protections, which gets short shrift in Pizer's account. In defending the CEA, therefore, Pizer's story is not truly complete.

The most interesting essay is by the editor Shogren near the conclusion of the book. The American West, Shogren argues, has an odd relationship with the fed-

eral government. On one hand, western states demand more autonomy from Washington but, on the other, insist upon continued subsidies. In dealing with this, elected officials have little relied on true economic analysis, which has hurt the West in the end. In short, Shogren illustrates again that economic analysis, while frequently ignored, has a vital role to play in the formation of environmental policy.

This book is not a comprehensive history that covers all the environmental issues the CEA had dealt with in the last fifteen years; it is, rather, a series of in-depth studies of specific debates. As such, it will prove most valuable to readers who already grasp the larger context of the day; that is, for readers with a degree of expertise. Although its title may imply otherwise, this is not a book for a generalist. It is not always an easy read but for those with sufficient background and interest, the book is not to be ignored.

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