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## **The Perfect, the Good, the Planet**

**By [PAUL KRUGMAN](#)**

In a way, it was easy to take stands during the Bush years: the Bushies and their allies in Congress were so determined to move the nation in the wrong direction that one could, with a clear conscience, oppose all the administration's initiatives.

Now, however, a somewhat uneasy coalition of progressives and centrists rules Washington, and staking out a position has become much trickier. Policy tends to move things in a desirable direction, yet to fall short of what you'd hoped to see. And the question becomes how many compromises, how much watering down, one is willing to accept.

There will be a lot of soul-searching later this year for advocates of health care reform. (For me the make-or-break issue is whether the legislation includes a public plan.) But right now it's the environmental community that has to decide how much it's willing to bend.

If we're going to get real action on climate change any time soon, it will be via some version of legislation proposed by Representatives Henry Waxman and Edward Markey. Their bill would limit greenhouse gases by requiring polluters to receive or buy emission permits, with the number of available permits — the "cap" in "cap and trade" — gradually falling over time.

It goes without saying that the usual suspects on the right have denounced Waxman-Markey: global warming isn't real, emission limits will destroy the economy, yada yada. But the bill also faces opposition from some environmentalists, who are balking at the compromises the sponsors made to gain political support.

So is Waxman-Markey — whose language was released last week — good enough?

Well, Al Gore has praised the bill, and plans to organize a grass-roots campaign on its behalf. A number of environmental organizations, ranging from the League of Conservation Voters to the Environmental Defense Fund, have also come out in strong support.

But Greenpeace has declared that it "cannot support this bill in its current state." And some influential environmental figures — most notably James Hansen, the NASA scientist who first drew the public's attention to global warming — oppose the whole idea of cap and trade, arguing for a carbon tax instead.

I'm with Mr. Gore. The legislation now on the table isn't the bill we'd ideally want, but it's the bill we can get — and it's vastly better than no bill at all.

One objection — the claim that carbon taxes are better than cap and trade — is, in my view, just wrong. In principle, emission taxes and tradable emission permits are equally effective at limiting pollution. In practice, cap and trade has some major advantages, especially for achieving effective international cooperation.

Not to put too fine a point on it, think about how hard it would be to verify whether China was really implementing a promise to tax carbon emissions, as opposed to letting factory owners with the right connections off the hook. By contrast, it would be fairly easy to determine whether China was holding its total emissions below agreed-upon levels.

The more serious objection to Waxman-Markey is that it sets up a system under which many polluters wouldn't have to pay for the right to emit greenhouse gases — they'd get their permits free. In particular, in the first years of the program's operation more than a third of the allocation of emission permits would be handed over at no charge to the power industry.

Now, these handouts wouldn't undermine the policy's effectiveness. Even when polluters get free permits, they still have an incentive to reduce their emissions, so that they can sell their excess permits to someone else. That's not just theory: allowances for sulfur dioxide emissions are allocated to electric utilities free of charge, yet the cap-and-trade system for SO<sub>2</sub> has been highly successful at controlling acid rain.

But handing out emission permits does, in effect, transfer wealth from taxpayers to industry. So if you had your heart set on a clean program, without major political payoffs, Waxman-Markey is a disappointment.

Still, the bill represents major action to limit climate change. As the Center for American Progress has pointed out, by 2020 the legislation would have the same effect on global warming as taking 500 million cars off the road. And by all accounts, this bill has a real chance of becoming law in the near future.

So opponents of the proposed legislation have to ask themselves whether they're making the perfect the enemy of the good. I think they are.

After all the years of denial, after all the years of inaction, we finally have a chance to do something major about climate change. Waxman-Markey is imperfect, it's disappointing in some respects, but it's action we can take now. And the planet won't wait.

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