

I'm in the middle of reading Sunstein and Thaler's [Nudge: Improving Decisions About Health, Wealth and Happiness](#), and a lot of it is illuminating, if somewhat predictable for those who have followed behavioral economics over the last few years.

But so far, by far the worst chapter has been the one on the environment, which has Sunstein's fingerprints all over it. Large chunks of the chapter are devoted to cap-and-trade or carbon tax schemes for climate change. which all make sense, but have little to do with "libertarian paternalism," Sunstein & Thaler's pat description of their governing philosophy. And they fall for the simplistic notion that such plans are "market-based" as opposed to relying on the heavy hand of government: who exactly do they think sets the quantity for carbon emissions (and thus profoundly influences the price)? The New York Stock Exchange?

But [the worst](#) comes right before this description, where they describe traditional environmental legislation such as the Clean Air Act, which mandates specified reductions in pollutant emissions over a period of time. "Such limitations," they acknowledge,

have sometimes been effective: the air is much cleaner than it was in 1970. Philosophically, however, such limitations look uncomfortably similar to Soviet-style five-year plans, in which bureaucrats in Washington announce that millions of people have to change their conduct in the next five years.

There is only one response to this: ***are you @#%&\$E^\$ing kidding me?*** The Clean Air Act is similar to a Soviet Five-Year Plan? Just because it sets pollutant limitations?

What about, say, the [Rivers and Harbors Act of 1899](#), which criminalizes discharging refuse into navigable waters? Did they get that from Stalin, too? Pretty good, considering Congress enacted it 18 years before the Bolshevik Revolution.

I haven't seen red-baiting that bad since the end of the Cold War — except from the likes of Sarah Palin. Sunstein [doesn't understand discounting, either](#): what in the world is this guy doing in a Democratic Administration? Hopefully not much: he seems like he's spent far too much time trying to impress his former colleagues at the University of Chicago Law School.

Cross-posted at the Reality-Based Community: www.samefacts.com