

NEWS RELEASE

For Immediate Release - December 3, 2003

For more information, contact:

Noelwah Netusil (Portland, OR): 503-517-7306

Jason Shogren (Cheyenne, WY): 307-766-5430

Arthur Caplan (Logan, UT): 435-797-0775

Charles Kolstad (Santa Barbara, CA): 805-893-2108

Ed Whitelaw or Ernie Niemi (Eugene, OR): 541-687-0051

ECONOMISTS TELL PRESIDENT BUSH AND GOVERNORS THAT GREATER EFFORT TO CONSERVE THE ENVIRONMENT WILL STRENGTHEN THE ECONOMY OF WESTERN STATES

Eugene, Oregon: More than 100 economists from across the country today sent a letter to President Bush and the governors of eleven western states, telling them that protecting and enhancing the quality of the region's natural environment would strengthen the ability of western communities to generate more jobs and higher incomes. The list of signers includes two Nobel laureates: Kenneth Arrow of Stanford University and Robert Solow of Massachusetts Institute of Technology.

The letter is available at: www.econw.com/pdf/120303letter.pdf

Background information is available at: www.econw.com/pdf/120303letterbkgd.pdf

The economists observed, "The West's natural environment is, arguably, its greatest, long-run economic strength" because it underlies "a quality of life that contributes to robust economic growth by attracting productive families, firms, and investments." They concluded, "Nearly all communities of the West will find they cannot have a healthy economy without a healthy environment. The environment's contribution to economic prosperity, however, faces serious threats, including air and water pollution, urban sprawl, the extension of roads and other development into roadless public lands, and fragmentation of habitat for native fish and wildlife.

Jason Shogren, Stroock Distinguished Professor of economics at the University of Wyoming, explained, "Some people seem to believe that protecting the environment harms the economy. It is clear from this letter that economists from across the West disagree. They are saying that protecting environmental quality is essential for sustaining economic prosperity in the western states."

"The fact that this many economists felt compelled to send this statement at this time suggests the high degree of concern they have with environmentally harmful actions that purportedly help the economy but in fact undermine it," added Ed Whitelaw, President of ECONorthwest and a professor of economics at the University of Oregon.

The economists asked the president and the governors to initiate a review of actions by their administrations that affect the environment and the economy. This review should fully describe the economic benefits and costs of actions significantly affecting the environment, reinforce those actions that strengthen the economy by protecting or restoring environmental quality, and arrest those that damage the economy by degrading the environment.

This review also should identify opportunities for improving both the environment and the economy, such as eliminating expensive subsidies for environmentally harmful activities. Numerous opportunities exist and they are important because "the sooner we seize these opportunities, the sooner the West will enjoy more jobs, higher incomes, and greater prosperity."

The economists conclude that, "Public officials can best promote long-run economic prosperity in the West by encouraging efficient transitions away from harmful activities toward those beneficial to both the environment and the economy."

The economists signing the letter come from each of the eleven western states, as well as elsewhere in the US.