

Economic Survey of the United States, 2005

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Summary

Despite higher energy prices, the expansion has continued at a solid pace, driven by private domestic demand. With the output gap closing, stimulus is appropriately being withdrawn. However, monetary tightening since mid-2004 has not yet translated into higher long-term interest rates, and the incipient decline in the federal budget deficit owes much to the recent buoyancy of revenues. Over the next 18 months, the economy is projected to grow at an annual rate of 3¼ per cent, roughly in line with estimated potential output. Although such a soft landing is the most likely outcome, there are some risks. With little economic slack left, inflation could continue to pick up, in particular if oil prices keep rising. Insufficient public spending restraint or renewed dollar weakness associated with concerns about the external deficit might also add to inflationary pressures. On the other hand, an end to the house price boom, let alone a sharp correction, could entail a retrenchment of household expenditure that has been underpinned by rising household wealth.

The longer-term outlook also appears to be favourable. But addressing a number of issues would improve the chances of sustaining the recovery and good economic performance. They are mainly related to the lack of national saving and the associated large fiscal and external imbalances, but also concern some structural policy areas where progress in implementing reforms has been slow.

Ensuring fiscal sustainability and budget discipline

Further reducing the federal budget deficit requires spending discipline and a reform of major entitlement programmes. Efforts to eliminate the actuarial imbalance in Social Security should aim at strengthening

This Policy Brief presents the assessment and recommendations of the 2005 OECD Economic Survey of the United States. The Economic and Development Review Committee, which is made up of the 30 member countries and the European Commission, reviewed this Survey. The starting point for the Survey is a draft prepared by the Economics Department which is then modified following the Committee's discussions, and issued under the responsibility of the Committee.

work incentives for the elderly. Most likely, it will also be necessary to bolster revenues by broadening tax bases and relying more on indirect taxation.

Improving fiscal relations between levels of government

The significant degree of fiscal autonomy of the states appears to have had beneficial effects. But states' tax systems need to be improved and budgetary priorities reassessed, given impending age- and health related pressures. Overly onerous conditions on federal grants to states for welfare and education should be avoided.

Coping with external adjustment

While a gradual adjustment of the external position is the most likely scenario, a credible macroeconomic policy reduces the risk of an abrupt shift in investor preferences. Policies that might increase national savings and ease inter-sectoral resource transfers would also be helpful in their own right, even though the economy's adjustment capacity is already impressive. Finally, global imbalances also need to be addressed by appropriate actions in other countries.

Addressing problems in the labour market

Expenditure on active labour-market measures (such as training) has been modest by international comparison, and the limited assistance available to job losers may be a factor contributing to rising protectionist sentiment. Trade adjustment assistance programmes (including wage insurance) could be expanded to cover displaced workers more generally. Moreover, to boost labour-force participation, programmes for the disabled should be reviewed so as to reduce work disincentives.

Dealing with energy and environmental issues

The electricity grid and its supervision need to be strengthened. Energy policies should not only focus on supply but also on curtailing demand through greater use of economic instruments that take account of externalities. Taxation of all carbon-based energy products would have a strong impact on greenhouse gas emissions, which are high by international comparison. ■

What is the near-term outlook?

The economic upswing that began in late 2001 has continued at a solid pace, driven by domestic demand that has seemingly been little restrained thus far by energy-price or interest-rate increases. Rapid productivity growth and high corporate profits have contributed to strong business investment, thereby eventually raising employment and, in turn, underpinning household spending. At the same time, net exports have remained a

drag on growth and the external deficit has kept widening. With resource slack diminishing and unit labour costs picking up, core inflation has moved higher. Although some stimulus has been removed, monetary tightening has been blunted by surprisingly low long-term interest rates, and further interest-rate increases are probably needed to prevent any further increase in underlying inflation. Government finances have improved thanks to unexpected buoyancy of revenues, which has outweighed additional spending, but the fiscal stance has turned only slightly restrictive. The near-term outlook is favourable: the macroeconomic effects of Hurricane Katrina are expected to be transitory; and the fundamental factors that have supported activity so far should carry forward to 2006, sustaining a continued expansion roughly in line with estimated potential output growth of 3¼ per cent per year.

There are a number of risks to this scenario, even if a soft landing of the economy would still appear to be the most likely outcome, though a proper assessment of the impact of Katrina is still subject to substantial uncertainty. Yet it would seem that, with little economic slack left, inflation could continue to pick up, in particular if energy prices keep rising; this would surprise financial markets, which for the moment foresee only modest future short-term interest rate increases on the horizon. Stalling budget consolidation or dollar weakness resulting from renewed concerns about the external deficit might also add to inflationary pressures. And the huge expansion in household borrowing and investor leveraging over time might prove to have been excessive, with defaults surfacing quite suddenly. The policy choices facing the Federal Reserve might then be less favourable. For any attempt to protect the economy from a slowdown in activity might only serve to add extra support to housing and other asset prices. Conversely, a house price correction could entail a sharp deceleration in household expenditure, since such wealth is so widely held. ■

How can good economic performance be sustained?

The longer-term outlook looks auspicious, given the remarkable resilience and adjustment capacity the economy has shown. Nonetheless, there are a number of reasons for concern. The lack of domestic saving probably reflects in part policy-induced disincentives to household saving in addition to the large federal budget deficit. The lower level of national saving tends to restrain growth in the domestically owned capital stock and therefore reduces national income in the long run below what it would otherwise be. It also contributes to the large and growing current account deficit. Early attention by policymakers could avoid the need for more radical measures down the road. In addition, reforms in some structural policy areas would seem desirable. Chances

for a sustained expansion and continued good economic performance would be enhanced by:

- Ensuring fiscal sustainability through spending discipline and entitlement and tax reform (Chapter 2).
- Improving fiscal relations between levels of government by revamping grant and tax systems as well as reconsidering sub-national fiscal rules (Chapter 3).
- Facilitating eventual external adjustment by appropriate macro and micro policy initiatives to boost saving and enhance the economy's ability to shift smoothly towards tradable goods and services (Chapter 4).
- Addressing problems in the labour market, such as those faced by workers subject to trade displacement and broader structural adjustment, as well as the decline in labour-force participation (Chapter 5).
- Dealing with energy and environmental issues, notably promoting electricity-market liberalisation and curbing rising greenhouse gas emissions (Chapter 6).

These challenges are discussed in some detail in this *Survey*. This does not mean, however, that there are not other areas that need attention and where reform efforts or policy changes should be considered. Clearly the most important among these is health care, which was treated in depth in the 2002 *Survey* but which still requires further attention. The education system, some aspects of which are covered, will also need more comprehensive treatment in future *Surveys*. ■

What needs to be done to achieve fiscal sustainability?

The improvement in federal finances has recently exceeded expectations, given strong growth in personal and corporate income tax receipts, and the deficit of the unified budget is likely to fall well below 3% of GDP in the current fiscal year. Under plausible assumptions about future policies, however, further progress towards reducing the deficit is likely to be limited. Persistent unified budget outcomes near the current level would entail a substantial additional rise in public debt, with the attendant negative effects on national saving and long-run national income. Restraining discretionary spending, which had been growing at nearly 7% *per annum* in real terms over the previous four fiscal years, is a *sine qua non* but will probably make only a limited contribution unless defence spending can be curtailed. In any case, budgetary discipline needs to be reinforced, and reinstating fiscal rules in some form, such as the expired provisions of the Budget Enforcement Act, might be helpful in this regard. This is all the more important in view of the looming spending pressures from the retirement of the baby boom generation. Unreformed, rising ageing-related entitlement spending would almost certainly lead to unsustainable future deficits. Unless the size of the government sector is significantly reduced, some increase in revenues will

be necessary as well, highlighting the importance of tax reform to minimise the economic costs of raising revenues.

The budget outlook beyond the next ten years is dominated by projected spending on entitlement programmes, which under current rules is set to rise from 8% of GDP at present to 18% in 2050. Although the uncertainty surrounding these projections is substantial, there is broad agreement that these programmes need to be altered so as to curb their tendency to consume an increasing share of national income and make the promises they embody to the poor, elderly and infirm affordable. While the fiscal imbalance of Medicare and Medicaid dwarfs that of Social Security, the current policy debate is focused on reforming the latter, perhaps because it is arguably more amenable to a solution. Indeed, partly for demographic reasons, Social Security's financial situation is less worrisome than that of most pay-as-you-go systems in the OECD. Thus, a combination of adjustments to programme parameters could eliminate its current actuarial imbalance in a manner that it will not resurface over time by:

- Speeding up the transition from 65 to 67 for the age at which full benefits are paid and indexing it to increases in longevity thereafter. Moreover, increasing the early retirement age from 62 to 64 and raising the financial penalty to taking early retirement and incentives to delaying exit beyond merely actuarially neutral amounts would stimulate participation in the labour market, thereby expanding the tax base and improving retirement incomes.
- Reducing replacement rates for higher earners. These reductions might be calibrated so as to offset the effect of their above-average gains in life expectancy on expected lifetime benefits.
- Reversing the rise in the share of earnings not subject to Social Security tax by increasing the taxable maximum, though this would engender some negative effects on incentives to work.

The addition of personal accounts would increase the pre-funding of Social Security only to the extent that they would be financed out of new saving. If such accounts were financed out of existing payroll taxes, pre-funding would arise only to the extent that the resulting higher *ex ante* explicit government deficit would lead through the political process to a lower path for government current expenditures than otherwise. Moreover, because higher average returns in such accounts would be associated with greater market risks, eroding the existing defined-benefit structure beyond what is necessary to put it on a sustainable footing should be avoided. Increasing participation in existing defined-contribution plans outside Social Security, for example through automatic enrolment in employer-sponsored plans or a refundable saver's credit for low-income households, would be a more effective means to raise retirement

savings among those mainly lower income groups that currently appear to provide insufficiently for their retirement.

The complexity of the personal and corporate income taxes has steadily increased since the last major tax reform in 1986, largely due to the continued proliferation of deductions, exemptions, credits and tax shelters that have substantially narrowed the tax base and created many distortions, several of which harm incentives to save. The Administration has charged an advisory panel with submitting options for federal tax reform with the aim of making the tax code simpler, fairer and more conducive to economic growth. A number of measures should be undertaken, even if the basic structure of the current income tax is retained:

- The deductibility of interest on home equity loans (which are for consumption purposes) should be eliminated. The deductibility of interest on loans for the purchase, construction or improvement of houses should be limited to a much lower threshold and eventually phased out.
- The exclusion of employer-provided health insurance premiums should be capped. The deductibility on federal tax returns of state and local tax payments and the exemption of interest on public-purpose state and local government debt should be dropped.
- A more wide-ranging simplification of the personal and corporate income taxes with substantial base broadening and reduction in marginal rates as well as improved integration of corporate and personal income taxes would likely have substantial beneficial effects. The negative income tax for low-income workers (EITC) should be maintained, as should the current preferential treatment of major forms of retirement saving, even though its effect on household saving may be limited.

Beyond these reforms, further efficiency gains might be obtained through greater reliance on consumption taxation. The replacement of the grossly inefficient corporate income tax by a federal VAT should be considered. With a broad base, such a VAT would probably raise enough revenue to reduce reliance on income tax revenues and exempt an even larger share of the population from paying federal income tax; at the same time, retaining a personal income tax would allow the desired degree of progressivity of the overall tax system to be achieved. In addition, if states changed their own sales taxes to a VAT, jointly administered federal and state VATs could lead to substantial efficiency gains for economic decisions and tax compliance and administration. ■

Is there room for improving relations between different levels of government?

In a country as economically and demographically diverse as the United States, the large degree of fiscal autonomy of the states and, to a lesser extent, local

governments is appropriate. There is considerable variation in the scope and amount of government services provided, likely reflecting some degree of heterogeneity in local preferences. Indeed, there is some evidence that the provision of public goods and services at the local level is quite efficiently aligned with local tastes. While there are areas – notably education, welfare and public health – where externalities require involvement by higher levels of government in the form of grants and, within states, some revenue redistribution, such redistribution is weak for the most part, in particular across states. This implies a comparatively close link between revenue-raising power and expenditure assignments, with attendant gains in accountability of each layer of government. Although fiscal relations across levels of government are thus producing positive outcomes overall, there is scope for improvement.

Grants from the federal to state governments are not primarily motivated by redistribution concerns. Some are matching grants and hence seem to reflect efficiency considerations. However, matching rates often appear excessively high. Conversely, the recent expansion of earmarked block grants, notably in the welfare area, suggests that correcting spill-over effects is not always the dominant motive. In the light of the experience with state experimentation in the design of welfare programmes, greater authority for programme design and responsibility for financing in several areas should be given to the states; tendencies to restrict state flexibility through overly onerous conditions should be resisted. In particular:

- When renewing funding for Temporary Aid for Needy Families (TANF), states' ability to tailor programmes to their local needs should not be impeded by tightening work requirements in ways that prove impractical to implement.
- Given that a nation-wide highway network has been established, responsibility for highway funding should be turned over to the states, together with the right to charge tolls, and the federal highway trust fund should be dissolved.
- The costs of implementing the No Child Left Behind Act need to be more precisely quantified and adequate federal funding ensured.

The Medicaid programme is probably an exception to this trend of devolution. Its rate of expenditure growth is such that states would not be able to assume greater responsibility for financing the programme in view of their limited ability to raise revenues. Hence, a shift of all Medicaid expenditures for the elderly and disabled to Medicare should be considered, as it would concentrate responses to the nation-wide challenge of ageing at the federal level. Federal matching rates for the remaining Medicaid services could then be reduced. In any case, the states should curtail their improper use of intergovernmental transfers so as to strengthen the integrity of Medicaid financing.

States' autonomy over their taxation decisions in principle provides a high degree of independence on the expenditure side. However, it is constrained by taxpayer mobility, which limits the progressivity of the personal income tax and the potential yield of corporate income tax, and by states' inability to collect use (sales) tax on remote sales. To improve the efficiency of their revenue systems:

- States' efforts to co-ordinate sales tax policies through the adoption of joint definitions and rules of tax administration are worthwhile and should therefore be continued; assuming successful implementation of the Streamlined Sales and Use Tax Agreement, Congress should authorise them to require remote vendors to collect use tax on their behalf.
- In view of the high administrative costs of the corporate income tax and the continued erosion of its base, as well as the inherent inefficiencies of the sales tax, states should consider replacing both taxes by a value-added tax (VAT), preferably jointly with the federal government. The experience with the Streamlined Sales Tax Project to co-ordinate the administration of the sales tax and facilitate information exchange might prove helpful to structure a VAT based on the destination principle.
- As previously noted, the deductibility of state and local taxes from federal income tax should be abolished, as it raises the burden of the latter by narrowing its base, thereby requiring higher rates, while at the same time it appears to distort state and local governments' financing and spending decisions.

The balanced-budget requirements under which almost all states operate appear on the whole to have effectively disciplined state fiscal policies, but there is some risk that this discipline may have been achieved at the cost of undesirable volatility in core service provision. The additional tax and expenditure limitations applying to many state and local governments are intended to impose even stricter discipline, but they are also more likely to cause undesired cyclical patterns of state and local spending and to erode local governments' fiscal autonomy. Fiscal rules at the sub-national level might benefit from the following changes:

- Based on the experience during the recent fiscal crisis, the states should quantify and accumulate rainy-day funds of sufficient size to avoid welfare-reducing cuts in core expenditures, except under extreme circumstances. Those states that have statutory caps on rainy-day funds should adjust them if necessary.
- Tax and expenditure limitations should be formulated in reference to desired spending levels, not by limiting the growth in revenues or expenditures to recent realised values of state income growth or similar characteristics, so as to account for changes in demand for public services due to demographic changes and to avoid ratchet effects in the aftermath of recessions. ■

What is the best strategy to address current account imbalances?

When the Committee last met to discuss the US economy in early 2004, the US current account deficit was below 5% of GDP and projected to stay in that range. However, the deterioration in the external accounts has continued, and the shortfall has now gone well beyond 6% of GDP, the largest in the nation's history. At the same time, net external debt reached some \$2½ trillion or 22% of GDP at the end of 2004. Few other OECD countries have ever managed to sustain imbalances of that magnitude without eventually experiencing sharp downward pressure on the value of their currencies. Nevertheless, not only has the dollar's depreciation since 2002 been quite gradual, but this year it has reversed part of the decline, setting the stage for a further widening of the deficit in years to come. The reasons for this unexpected strength are to be found on the capital flows side of the ledger: global investors perceive the United States to be a more attractive investment location than most others, although they have preferred their financial positions to take the form of interest-bearing securities rather than equities and much has come from foreign public entities such as central banks seeking to mitigate upward pressure on their exchange rates. How likely it is that such net inflows will continue to grow in line with US residents' strong demand for imported goods and services is impossible to predict with any degree of certainty. But the political and economic risks inherent in the current constellation of trade balances and currency values are great, both to the US and to the wider global economy: a disorderly adjustment, involving substantial strains in domestic financial markets, cannot be ruled out.

There is accordingly a natural urge to do something to lower the deficit. The problem is that anything that could be done that would directly target the current account would have heavy costs on economic performance by reducing growth at home and abroad. Protectionist measures to restrict imports, for example, would merely squeeze out exports too by putting upward pressure on the dollar and eliciting foreign retaliatory action. There is a legitimate question as to whether, in the context of a floating exchange rate and unrestricted capital flows, a strategy of benign neglect – leaving adjustment to the workings of the markets – would not be optimal. Nevertheless, there are actions that should be taken both by the United States and other nations for other reasons that would probably also lessen the US current account deficit, thereby easing the pressures on the system. Countries with weak economic performance and/or excess saving should seek faster growth of domestic demand, while those lacking exchange rate flexibility should move steadily toward that goal. As for the United States, there are measures that could be imple-

mented to boost national saving that would be appropriate in their own right:

- As argued above, it would be prudent for the federal government to move more resolutely than is currently planned to bring down the federal budget deficit, even if the benefits for the external imbalance are far less than one for one.
- As also argued above, one of the key objectives of tax reform should be to remove the most obvious anti-saving biases in the tax code, whether or not income is retained as the primary basis for taxation. The most egregious is the deductibility of mortgage interest payments and the availability of that deduction for private consumption expenditure. Broadening the tax base in this way would eliminate the advantage currently given to residential investments over other forms of capital and, if implemented gradually, withdraw some of the current frothiness in housing markets. Health care spending is also given an inappropriate fillip by the unrestricted exclusion of employer-paid health insurance premiums: this should be capped.

Another set of relevant policy lessons derives from a recognition that whenever the trade deficit comes down, and by whatever means, the burden on economic agents will be lessened by enhancing the economy's flexibility in re-allocating resources from non-tradable to tradable goods sectors. Fortunately, the evidence is strong that the structure of the US economy does shift comparatively smoothly between these types of industries in response to currency changes. No doubt this is at least partly attributable to the long list of structural policy settings where the United States is a leader in performance-enhancing reforms. First among these features is a high labour-market adjustment capacity by international comparison. Indeed, there are signs that its resilience to local or regional shocks improved sharply at the end of the 1980s. In addition, its product market regulations are also among the most conducive to competitive outcomes. Nevertheless, there are a few areas where the United States does not rank highly and could clearly do better:

- The education system is still underperforming, at least at the compulsory level, and the lack of skills is already causing adjustment problems for many individual workers. While enrolments are increasing, average attainment is falling, in contrast to many other member countries. More disturbing is the fact that quality shows no signs of improvement: standardised (PISA) test results show modest deterioration from 2000 to 2003. If the No Child Left Behind Act does not manage to turn things around, further reflection as to what ails the US system will be called for.
- Resources are held for too long in shrinking firms and industries due to the inefficiencies of the bankruptcy law. Chapter 11 of the code is not only costly, but it is biased against liquidation. The upshot is that too few firms emerge from the process as successful entities.

At a minimum the time spent under court protection should be limited.

- The agriculture sector is also retaining a small amount of superfluous resources owing to public support. It is to be hoped that a successful completion of the Doha Round will involve the reduction of such assistance worldwide.
- Exporters are likely to become increasingly constrained by a lack of transport infrastructure, especially port capacity. The authorities should be urgently planning upgrades. ■

What are the problems in the labour market?

Although job creation has finally gathered momentum, it has been atypically weak in the current business cycle. Non-farm payroll employment continued to contract for almost two years after the end of the 2001 recession and surpassed its pre-recession level only in early 2005. The strength of productivity growth can account for much of these developments. However, while in the short run greater productivity gains set the bar higher for employment growth, in the long run it leads to higher *per capita* income and can thus be expected to be at least neutral for employment. Nonetheless, the slow recovery of employment has reinforced concerns about job losses due to rising imports and "outsourcing", which are reflected in increased support for protectionist measures. Although fears about the impact of globalisation on employment are often exaggerated, trade-displaced workers do incur significant adjustment costs, including frequently large wage losses when they finally find a new job. Furthermore, certain regions, sectors and populations may be disproportionately affected. While active labour-market policies in the United States are modest by international comparison, the country is unique within the OECD for having operated a targeted programme for trade-displaced workers, although its coverage has in practice been relatively narrow. Since the implied costs and distorting effects of such measures are probably minor compared to the potential adverse effects of rising protectionism:

- Trade-adjustment assistance programmes – including wage insurance and health insurance premium support – should be carefully evaluated and, if experience is positive, expanded to include younger and service-sector workers, if not all dislocated workers, regardless of the cause of dislocation.

Another unusual feature of the current cycle has been the protracted decline in the labour-force participation rate, which in the fourth year of the expansion still shows no clear signs of recovering. While this has kept the unemployment rate lower than otherwise, it would have adverse implications for potential output growth to the extent it turns out to be structural rather than cyclical in

nature. One possible reason behind the fall in labour-force participation among youths is competition from low-skilled immigrants and older workers; another is a rise in school enrolment. However, it is unclear whether this added schooling results from a (temporary) deterioration in job opportunities or a long-term increase in the returns to education. Another factor that may have depressed labour-force participation as from the late 1980s is a tendency for the low skilled to take up disability rather than unemployment benefits. This would be problematic, because disability beneficiaries are less likely to return to the labour force when the economic situation improves. Hence:

- Efforts should be made to reduce work disincentives for the disabled that result from restrictions in, and inconsistencies between, various government programmes by tightening access, changing the benefit indexation formula and making greater efforts at vocational rehabilitation.
- It is worth trying to shift the composition of immigration more towards higher-skilled entrants who do not substitute for native youth in employment and represent a lower fiscal burden for society. ■

What are the remaining challenges for energy and environmental policies?

The continuing sharp rise in oil prices has focused attention again on energy markets. Although energy use relative to GDP has been on a downward trend, energy expenditures in the United States – both per unit of output and per capita – are much higher than in the other major OECD regions. Energy supply is dominated by fossil fuels, while renewable sources of energy remain relatively insignificant, with their share lower than in the mid-1990s. Despite California's earlier electricity crisis and the major blackout in the northeast of the country, progress in the area of energy policy reform has been slow, with the Energy Policy Act passed only this summer. The Act aims at improving the country's electricity grid, expanding the diversity of energy supply and enhancing energy efficiency, thereby reducing the reliance on foreign sources (the contribution of net imports to total energy supply having grown to more than one quarter). Relatively limited attention has been given to curtailing energy demand. In implementing energy reforms:

- Priority should be accorded to providing incentives for renewable energy production – which avoids the atmospheric externalities of fossil fuels – rather than traditional forms of energy, and to enhancing energy efficiency, in particular in the transport sector, using economic instruments where possible.

- To realise the benefits of improvements in energy infrastructure, in particular in electricity transmission and generation, the changes embodied in the Act should be monitored to ensure markets are contestable.

While environmental quality in the United States has improved, both air pollution and greenhouse gas emission intensities are quite high compared to those of other OECD Members. The average US vehicle produces almost twice as much carbon dioxide emissions as in most other countries, and fuel efficiency has stopped improving as the weight and power of the fleet has tended to increase. While most OECD countries rely to a greater extent on environmental taxes, the US approach to air pollution control focuses on tradable permit schemes for large-scale emitters. By contrast, the Administration's climate change policy relies primarily on voluntary and non-regulatory actions. Meanwhile, however, many states and localities look likely to move beyond the federal approach, limiting carbon dioxide emissions from new cars and light trucks or introducing a cap-and-trade system for fixed source emissions. To further improve environmental quality:

- Since voluntary approaches to environmental control have been shown to be less effective in general, measures should be taken to stabilise and then reduce greenhouse gas emissions in an economically efficient manner. This could be done by introducing some mixture of a domestic cap-and-trade system, as exists for air pollutants, and a carbon tax on all carbon-based energy products. Such a move would not only reduce air pollution and combat global warming, it would also promote energy independence and – in the case of a tax – provide valuable public revenues.
- Greater use should be made of economic instruments to integrate environmental concerns in transportation. While an increase in fuel taxes would be justified, so as to take on board the external costs of the carbon produced, a further tightening in CAFE (corporate average fuel economy) standards, as proposed by the Administration, would be a second-best solution. ■

For further information

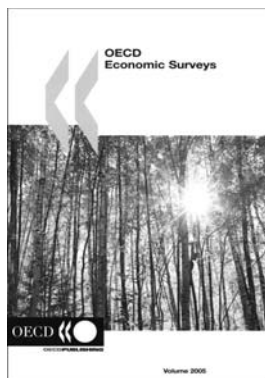
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