

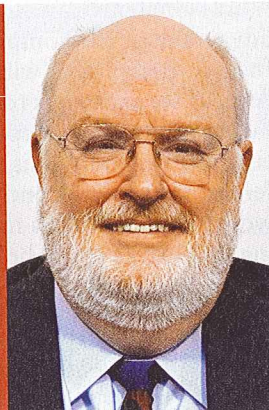
# SHOULD GOVERNMENTS CUT FUEL TAXES?

Die Preise an den Zapfsäulen gehen steil nach oben. Wären niedrigere Benzinsteuern die richtige oder die ganz falsche Antwort? TALITHA LINEHAN hat zwei gegensätzliche Meinungen eingeholt. **medium**

## NO!

"The truth is, fuel is not expensive enough"

DAVID L. CRAWFORD



American politicians recently talked about suspending the federal fuel tax. That is a terrible idea. We already know that we're not raising enough money to repair roads and bridges. This would only make things worse. Many say fuel is too expensive. But the truth is, it's not expensive enough.

Gas is only one part of the cost of driving. For years, people haven't had to pay for the extra costs, which include the cost of driving on roads and the effect on the environment. They still aren't paying enough. That's why the fuel tax needs to be increased, not cut.

People started paying the federal fuel tax in the 1950s. If the tax had risen with inflation, they would be paying a tax of 38 cents per gallon today. Instead, they are paying only 18 cents. If the cost of gas had increased by \$1 (about €0.63) a gallon ten years ago, people would have started buying fuel-efficient cars years ago, and started reducing their driving time.

Economists know that, whenever an activity has an artificially low price, there is too much of that activity. That's what's happened with driving in the US. The artificially low gas price has encouraged people to make driving a big part of their lives. They've bought big cars that use a lot of gas and lived far from their work. Now they think they have no choice but to drive a lot. But we are where we are today as a result of bad decisions.

Driving has for years had negative consequences, especially with regard to the environment. Scientists say that it's too late to stop all the effects of global warm-

ing. But that doesn't mean we are doomed. If we change the way we live now, we can stop the worst effects.

There will be some hardship as fuel costs continue to rise. People will have to make changes. They'll start using public transport, carpooling, buying more fuel-efficient cars, and changing where they live and work. They'll also ask their politicians to give them more alternatives to driving. And scientists will start looking into alternative forms of energy. Some of these changes have started happening already, and that's a good thing. There is no way to fight the rising cost of fuel. These changes will have to happen. The way in which they happen depends largely on who becomes the next US president in November. I was very happy that Barack Obama came out against stopping the fuel tax. He said it didn't make any sense, and he is right.

DAVID L. CRAWFORD is president of the US company Econsult Corporation, which provides the government and firms with economic and statistical analysis. He is also an adjunct professor at the Wharton School of the University of Pennsylvania.

<b>adjunct professor</b> [ˌædʒʌŋkt prəˈfesa]	US	außerordentlicher Professor
<b>analysis</b> [əˈnæləsis]		Analyse
<b>billion</b> [ˈbɪljən]		Milliarde(n)
<b>carpool</b> [ˈkɑːpuːl]		eine Fahrgemeinschaft bilden
<b>contribute to sth.</b> [kənˈtrɪbjʊt]		zu einer Sache beitragen
<b>disabled</b> [dɪsˈeɪbld]		behindert
<b>doomed</b> [duːmd]		dem Untergang geweiht
<b>duty</b> [ˈdjuːti]		Abgabe, Zoll
<b>economist</b> [iˈkɒnəməst]		Ökonom(in), Wirtschaftswissenschaftler(in)
<b>environmental</b> [ɪnˈvaɪrənˈmentl]		Umwelt(schutz)-
<b>federal</b> [ˈfedərəl]		Bundes-
<b>fuel efficiency</b> [ˈfjuːəl əˌfɪʃənsi]		sparsamer Kraftstoffverbrauch
<b>fuel-efficient</b> [ˈfjuːəl əˌfɪʃənt]		mit sparsamem (Kraftstoff-) Verbrauch
<b>fuel tax</b> [ˈfjuːəl tæks]		Kraftstoffsteuer; hier: Benzinsteuern
<b>gas</b> [ɡæs]	US	Benzin
<b>hardship</b> [ˈhɑːdʃɪp]		Not, Entbehrungen
<b>motoring</b> [ˈməʊtərɪŋ]	UK	Autofahren
<b>never mind...</b> [ˌnevə ˈmaɪnd]		ganz abgesehen von...
<b>pump</b> [pʌmp]		Zapfsäule
<b>raise (money)</b> [reɪz]		(Geld) aufbringen
<b>rural</b> [ˈruərəl]		ländlich
<b>shift</b> [ʃɪft]		Schicht
<b>suspend sth.</b> [səˈspend]		etw. (zeitlich) aussetzen
<b>unleaded</b> [ʌnˈledɪd]		bleifrei
<b>VAT (value added tax)</b> [ˌviː əˈtiː]	UK	Mehrwertsteuer





Too many cars: will high fuel taxes reduce traffic?

# YES!

"Some people spend up to 28 per cent of their income on fuel"

EDMUND KING



Britain has a higher fuel tax than most other countries, which causes a lot of hardship, especially for people who live far from work. Some people, particularly those in rural areas, disabled people and shift workers, may find they don't have enough money for food, because they have to pay high fuel costs that they can't afford.

British drivers now pay £44 billion (about €55 billion) in fuel tax a year. A visit to [www.petrolprices.com/price-of-petrol.html](http://www.petrolprices.com/price-of-petrol.html) shows how high the taxes are. If, for example, a litre of unleaded petrol costs £1.15, the consumer pays about 50.35 pence in duty and 17.5 per cent in VAT. As the cost of fuel increases, the government gets more money. So it can afford to cut fuel taxes.

People in the UK feel that the government is not doing enough to protect them from increasing fuel costs. Earlier this year, we asked over 18,500 of our members who they thought was most responsible for the increase in fuel costs. Forty-nine per cent said the government was most responsible, followed by oil-producing countries and oil-producing companies.

Last October, the government raised the fuel tax by 2.35 pence per litre. This has contributed to the high prices at the pump. A further increase of 2p per litre, which was planned for this October, has now been delayed until next March. We have asked the government to set up a fuel-price stabilizer, similar to the one used in much of continental Europe. This reduces fuel taxes when the fuel price rises and increases the taxes when the price falls. It doesn't mean stopping taxes completely; there would be upper and lower limits.

There's no doubt that high fuel prices have done more for the environment than any environmental campaign ever has. People are changing the way they live, especially with regard to how much they drive. When we asked drivers what they thought about when buying a new car, 30 per cent said fuel efficiency and 2 per cent said CO<sub>2</sub> emissions. But the problem is that some people are not able to reduce their driving. So they are cutting back on other spending instead. Some people, particularly those in rural areas, are now spending about 28 per cent of their income on motoring. It doesn't help to tell them about the effect their driving has on global warming. They still have to drive to work every day.

And it's all very well to tell people to buy fuel-efficient cars. But it doesn't help if they can't afford fuel, never mind a new car. What we need are more affordable and effective hybrid and electric cars. And the government needs to stabilize the cost of fuel and stop increasing fuel taxes. They need to invest more in roads and public transport. The taxpayer is already paying more than enough.

BS



You can hear more views on Business Spotlight Audio

EDMUND KING is the president of the Automobile Association (AA) in the UK.



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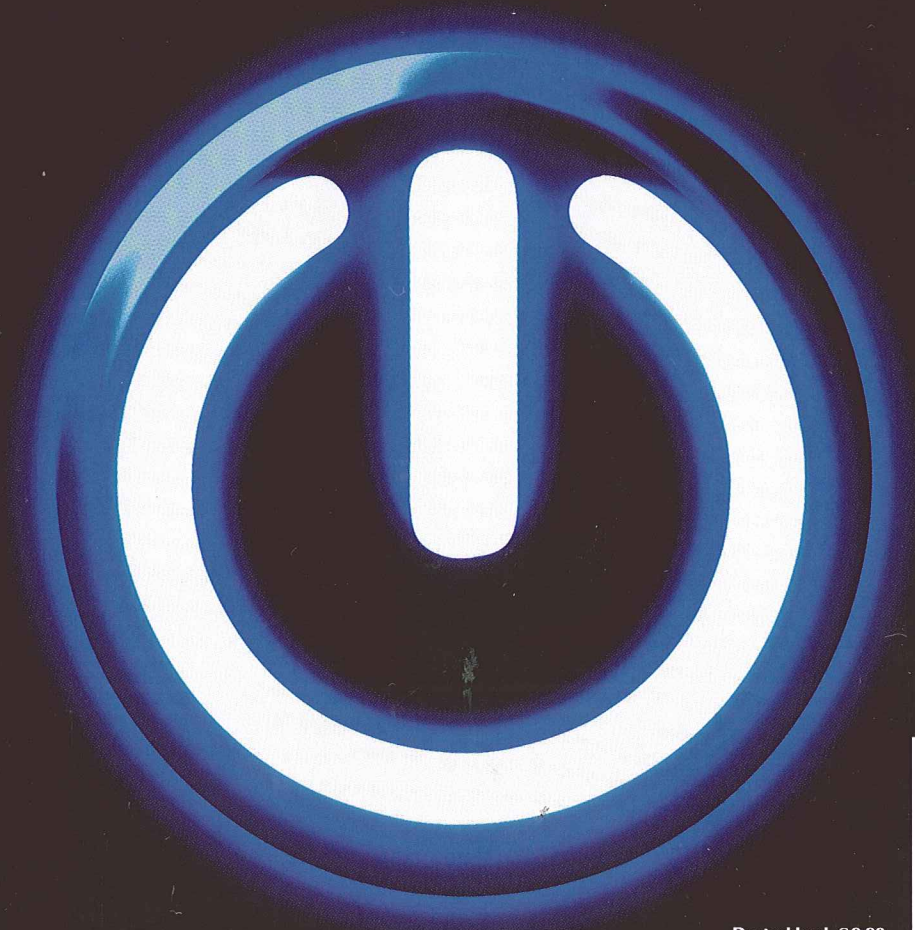
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