



Gas tax and Smart Growth

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Topic: [Policy/Politics](#)

[Environmental Economics](#) is kind enough to [reprint](#) a subscription-only story from the Wall Street Journal. The story is called "Using Taxes to Keep Gasoline Prices High Makes Sense to Some", and it discusses how some economists think that demand for gasoline would be reduced if gas prices stayed above \$3/gallon.

Congressional Budget Office Director Douglas Holtz-Eakin calculates that a \$1 increase in gasoline taxes would cut consumption 20% within 14 years. Other economists believe the savings may be inflated, because owners of SUVs and other large vehicles tend to be wealthier and more able to afford higher gasoline prices. Former Bush administration economist Phillip Swagel warns that a heavy tax could batter consumers, especially post-Hurricane Katrina. "It could muck things up," he says.

(Very eloquent, Mr. Swagel.)

I wonder whether a permanent high gas tax would prompt a huge spate of rebuilding, or at least rezoning in the US. [New Urbanism](#) and [Smart Growth](#) are two related movements that advocate mixed use development in order to prevent suburban and exurban sprawl. The benefit of mixed use, of course, is that people would have amenities close enough to walk to, and the landscape would be designed to make biking and walking not just a feasible option, but actually the simpler one. From a PO perspective, this is just what we need to cut down on the massive use of oil in the transportation section.

There are 10 basic principles to Smart Growth:

1. Mix land uses
2. Take advantage of compact building design
3. Create housing opportunities and choices for a range of household types, family size and incomes
4. Create walkable neighborhoods
5. Foster distinctive, attractive communities with a strong sense of place
6. Preserve open space, farmland, natural beauty, and critical environmental areas
7. Reinvest in and strengthen existing communities & achieve more balanced regional development
8. Provide a variety of transportation choices
9. Make development decisions predictable, fair and cost-effective
10. Encourage citizen and stakeholder participation in development decisions

I like to hope that the time for Smart Growth has finally come, and maybe a gas tax is the way to make the US population see it.

Technorati Tags: [peak oil](#), [oil](#), [Katrina](#), [Hurricane Katrina](#), [gas prices](#)



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