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AND THE BROOKINGS INSTITUTION

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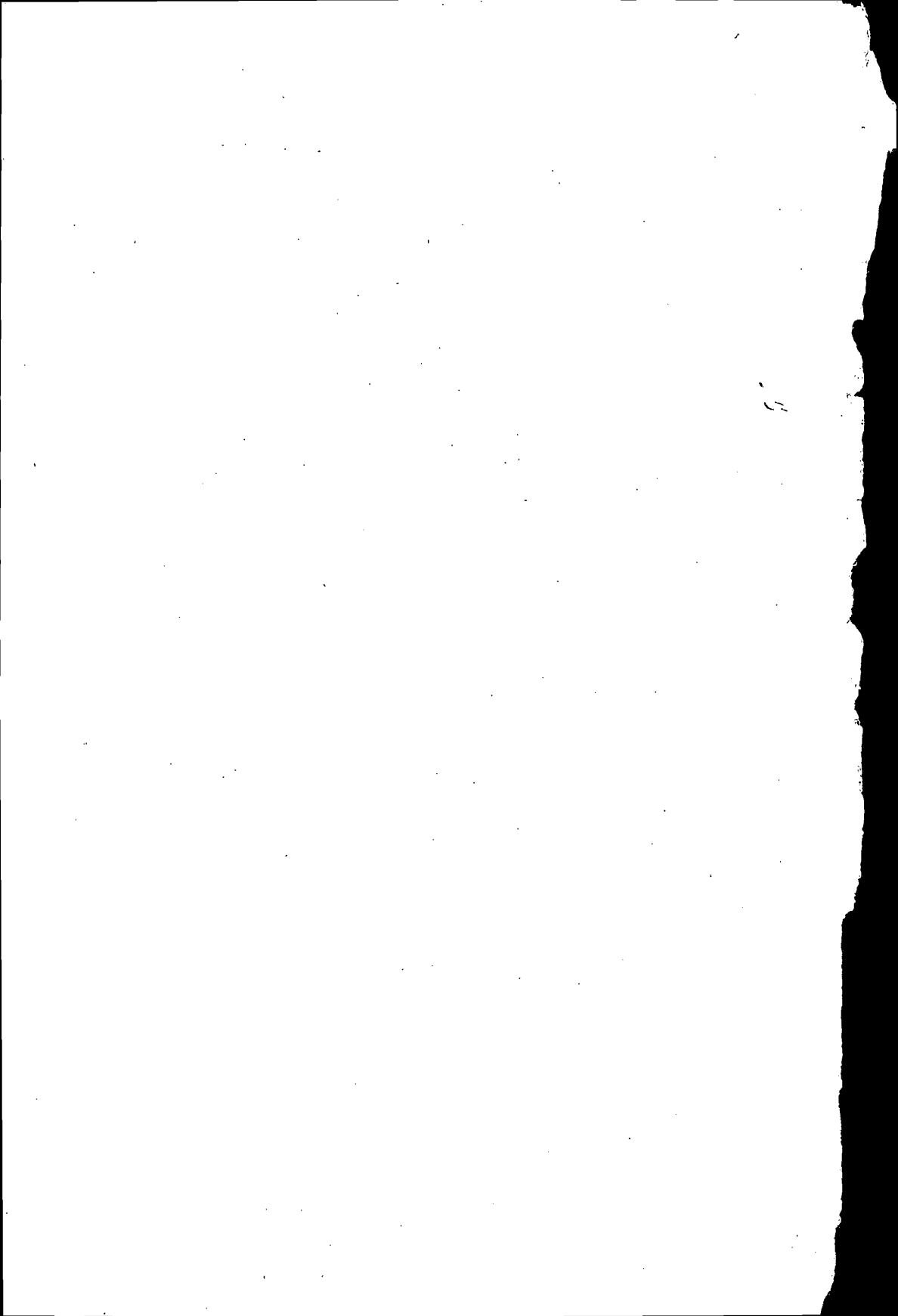
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*(Resolution adopted July 6, 1948, as revised
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Preface

Increasing attention has been given in recent years to the role of tax policies in promoting economic growth in advanced industrial nations. The fact that since the early 1950's the rate of growth has been significantly higher in Japan and in a number of Western European countries than in the United States has been attributed to differences in tax systems, and particularly to these foreign countries' use of special tax devices to spur economic growth.

In recognition of the need for a systematic exploration and critical evaluation of the tax policies that have been adopted in Western Europe and in Japan, the National Bureau of Economic Research and the Brookings Institution decided to sponsor a conference of foreign and U.S. experts. It was hoped that such a conference would serve to bring recent foreign experience in this field into sharper focus and would reveal the issues needing further analysis and empirical research for their resolution.

In the spring of 1962 the two sponsoring organizations established a planning committee consisting of Carl S. Shoup of Columbia University, Dan T. Smith of Harvard University, Joseph A. Pechman of the Brookings Institution, Norman B. Ture of the National Bureau, and myself as chairman. The committee invited scholars from six European countries and Japan to prepare papers for the conference, and asked each of them to give particular attention to tax provisions intended to influence the amount and character of private capital formation, research and development, application of technological advances in production processes, and business saving. Each author was, however, left free to deal with any other tax and related matters that he might deem important in explaining the growth rate of his country. The committee also invited two other authorities from each of the seven countries to serve as formal

discussants of the papers and asked a group of American experts to participate in the conference. A total of forty-three persons attended the conference, which was held at the Brookings Institution in Washington on December 5, 6, and 7, 1963. The participants are listed on page 475.

This volume contains the seven major papers, the comments of the formal discussants, and a summary of the papers and proceedings prepared by the chairman of the committee. The committee wishes to record its great appreciation for the interest which all of the foreign participants took in the conference as well as for the contributions which they made to it. Special thanks are, of course, due those who undertook the responsibility of preparing the major papers. The committee also wishes to thank Harley W. Hinrichs of Maryland University for editorial assistance in the preparation of this volume. The Editorial Department of the National Bureau prepared the manuscript for press. H. Irving Forman drew the charts.

The research conference was part of the National Bureau's program of research on Tax Policies for Economic Growth and of the Brookings Institution's Studies of Government Finance. These programs are being financed by funds provided to the National Bureau by the Rockefeller Brothers Fund and the Life Insurance Association of America and to the Brookings Institution by the Ford Foundation.

E. GORDON KEITH

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