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N° 136 – June 2011

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GENERAL INTEREST

William A. Galston

Progressive Entrepreneurship: A Work in Progress

The Brookings Institution - Democracy - Summer 2011

http://www.brookings.edu/articles/2011/06_entrepreneurship_galston.aspx

“In short, while “progressive entrepreneurship” is far from an oxymoron, it is at best a promising possibility. Turning it into an achieved reality will take some work on both sides. Progressives must embrace growth as a high priority, and they must therefore endorse its preconditions. Innovation and entrepreneurship must be to the twenty-first century what industrialization and mass production were to the twentieth. For their part, innovation advocates must recognize that not all reservations against growth and competition are the product of ideology or ignorance. Justice matters, and so do public goods that markets cannot provide.”

Howard Wial and Richard Shearer

Tracking Economic Recession and Recovery in America’s 100 Largest Metropolitan Areas

The Brookings Institution - June 24, 2011 – 8 pages

http://www.brookings.edu/~media/Files/Programs/Metro/metro_monitor/2011_06_metro_monitor/0622_metro_monitor.pdf

“With job growth slowing and housing markets showing continued weakness, the most recent national economic data suggest that the economic recovery is slowing down. Data for the nation’s 100 largest metropolitan areas, which are available through the first quarter of 2011 (ending in March), show widespread but slowing growth in economic output coupled with much slower improvement in the labor market. Job growth, though occurring in more metropolitan areas than in the past, was sluggish. Unemployment rates, although lower than at the beginning of 2010 in most large metropolitan areas, remained very high. House prices hit new lows in all large metropolitan areas even as the pace of foreclosures slowed. As always, metropolitan economic performance varied greatly among the 100 largest metropolitan areas.”

Satu Limaye

Asia Matters for America: The Source for Hundreds of Thousands of U.S. Jobs is Asia

YaleGlobal - June 28, 2011

<http://yaleglobal.yale.edu/content/asia-matters-america>

U.S. workers and politicians rail about jobs lost to Asia. But Asian-US interactions in education, immigration, investment, tourism and trade produce U.S. jobs and income, explains Satu Limaye. He created Asia Matters for America, an online map that relies on U.S. government data to show exports, as well as their growth and percentage of total trade, between 2001 and 2008, for each state and U.S. congressional district. The site, still under development, also displays Asian students and citizens per state. The U.S. is haunted by trade deficits, yet its exports of goods and services to Asia outrank trade with the European Union, Mexico or Canada. Limaye estimates that Asian exports account for more than 850,000 US jobs. Nations and politicians, like their entrepreneurs, are naturally competitive. Stopping strong candidates, solid investments or needed innovations at borders is not a formula for creating jobs. [Note: contains copyrighted material].

FISCAL POLICY

The Congressional Budget Office's Long-Term Budget Outlook

House Committee on the Budget – Hearing - June 23, 2011 – 8 pages

<http://budget.house.gov/UploadedFiles/623elmendorf testimony.pdf>

Testimony by Douglas W. Elmendorf, director of the Congressional Budget Office

Charts: http://budget.house.gov/UploadedFiles/CBO_Charts.6232011.pdf

CBO document: <http://www.cbo.gov/doc.cfm?index=12212>

Spend Less, Owe Less, Grow the Economy

Joint Economic Committee – Hearing - June 21, 2011

http://jec.senate.gov/public/index.cfm?p=Hearings&ContentRecord_id=d1ca1aaa-1589-41bd-a042-f2700654c46d

Witnesses:

John B. Taylor, Ph.D., George P. Shultz, Stanford University

Simon Johnson, Ronald A. Kurtz, MIT Sloan School of Management and Peterson Institute for International Economics

Kevin A. Hassett, American Enterprise Institute for Public Policy Research

Chad Stone, Center for Budget and Policy Priorities

William G. Gale and Benjamin Harris

Reforming Taxes and Raising Revenue: Part of the Fiscal Solution

The Brookings Institution – Paper – May 2011 – 46 pages

http://www.brookings.edu/~media/Files/rc/papers/2011/05_fiscal_solution_gale_harris/05_fiscal_solution_gale_harris.pdf

“In this paper, we focus on the challenges and opportunities that the fiscal problem creates for raising revenues and reforming taxation. We focus on the fiscal problems and tax structure of the United States, but many of the lessons will be applicable to other countries as well.”

Reid Cramer, Rachel Black

The Assets Report 2011

New America Foundation - Policy Paper - June 23, 2011

http://assets.newamerica.net/publications/policy/the_assets_report_2011

“Every year the Asset Building Program conducts an analysis of the federal budget to provide a more complete understanding of how the federal government encourages the accumulation of assets for families up and down the economic ladder. We seek to shine a light on what policy levers are deployed, who benefits from these from these programs and policy efforts, and how recent legislation potentially alters the landscape.”

TAX POLICY

Michael Linden, Seth Hanlon, Jordan Eizenga

Ten Charts that Prove the United States Is a Low-Tax Country

Center for American Progress – June 10, 2011

http://www.americanprogress.org/issues/2011/06/low_tax.html

“Our citizens and corporations pay much less than they once did and much less than in most other countries.”

Chuck Marr and Brian Highsmith

Tax Holiday for Overseas Corporate Profits Would Increase Deficits, Fail to Boost the Economy, and Ultimately Shift More Investment and Jobs Overseas

Center on Budget and Policy Priorities – Report – June 23, 2011 - 15 pages
<http://www.cbpp.org/files/4-8-11tax.pdf>

"Momentum is growing in Congress behind legislation to enact another 'repatriation tax holiday' that allows multinational corporations to bring profits held overseas back to the United States and pay tax on them at a rate of only about 5 percent (rather than the normal tax rate on corporate profits). But the economic or fiscal case for doing so remains poor."

How Business Tax Reform Can Encourage Job Creation

House Committee on Ways and Means – Hearing - June 2, 2011

<http://waysandmeans.house.gov/Calendar/EventSingle.aspx?EventID=242050>

"The hearing will inquire about the potential benefits to companies and workers of lowering marginal tax rates on business income, and the trade-offs that such companies might be willing to make given current fiscal constraints. The hearing also will examine major elements of business and corporate taxation in anticipation of future efforts to evaluate policy options that might encourage job creation in the United States."

Tax Reform and Foreign Investment in the United States

House Committee on Ways and Means – Hearing - June 23, 2011

<http://waysandmeans.house.gov/Calendar/EventSingle.aspx?EventID=247219>

"The hearing will focus on the important role that FDI plays in expanding the U.S. economy and creating jobs for American workers. The hearing will explore the tax environment facing foreign investors and foreign-headquartered businesses investing or operating in the United States. It also will examine a number of tax provisions applicable to inbound activity, including (but not limited to) the U.S. corporate tax rate, foreign investment in real property, and the earnings stripping rules of Code section 163(j)."

MONETARY POLICY

A Brief History of the Gold Standard - The Return(s) to Gold

NCPA – Brief Analyses – June 2011

<http://www.ncpa.org/pub/ba746>

<http://www.ncpa.org/pub/ba747>

"Gold has many advantages: It tends to rise in price when other investments are falling; it protects against inflation; and it provides liquidity — it can be bought and sold easily. Gold investments can be used to diversify one's portfolio. But does gold live up to its hype?"

James Bullard

Measuring Inflation: The Core Is Rotten

Federal Reserve Bank of St. Louis Review - July/August 2011 - pp. 223-33

<http://research.stlouisfed.org/publications/review/11/07/bullard.pdf>

"Many of the old arguments in favor of a focus on core inflation have become rotten over the years. It is time to drop the emphasis on core inflation as a meaningful way to interpret the inflation process in the United States. One immediate benefit of dropping the emphasis on core inflation would be to reconnect the Federal Reserve with households and businesses who know price changes when they see them."

FINANCE

Financial Regulatory Reform: The International Context

House Committee on Financial Services – Hearing - June 16, 2011

<http://financialservices.house.gov/Calendar/EventSingle.aspx?EventID=245734>

Today we're talking about the impact Dodd-Frank will have on the U.S. ability to compete on an international scale. From my point of view, it seems like we're about to shoot ourselves in the foot with some of these regulations... I'm interested in hearing your perspectives about how certain regulations may or may not hurt our nation's ability to compete with other financial institutions across the world."

One Year Later - The Wall Street Reform and Consumer Protection Act - Implementation of Title VII

Senate Committee on Agriculture – Hearing – June 15, 2011

<http://ag.senate.gov/site/calendar.html>

Witness list:

Gary Gensler, Chairman, Commodity Futures Trading Commission,

Michael Gibson, Board of Governors of the Federal Reserve System

Brooksley Born, Former Commissioner, Financial Crisis Inquiry Commission; Former Chairperson, Commodity Futures Trading Commission

Daniel Roth, President and CEO, National Futures Association

Charles Conner, President and CEO, National Council of Farmer Cooperatives

Adam Cooper, on behalf of Managed Funds Association (MFA)

John Damgard, President, Futures Industry Association

Financial Institutions and Consumer Protection

Senate Committee on Banking, Housing and Urban Affairs – Hearing – June 15, 2011

http://banking.senate.gov/public/index.cfm?FuseAction=Hearings.Hearing&Hearing_ID=9046a15c-8007-41ab-adda-618ffa345dc9

"The witnesses are: Mr. Michael Foley, Senior Associate Director, Banking Supervision and Regulation Division, Board of Governors of the Federal Reserve System; Mr. Christopher J. Spoth, Senior Deputy Director, Division of Risk Management Supervision, Federal Deposit Insurance Corporation; and Mr David Wilson, Deputy Comptroller for Credit and Market Risk, Office of the Comptroller of the Currency. The witnesses on Panel II will be: Mr. Salvatore Marranca, President and Chief Executive Officer, Cattraugus County Bank, Little Valley, New York; and Mr. Frank A Suellentrop, Chairman and President, Legacy Bank, Wichita, KS.

Stress Testing and Bank Capital Supervision

FRB San Francisco – Economic Letter – June 27, 2011 – 5 pages

<http://www.frbsf.org/publications/economics/letter/2011/el2011-20.pdf>

"Stress testing was a potent tool in the supervision of bank capital during the financial crisis. Stress tests can enhance supervision of bank capital by providing a more forward-looking and flexible process for assessing risks that might not be fully captured by risk-based capital standards. The level and quality of capital among large banking organizations has increased notably since the introduction of stress tests during the financial crisis."

Rebecca Chmielewski, Paul Jordan, Carl Tannenbaum

Creating a New Foundation for Risk Management (Special Issue)

FRB Chicago Fed Letter – webposted June 2011 -

http://www.chicagofed.org/digital_assets/publications/chicago_fed_letter/2011/cfljuly2011_288a.pdf

“The Chicago Fed’s Supervision and Regulation Department, in conjunction with DePaul University’s Center for Financial Services, sponsored its fourth annual Financial Institution Risk Management Conference on April 11–12, 2011. In addition to discussions about risk management, this year’s conference focused on the impact of the Dodd–Frank Wall Street Reform and Consumer Protection Act (Dodd–Frank Act).”

Does the Dodd Frank Act End 'Too Big to Fail'?"

House Committee on Financial Services – Hearing - June 14, 2011

<http://financialservices.house.gov/Calendar/EventSingle.aspx?EventID=245123>

Witnesses:

Michael H. Krimminger, General Counsel, Federal Deposit Insurance Corporation

Christy Romero, Acting Special Inspector General, Office of the Special Inspector General, Troubled Asset Relief Program

Stephen J. Lubben, Daniel J. Moore Professor of Law, Seton Hall University School of Law

Michael Barr, Professor of Law, University of Michigan Law School

Oversight of the Mutual Fund Industry: Ensuring Market Stability and Investor Confidence"

House Committee on Financial Services – Hearing - June 24, 2011

<http://financialservices.house.gov/Calendar/EventSingle.aspx?EventID=247410>

Witnesses:

Mercer Bullard, Associate Professor, University of Mississippi School of Law

Andrew “Buddy” Donohue, Partner, Morgan Lewis & Bockius LLP

Scott Goebel, Senior Vice President, Fidelity Management & Research Company

Heidi Stam, Managing Director and General Counsel, The Vanguard Group

Paul Schott Stevens, President & CEO, Investment Company Institute

René Stulz, Everett D. Reese Chair of Banking and Monetary Economics, The Ohio State University

Douglas J. Elliott

Choosing among Macroprudential Tools

The Brookings Institution – Paper – June 7, 2011 – 40 pages

http://www.brookings.edu/papers/2011/0607_macroprudential_tools_elliott.aspx

“Macroprudential” policies may allow authorities to cushion the blow from dangerous financial crises by using an approach that fits between monetary policy for the economy as a whole and traditional regulation of individual financial institutions (now referred to as “microprudential” regulation to distinguish it from the new approach.) ... This paper will examine one of the key issues in more detail: how should macroprudential authorities decide which particular tools to use, and in what combination, once they determine action is necessary to deal with excessive financial exuberance or a credit crunch following such over-exuberance?”

Fannie Mae, Freddie Mac & FHA: Taxpayer Exposure in the Housing Markets

House Committee on the Budget – Hearing - June 2, 2011

<http://budget.house.gov/HearingSchedule/#622011>

Witnesses:

Deborah J. Lucas, Assistant Director, Congressional Budget Office

Alex J. Pollock, Senior Fellow, American Enterprise Institute for Public Policy Research

Sarah Rosen Wartell, Executive Vice President, Center for American Progress & Center for American Progress Action Fund

Reid Cramer

Homeownership and Individual Development Accounts

New America Foundation - May 31, 2011 – 8 pages

http://assets.newamerica.net/sites/newamerica.net/files/policydocs/Cramer_HomeOwnershipandIDAs_Final.pdf

“Individual Development Accounts are designed to support savings for the purchase of specific assets, such as buying a home, pursuing post-secondary education, or capitalizing a small business, by matching the deposits of program participants. The concept of matched savings has been promoted as a means to broaden asset ownership among populations missed by current policy. Recently, a study was released evaluating the ten-year impacts of a specific Individual Development Accounts program in Tulsa, Oklahoma focused on increasing homeownership.”

TRANSPORTATION

Recovery Act: Funding Used for Transportation Infrastructure Projects, but Some Requirements Proved Challenging

GAO - June 29, 2011 – 60 pages

<http://www.gao.gov/new.items/d11600.pdf>

“As of May 31, 2011, nearly \$45 billion (about 95 percent) of Recovery Act transportation funds had been obligated for over 15,000 projects nationwide, and more than \$28 billion had been expended... Highway funds have been primarily used for pavement improvement projects, and transit funds have been primarily used to upgrade transit facilities and purchase buses. Recovery Act funds have also been used to rehabilitate airport runways and improve Amtrak’s infrastructure. The Recovery Act helped fund transportation jobs, but long-term benefits are unclear. For example, according to recipient reported data, transportation projects supported between approximately 31,460 and 65,110 full-time equivalents (FTE) quarterly from October 2009 through March 2011. Officials reported other benefits, including improved coordination among federal, state, and local officials.”

Transportation Research Priorities: Maximizing Return on Investment of Taxpayer Dollars

House Committee on Science, Space, and Technology – Hearing – June 14, 2011

<http://science.house.gov/hearing/technology-and-innovation-subcommittee-hearing-transportation-rd>

“The DOT annually supports more than \$600 million in research, development, and technology deployment (RD&T) activities focused on surface modes of transportation... Concerns have been raised about how research priorities are identified and the means used to quantify and measure performance. Today’s hearing provides an opportunity for us to examine if our research activities are well executed and integrated across the Department, and whether they are efficiently addressing the long-term research and technology needs of the country.”

Creating Jobs and Increasing U.S. Exports by Enhancing the Marine Transportation System

House Committee on Transportation and Infrastructure – hearing – June 14, 2011

<http://transportation.house.gov/hearings/hearingdetail.aspx?NewsID=1296>

“Constant maintenance and enhancement of the Marine Transportation System (MTS) is essential to the U.S. economy. It not only facilitates nearly all international trade and moves a vast portion of domestic goods, but

also transports commodities critical to our national and economic security. The Subcommittee will receive testimony from the CMTS and other representatives of the maritime transportation industry to explore ways to meet the challenges the MTS faces and create jobs within the U.S.”

Transportation Governance and Finance: A 50-State Review of State Legislatures and DOTs

National Conference of State Legislature - June 1, 2011 – 230 pages

<http://www.ncsl.org/documents/transportation/FULL-REPORT.pdf>

The analysis of state transportation governance and finance provides an overview of key issues, supplemented by detailed information for all fifty states, the District of Columbia and Puerto Rico. The report focuses on transportation finance and on the roles and relationships between the branches of state government that are most active in transportation issues.

OTHER ECONOMIC POLICIES

The Views of the Administration on Regulatory Reform: An Update

Committee on Energy and Commerce – Hearing – June 3, 2011

<http://energycommerce.house.gov/hearings/hearingdetail.aspx?NewsID=8652>

“More than 120 days after Executive Order 13563 was issued, what is the Administration’s experience with improving regulation and regulatory review? What has OIRA learned since January 18, 2011, that bears on the effectiveness and/or long-term implications of Executive Order 13563 for formulating smarter, more targeted and less-costly regulations going forward? Are the chances of achieving a “consistent culture of retrospective review and analysis throughout the executive branch” greater today than they were on January 17, 2011?

Evaluating the Cloud Computing Act of 2011

The Brookings Institution – Event - June 16, 2011 – 31 pages

http://www.brookings.edu/~media/Files/events/2011/0616_cloud_computing/20110616_cloud_computing.pdf

“While research suggests that considerable efficiencies can be gained from cloud computing technology, concerns over privacy and security continue to deter governments and private-sector firms from migrating to the cloud. Senator Amy Klobuchar (D-Minn.) has advanced discussion of the “Cloud Computing Act of 2011,” draft legislation that would address these challenges by encouraging the U.S. government to negotiate with other countries to establish consistent laws related to online security and cloud computing. On June 16, the Brookings Institution hosted a forum on the policy proposals in the Cloud Computing Act of 2011. Discussion included an overview of the international policy implications as governments and firms adjust to a coherent legal framework, changes and innovations in public procurement, and challenges for private industry as it balances consumer needs and compliance with these proposed cloud computing safeguards.”

Brian Kahin

Patents: A Singular Law for the Diversity of Innovation

The Brookings Institution – Paper – June 2011 – 8 pages

http://www.brookings.edu/~media/Files/rc/papers/2011/06_patents_kahin/06_patents_kahin.pdf

“As new questions are raised about how patents are granted and used, it becomes important to ensure that patents consistently promote innovation rather than strategic rent-seeking and lucrative work for agents and intermediaries. If national systems enable strategic behavior that favors certain interests, other national systems are justified in designing their patents systems to serve their own interests. An opaque, high-overhead

single-size system may work well for some, and those that benefit will undoubtedly fight to keep it as it is. But if the patent system is to optimize innovation, it must operate with the respect of a growing diversity of innovators.”

Josh Bivens

A Lifesaver, Not A Job Killer - EPA’s Proposed “Air Toxics Rule” Is No Threat To Job Growth

Economic Policy Institute – Briefing paper – June 2011 – 17 pages

<http://w3.epi-data.org/temp2011/BriefingPaper312%20%282%29.pdf>

“Josh Bivens finds that new regulations proposed by the Environmental Protection Agency in March on mercury, arsenic, and other toxic air pollution from power plants would have a significant positive impact on health and quality-of-life outcomes in addition to having a slightly positive impact on job growth in coming years. Presenting a comprehensive review of the regulations known as “the toxics rule,” Bivens’ analysis counters the oft-repeated claims that regulations destroy jobs.”

LOCAL ECONOMIC DEVELOPMENT

Elizabeth McNichol, Phil Oliff and Nicholas Johnson

States Continue to Feel Recession’s Impact

Center on Budget and Policy Priorities – Report – June 17, 2011 – 12 pages

<http://www.cbpp.org/files/9-8-08sfp.pdf>

“Three years into states’ most severe fiscal crisis since the Great Depression, their finances are showing the clearest signs of recovery to date. States in recent months have seen stronger-than-expected revenue growth. This is encouraging news, but very large state fiscal problems remain. The recession brought about the largest collapse in state revenues on record, and states are just beginning to recover from that collapse. As of the first quarter of 2011, revenues remained roughly 9 percent below pre-recession levels. Consequently, even though the revenue outlook is better than it was, states still are addressing very large budget shortfalls. In fiscal year 2012 some 42 states and the District of Columbia have closed, or are working to close, \$103 billion in budget gaps.”

Adam Hersh

Conservative Budget Cuts Bad for State Economies

Center for American Progress – Article – June 28, 2011

http://www.americanprogress.org/issues/2011/06/budget_cuts.html

“The analysis presented here shows that steep spending cuts are hampering economic recovery in some states while other states that resisted cuts or increased spending are now seeing lower unemployment rates, faster private-sector job creation, and stronger economic growth. The bottom line: States that swallowed the bitter pill of steep cuts are the worse off.”

Michael Leachman, Erica Williams and Nicholas Johnson

New Fiscal Year Brings Further Budget Cuts to Most States, Slowing Economic Recovery

Center on Budget and Policy Priorities – Report – June 28, 2011 – 5 pages

<http://www.cbpp.org/files/6-28-11sfp.pdf>

“States have enacted deep cuts in education, health care, and other important public services in their budgets for fiscal year 2012 (which begins July 1 in most states). It is the fourth year in a row of budget-cutting for states, and the 2012 cuts are deeper than in past years. Of the 32 states that have enacted budgets, as least 24

are imposing significant cuts. These cuts will delay the nation's economic recovery and undermine efforts to create jobs."

Enterprising States - Recovery and Renewal for the 21st Century

US Chamber of Commerce – Study – June 20, 2011 - 135 pages

<http://www.uschamber.com/sites/default/files/reports/ES2011-full-doc-web.pdf>

Our study, *Enterprising States*, focuses on what makes certain states attractive places to locate, relocate and expand in this uncertain economy; the unintended consequences of cutting certain items from a state budget; and what types of investments the public and private sectors can make now to improve the economy in the future. States are looking to maximize their resources to address growth and employment without increasing spending and dealing with the increased demand in services caused by this recession."

Jed Kolko

Rethinking the State-Local Relationship: Local Economic Development

Public Policy Institute of California – Report – May 2011 – 19 pages

http://www.ppic.org/content/pubs/report/R_511JKR.pdf

"This report argues that bringing redevelopment and enterprise zones into discussions of state and local responsibilities could improve local development efforts."

Making It in America: Innovate Locally, Export Globally

Senate Committee on Commerce, Science, and Transportation – Hearing – June 27, 2011

http://commerce.senate.gov/public/index.cfm?p=Hearings&ContentRecord_id=d44cd1e7-079a-48cf-9eb1-34b4ba2fef64&ContentType_id=14f995b9-dfa5-407a-9d35-56cc7152a7ed&Group_id=b06c39af-e033-4cba-9221-de668ca1978a

"I called this hearing to highlight opportunities for expansion and job creation here in West Virginia. As the Chairman of the Commerce Committee, I have been focused on increasing exports and promoting ways to revitalize American manufacturing. I am looking into everything from tax proposals to reforming the Department of Commerce. Most importantly, I am eager for any new ideas that West Virginia businesses think might solve the major barriers to becoming more successful, exporting more, and hiring new employees."

Thomas Stratmann and William Bruntrager

Excise Taxes in the States

Mercatus Center – George Mason University – Working paper – June 2011 – 35 pages

http://mercatus.org/sites/default/files/publication/ExciseTaxesintheStates.Stratmann.Bruntrager_0.pdf

"General sales taxes apply as an equal percentage of all goods and services sold within the state or as a schedule or rates based on categories of products—for example, a lower rate for groceries. These taxes accounted for \$224 billion in revenue in 2010. Selective sales taxes—also known as "excise" taxes—are special taxes or rates that apply to the sale of particular goods or services, and these accounted for the additional \$120 billion in sales-tax revenue. In this paper, we provide a survey of this latter component—state selective sales taxes—providing information on the taxes imposed by the different state governments of the United States."

New England Transformed

FRB Boston – Annual Review – Essay – June 2011 – 14 pages

<http://www.bostonfed.org/about/ar/ar2010/new-england-transformed-2010.pdf>

This essay discusses some of the changes that have occurred in New England over the past four decades, comparing the challenges we faced in the mid-1970s with those we face today.

Steps to a 21st Century U.S.-Mexico Border

US Chamber of Commerce – Study – June 8, 2011 - 28 pages

<http://www.uschamber.com/sites/default/files/reports/mexicoreportfullbook.pdf>

Despite the significance of the U.S.-Mexico relationship, delays and other inefficiencies at the border erode much of the competitive advantage that was accrued from NAFTA... In President Obama's 2010 State of the Union address, he expressed a goal to double exports within the next five years. Reaching this goal is going to require action from both the private and public sectors. NAFTA has already removed many of the statutory and regulatory impediments to trade across the U.S.-Mexico border. This means that the border represents a better opportunity for trade between the United States and Mexico, translating to job growth in both countries."

Florida: A State of Change

Federal Reserve Bank of Atlanta – EconSouth - Second Quarter 2011 – 4 pages

http://www.frbatlanta.org/documents/pubs/econsouth/11q2_florida.pdf?d=1&s=email

With decades of uninterrupted growth under its belt, Florida's prosperity appeared invincible. But with the end of the housing boom and declining in-migration, the Sunshine State's formerly dependable formula for success was suddenly upended. How will the state position itself for growth in a new environment?

BUSINESS - INNOVATION

Access to Capital: Can Small Businesses Access The Credit Necessary To Grow and Create Jobs?

House Small Business Committee – Hearing - June 1, 2011

<http://smallbusiness.house.gov/Calendar/EventSingle.aspx?EventID=243073>

The hearing provided a forum for lenders and business owners to discuss the current economic environment and how they are working together to support private sector job growth. Witnesses from the lending side discussed the demand for capital and current initiatives to encourage small business lending. Small business owners testified about the current economic environment and the capital required to hire new workers

The Dodd-Frank Act: Impact on Small Business Lending

House Small Business Committee – Hearing - June 16, 2011

<http://smallbusiness.house.gov/Calendar/EventSingle.aspx?EventID=245671>

The hearing examined the regulatory structure of financial institutions, including the new provisions of the Dodd-Frank Act. The hearing will also examine the regulations being proposed to implement the Act that have the greatest impact on small financial institutions and on small business lending. Along with Dodd-Frank, many financial institutions are facing increasing pressure from federal regulators concerned about additional bank failures. This increased pressure has the potential to hamper small business lending since some regulators are taking a disproportionately stringent view of small business lending and loan performance. Witnesses will discuss the direct impact of the new law and offer solutions to minimize the burdens.

The State of Small Business Access to Capital and Credit: The View from Secretary Geithner

House Small Business Committee – Hearing - June 22, 2011

<http://smallbusiness.house.gov/Calendar/EventSingle.aspx?EventID=246634>

The purpose of this hearing was to review the current state of small business access to equity capital and debt financing. The hearing focused on the Department of Treasury's current and future efforts to assist the private sector in providing the needed funds for small businesses to expand and grow. The only witness at the hearing was the Secretary of the Treasury, the Honorable Timothy Geithner.

Aparna Mathur

Does the Bankruptcy Code Provide a Fresh Start to Entrepreneurs?

American Enterprise Institute – Paper - May 25, 2011 – 40 pages

<http://www.aei.org/docLib/Mathur-Bankruptcy-SmallBusiness.pdf>

This paper assesses the extent to which the U.S. bankruptcy system is effective in providing small businesses a “fresh start” after a bankruptcy filing. We use data from the 1993, 1998 and 2003 National Survey of Small Business Finances to explore how firms fare after a bankruptcy filing. Our results suggest some areas of concern though there are clearly promising aspects as well.”

PhDs, Policies and Patents: Innovation and America's Future

The Brookings Institution – Hamilton Project – Event Transcripts – June 28, 2011

http://www.brookings.edu/events/2011/0628_innovation.aspx

“On Tuesday, June 28, The Hamilton Project at Brookings hosted a forum on the future of innovation in the United States – exploring the challenges to, and opportunities for, furthering advancements to create jobs and spur economic growth. The forum drew on a wide-range of experts from around the country, including the director of the National Institutes of Health, two former U.S. Treasury Secretaries, one of the nation's leading private investors in the technology industry, a co-chair of the President's Advisory Board on Science and Technology, a MacArthur Foundation Genius Award winner, the Chief Technology Officer of the United States, the Administrator of the Office of Information and Regulatory Affairs, and a group of prominent U.S. economists.”

MANUFACTURING - INDUSTRY

Patricia Atkins, Pamela Blumenthal, Adrienne Edisis, Alec Friedhoff, Leah Curran, Lisa Lowry, Travis St. Clair, Howard Wial, and Harold Wolman

Responding to Manufacturing Job Loss: What Can Economic Development Policy Do?

The Brookings Institution – Report - June 2011 – 56 pages

http://www.brookings.edu/~media/Files/rc/papers/2011/06_manufacturing_job_loss/06_manufacturing_job_loss.pdf

“This report shows how public policy and economic development strategy responded to the loss of manufacturing jobs in eight metropolitan areas: Charlotte, Cleveland, Grand Rapids, Hartford, Indianapolis, Louisville, Rochester (NY), and Scranton. For each metropolitan area it describes the evolution of the metropolitan economy from 1980 to 2005, the area's major economic development organizations and actors, the major policies and strategies that were adopted to try to shape the area's economic future in the wake of manufacturing job losses, and other factors that influenced economic development in the area. The responses to manufacturing job loss in the eight metropolitan areas offer important lessons for policymakers and practitioners trying to respond to the most recent wave of manufacturing job loss in U.S. metropolitan areas.”

Manufacturing in the USA: Why We Need a National Manufacturing Strategy?

Joint Economic Committee – Hearing - June 22, 2011

http://jec.senate.gov/public/index.cfm?p=Hearings&ContentRecord_id=2f4d5dbf-12de-4548-b492-ad1519d48022

“The hearing explored recent progress in the manufacturing sector and examined strategies and policies that will further bolster U.S. manufacturing growth in the future. Recent growth in manufacturing has played a key role in the economic recovery. Economic activity in the manufacturing sector has increased for 22 consecutive months and manufacturing employment has rebounded from its low, adding almost 250,000 jobs since December 2009.”

The Resurgence of the American Automotive Industry

The White House - June 2011 – 10 pages

http://www.whitehouse.gov/sites/default/files/uploads/auto_report_06_01_11.pdf

"When President Obama took office, the American automobile industry was on the brink of collapse...The President's decision to save GM and Chrysler was about more than those two companies. It was about standing behind the countless workers, communities, and businesses - large and small - that depend on the automotive industry. Two years later, the American auto industry is mounting a comeback. General Motors is expanding production and adding jobs, while Chrysler recently repaid its outstanding loans to the U.S. Treasury - six years ahead of schedule. Since GM and Chrysler emerged from bankruptcy, the auto industry has created 115,000 jobs, its strongest period of job growth since the late 1990s. GM, Ford and Chrysler have all returned to profitability, and in 2010, the "Detroit three" gained market share for the first time since 1995."

Bracken Hendricks et al.

Low-carbon Innovation: A Uniquely American Strategy for Industrial Renewal.

Center for American Progress - May 31, 2011 – 69 pages

http://www.americanprogress.org/issues/2011/05/pdf/gcn_low_carbon.pdf

The authors explain how low-carbon industrial strategies can ensure American sustained leadership in innovation.

A Survey of Company Perspectives on Low-Carbon Business Innovation

Pew Center on Global Climate Change - May 2011 – 18 pages

http://www.pewclimate.org/docUploads/survey-results-paper_2.pdf

The Pew Center on Global Climate Change conducted a survey of low-carbon business innovation in winter 2010-11. Thirty-five companies, ranging in size from \$600 million to \$285 billion in annual revenues and with an average annual R&D expenditure of \$1.4 billion, completed the survey. This paper provides a summary and brief analysis of the survey results.

AGRICULTURE

Opportunities and Benefits of Agricultural Biotechnology

House Committee on Agriculture – Hearing - June 23, 2011

<http://agriculture.house.gov/hearings/hearingDetails.aspx?NewsID=1400>

Witness Testimonies

Charles F. Conner, President and Chief Executive Officer, National Council of Farmer Cooperatives, Washington, D.C.

Roger N. Beachy Ph.D, President Emeritus, Donald Danforth Plant Science Center, St. Louis, Missouri

Calestous Juma Ph.D, Professor of the Practice of International Development, John F. Kennedy School of Government, Harvard University, Cambridge, Massachusetts

Brian Briggeman

Farm Balance Sheets: The Hidden Risk of Non-Real Estate Debt

Federal Reserve Bank of Kansas City – Main Street Economist – Issue 2 – 2011 – 5 pages

<http://www.kansascityfed.org/publications/research/mse/index.cfm?ealert=MSE0624>

Today's soaring farmland values have boosted farm wealth and driven the U.S. farm balance sheet to its strongest level since the 1970s farm boom. If farmland values were to fall sharply, as they did in the farm crisis of the 1980s, both farm balance sheets and farm wealth could suffer, especially for farmers with high levels of non-real estate debt. This issue of The Main Street Economist explores the effects of the falling farmland values on farm balance sheets, wealth and insolvency.

EMPLOYMENT

Britton Lombardi and William A. Testa

Why Are Manufacturers Struggling to Hire High-Skilled Workers?

FRB Chicago – Fed Economic Letter – Webposted May 2011 – 4 pages

http://www.chicagofed.org/digital_assets/publications/chicago_fed_letter/2011/cflaugust2011_289.pdf

“The authors examine the apparent lack of high-skilled workers for the U.S. manufacturing sector by focusing on the educational attainment and wage compensation of manufacturing workers and their nonmanufacturing counterparts over the period 1990–2007.”

Self-employment as Economic Development Strategy:

FRB Atlanta – Paper – May/June 2011 – 9 pages

http://www.frbatlanta.org/documents/pubs/partnersupdate/11no3_self_employment.pdf

“What Does It Mean for Metro and Nonmetro Counties in the Southeastern United States? Self-employment in the Southeast has grown significantly over the past decade as a share of total full- and part-time employment, rising from 14 percent in 2000 to 20 percent in 2008. This 14 percent rise represents an increase of 56 percent, or from 5.2 million people to 8.2 million. A recent study by Anil Rupasingha, community and economic development research economist at the Federal Reserve Bank of Atlanta, finds that self-employment has several very favorable outcomes overall, but there are important differences between self-employment in urban and rural areas, with implications for policymakers and community and economic developers.”

Matthew Hall, Audrey Singer, Gordon F. De Jong, and Deborah Roempke Graefe

The Geography of Immigrant Skills: Educational Profiles of Metropolitan Areas

The Brookings Institution – Paper – June 2011 – 32 pages

http://www.brookings.edu/~media/Files/rc/papers/2011/06_immigrants_singer/06_immigrants_singer.pdf

“While the highly-charged debate about immigration policy in America focuses on stopping illegal immigration, a much more important trend, the growing economic contributions of American immigrants, is not getting enough attention. That’s one of the conclusions of a new report from the Brookings Institution Metropolitan Policy Program. The new report, The Geography of Immigrant Skills: Educational Profiles of Metropolitan Areas, analyzes data from the U.S. Census Bureau’s American Community Survey (ACS) for the nation’s 100 largest metros and finds that, contrary to conventional beliefs, more immigrants have at least

a bachelor's degree than lack a high-school diploma. It is essential for this country to do a better job supporting high- and low-skilled immigrant workers in order to remain globally competitive.”

Shayne Henry

Work Sharing

New America Foundation - Policy Brief - June 23, 2011 – 12 pages

<http://growth.newamerica.net/sites/newamerica.net/files/policydocs/Work%20Sharing%206-23.pdf>

Three years into the Great Recession, unemployment continues to hover over 9%... In an effort to provide support for the growing number of long-term unemployed, the federal government has even extended unemployment benefits to 99 weeks. Trying to promote job creation, the federal government has spent well over \$800 billion in direct fiscal stimulus and the Federal Reserve has engaged in two rounds of unconventional monetary policy maneuvers in quantitative easing. Not for a lack of effort, these policies seem to have reached the extent of their effectiveness... In order to mitigate the individual, and social, consequences of unemployment, some American economists and policy experts have suggested nationalizing a policy that already exists in a few American states and is widely popular in Europe: work sharing.”

Jason Richwine

Same Worker, Higher Wage: A Study of Workers Who Switch from Private to Federal Employment

The Heritage Foundation - June 15, 2011 – 7 pages

<http://www.heritage.org/Research/Reports/2011/06/Same-Worker-Higher-Wage-A-Study-of-Workers-Who-Switch-from-Private-to-Federal-Employment>

“Numerous studies have concluded that federal workers do receive a substantial wage premium. Most of these studies have used the cross-sectional human capital method, which compares federal workers to private workers who have the same skills. The cross-sectional method is not perfect, however, and supplemental analyses can be useful in confirming its results. Rather than comparing workers at a single point in time, this report follows individual workers as they switch between the federal and private sectors. It finds that workers who change jobs receive a substantially larger raise when they switch into federal employment rather than into another private job. This result corroborates the findings of the cross-sectional studies, providing further evidence that federal workers enjoy a wage premium.”

PENSIONS – HEALTH ECONOMICS

Retirement Income: Ensuring Income throughout Retirement Requires Difficult Choices

GAO – Report - June 7, 2011 - 79 pages

<http://www.gao.gov/new.items/d11400.pdf>

GAO was asked to review (1) strategies that experts recommend retirees employ to ensure income throughout retirement, (2) choices retirees have made for managing their pension and financial assets for generating income, and (3) policy options available to ensure income throughout retirement and their advantages and disadvantages. GAO interviewed experts about strategies retirees should take, including strategies for five households from different quintiles of net wealth (assets less debt); analyzed nationally representative data and studies about retirees’ decisions; and interviewed experts and reviewed documents about related policy options.”

Health Savings Account Enrollment Reaches 11.4 Million

America's Health Insurance Plans – Study - June 14, 2011 – 10 pages.

<http://www.ahipresearch.org/pdfs/HSA2011.pdf>

“An annual census by America’s Health Insurance Plans (AHIP) of U.S. health insurance carriers shows that the number of people covered by health savings account/high-deductible health plans (HSA/HDHPs) totaled 11.4 million in January 2011. As in previous years, AHIP received participation from virtually all private health insurance carriers in the HSA/HDHP market for this census. This census does not include coverage associated with health reimbursement arrangements (HRAs), which are most commonly offered in the large-group market.”

TRADE

Meredith Broadbent

The Global Trade Picture from Washington

Center for Strategic & International Studies – Report - June 15, 2011 – 4 pages

http://csis.org/files/publication/110610_broadbent_GlobalForecast2011.pdf

“A retreat into trade protectionism after October 2008 is the dangerous dog that did not bite the international economy. Contrary to what might have been expected, the severe economic dislocations of the financial crisis have not led to a wholesale retrenchment in international trade.”

Amy Liu

Delivering the Next American Economy: The Central Role of Exports

Brookings Institution – Remarks – June 2, 2011 – 10 pages

http://www.brookings.edu/~media/Files/rc/speeches/2011/0602_exports_liu/0602_exports_liu.pdf

“We at Brookings have been spending the past few years focusing on ways to build a sustainable, post-recession economy in the US, one powered by the metro areas that make up the global economy. At the heart of the next economy is exports... My goal today is to step back and place export expansion into a broader, more holistic economic framework. An export strategy will be most successful if it sits not in its own silo but is integrated into a comprehensive economic vision and strategy for growth. Further, NEI will only succeed if states, regional leaders and the private sector are equal partners in strengthening American innovation and bringing American products and services to foreign customers.”

Stakeholder Perspectives on Reauthorization of the Export-Import Bank of the United States

Senate Committee on Banking, Housing and Urban Affairs – Hearing – June 30, 2011

http://banking.senate.gov/public/index.cfm?FuseAction=Hearings.Hearing&Hearing_ID=6f57ddeb-7193-4162-ae70-fc294b287093

The witnesses will be: The Honorable Osvaldo Luis Gratacós, Inspector General, Export-Import Bank of the United States; Mr. Clay Thompson, Director, Global Government Affairs, Caterpillar, Inc.; Mr. Doug Norlen, Policy Director, Pacific Environment; and Mr. David Ickert, Vice President of Finance, Air Tractor, Inc., on behalf of the Small Business Exporters Association. Additional witnesses may be announced.

Gary Clyde Hufbauer, Meera Fickling, and Woan Foong Wong

Revitalizing the Export-Import Bank

The Peterson Institute - Policy Brief – May 2011 - 11 pages

<http://www.piie.com/publications/pb/pb11-06.pdf>

“Trade finance will play a crucial role in President Barack Obama's goal of doubling US exports by 2015. Almost 90 percent of exports depend on trade finance in some form—direct credit, credit insurance, or loan guarantees. Even though official export credit agencies (ECAs), including the US Export-Import Bank (Ex-Im Bank), play a small part in the whole scheme of export finance, they occupy a crucial niche. They are "lenders

of last resort," taking risks shunned by the private market. Ex-Im Bank is up for reauthorization in 2011, so this is a good time to review its prospects and mandate. As new authorization legislation is drafted, the authors recommend that Congress address seven policy issues..."

Jeffrey Schott

What Should the United States Do about DOHA?

Peterson Institute for International Economics – Policy Brief – June 2011 – 5 pages

<http://www.piie.com/publications/pb/pb11-08.pdf>

Doha Round "doctors" have prescribed a wide range of treatments for what ails the trade talks, ranging from placebo pills to euthanasia. In essence, the treatment options fall into three broad categories: (1) declare victory and sign the deal "on the table"; (2) "declare failure and go home"; or (3) recognize that the talks cannot conclude in the current environment and that the Doha Round needs a "time-out." Under either option 2 or 3, U.S. officials would receive a large share of the blame for Doha's woes. So what should the United States do now to deflect such criticism, minimize damage to the World Trade Organization, and advance U.S. trading interests?

AGOA - DEVELOPMENT

Improving AGOA: Toward a New Framework for U.S.-Africa Commercial Engagement

The Brookings Institution – Reports – June 1, 2011

http://www.brookings.edu/reports/2011/0601_improving_agoa.aspx

"Since its enactment in 2000, the Africa Growth and Opportunity Act (AGOA) has been the centerpiece of the commercial relationship between the United States and Africa... Brookings Africa Growth Initiative experts and others analyze the pact and its implications for trade and economic development in Africa."

Mwangi S. Kimenyi and Robert Chutha

The Africa Growth and Opportunities Act: Toward 2015 and Beyond - A Synthesis of Stakeholders' Views on the Future of U.S.-Africa Commercial Relationships

The Brookings Institution – Paper – June 2, 2011 – 29 pages

http://www.brookings.edu/~media/Files/rc/reports/2011/0602_agoa_beyond/0602_agoa_beyond.pdf

"This paper has been prepared as part of the Brookings Africa Growth Initiative's contribution to the discussions on improving the commercial relationships between the United States and Sub-Saharan African (SSA) countries. Since 2000, the African Growth and Opportunity Act (AGOA) has been the centerpiece of these commercial relations. However, currently all parties involved are in agreement that the time and circumstances are ripe to reform the act. Even though they may have different perspectives on reforming the act, all the stakeholders are optimistic that the upcoming June AGOA Forum in Lusaka, Zambia will be a very important event for kick-starting the process of redefining these commercial relationships between African countries and the U.S."

International Food Assistance: Funding Development Projects through the Purchase, Shipment, and Sale of U.S. Commodities Is Inefficient and Can Cause Adverse Market Impacts

GAO – Letter - June 23, 2011 - 109 pages

<http://www.gao.gov/products/GAO-11-636>

"Since the Food Security Act of 1985, Congress has authorized monetization—the sale of U.S. food aid commodities in developing countries to fund development. In fiscal year 2010, more than \$300 million was used to procure and ship 540,000 metric tons of commodities to be monetized by the U.S. Agency for

International Development and the U.S. Department of Agriculture. Through analysis of agency data, interviews with agency officials, and fieldwork in three countries, this report (1) assesses the extent to which monetization proceeds cover commodity and other associated costs and (2) examines the extent to which U.S. agencies meet requirements to ensure that monetization does not cause adverse market impacts.”

CHINA

Philip I. Levy

The United States and China: Macroeconomic Imbalances and Economic Diplomacy

American Enterprise Institute - June 28, 2011 – 43 pages

<http://www.aei.org/docLib/ADBI-GMU-Levy-8-June-2011.pdf>

Ample mutual misunderstanding exists between the United States and China in their economic arguments. The momentous debates have the potential to severely impair the institutions of global economic governance, and there is likely to be an important race between economic and demographic forces that will naturally redress the imbalances and the political imperatives for each country to stand tough and fight, according to the author.

Mark A. Wynne

Will China Ever Become as Rich as the U.S?

Federal Reserve Bank of Dallas - Economic Letter - June 2011

<http://dallasfed.org/research/ecllett/2011/el1106.html>

“While it appears inevitable China's economy will become larger than that of the United States, uncertainty remains about whether Chinese citizens will ever be as rich as their American counterparts.”

Charles Freeman and Wen Jin Yuan

China's Exchange Rate Politics

Center for Strategic & International Studies - June 16, 2011 – 18 pages

http://csis.org/files/publication/110615_Freeman_ChinaExchangeRatePolitics_Web.pdf

On June 19, 2010, the People's Bank of China (PBOC), the country's central bank, announced that China would allow the resumption of the renminbi's (RMB) steady appreciation against the dollar through "a managed floating exchange rate regime" tied to a basket of currencies. The authors conclude that although the announcement last year signaled the Chinese government's intention to continue its plan to gradually liberalize the RMB exchange rate mechanism, the Chinese central leadership circle has been embroiled in endless debate, with the Chinese Ministry of Commerce and the People's Bank of China serving as the primary agencies in conflict, on whether China should gradually open its capital market and allow more flexibility in RMB's exchange rate.

MISCELLANEOUS

Rebecca M. Nelson

Sovereign Debt in Advanced Economies: Overview and Issues for Congress

Congressional Research Service, Library of Congress - May 26, 2011 – 36 pages

<http://www.fas.org/sgp/crs/misc/R41838.pdf>

“Sovereign debt, also called public debt or government debt, refers to debt incurred by governments. Since the global financial crisis of 2008-2009, public debt in advanced economies has increased substantially. High public debt levels became unsustainable in three Eurozone countries: Greece, Ireland, and Portugal. These countries turned to the International Monetary Fund (IMF) and other European governments for financial

assistance in order to avoid defaulting on their loans. Japan's credit rating was downgraded by a major credit rating agency, Standard and Poor's (S&P), in January 2011 over concerns about debt levels. In April 2011, S&P put the United States' credit rating on a negative outlook, although the rating itself was not changed. To date, many advanced-economy governments have embarked on fiscal austerity programs to address historically high levels of debt. This policy response has been criticized by some economists as possibly undermining a weak recovery from the global financial crisis. Others argue that the austerity plans do not go far enough, and do not share the burden of adjustment with creditors who, they argue, engaged in reckless lending.”