

American Shareholders Association

1920 L Street, NW • Suite 200 • Washington, DC 20036
202.785.0266 • Fax 202.785.0261

Americanshareholders.com

FOR IMMEDIATE RELEASE
September 26, 2003

CONTACT: Daniel Clifton
(202) 785-0266

Answer the Investors Question Gen. Clark

Democratic Presidential Candidate Disregards Investors' Economic and Political Importance

WASHINGTON – In yesterday's CNBC/Wall Street Journal debate, Democratic presidential hopeful Gen. Wesley Clark missed a softball question regarding the impact of capital gains and dividend tax reduction. This is because the general is pandering to liberal special interests that want to repeal the capital gains and dividend tax cut for more government spending and more government bureaucrats. CNBC Commentator Ron Insana asked Clark the following question:

"You spent time as an investment banker. Don't you believe that lower capital gains taxes, lower dividend taxes not only help the rich and Wall Street but also help to create jobs and help the economy overall?"

Clark responded: **"I think that what we need to do in this economy is go back and look at our overall position for a deficit. ...We need to keep the--we need to go back to the top 2 percent and repeal those tax cuts."**

More than 30 years of evidence demonstrates that increasing the capital gains tax, as Clark implied he would do, results in less employment, income, and economic growth. Conversely, every capital gains tax reduction has resulted in more employment, income, and economic growth.

"Clark's refusal to acknowledge the benefits of investor tax reduction shows his lack of understanding of the American economy and American politics," said Daniel Clifton, executive director of American Shareholders Association (ASA). **"The recent stock market growth, due to the Bush tax cut, is setting the stage for explosive growth throughout the entire economy. And a rising stock market benefits all Americans, not just investors, by raising the wages of workers and lowering the price of goods to consumers."**

A recent poll by Scott Rasmussen found American investors view themselves as mostly middle class (see box). Furthermore, according to Federal Reserve data, stock ownership among the bottom income quintile has increased by nearly 100 percent since 1995.

How Investors Consider Themselves

Rich	5%
Upper Middle Class	21%
Middle Class	67%
Poor	7%

Source: www.rasmussenreports.com

"The new investor class majority reaches far beyond the obvious wealthy and now represents the investor next door," continued Clifton. **"More than 50 percent of all American families now own stock and two of three voters in this election will be investors. Raising the capital gains tax will turn back the clock on the recent stock market gains and that is not only bad economics, it is terrible politics as well."**