



October 9, 2003

President George W. Bush
The White House
1600 Pennsylvania Avenue
Washington, DC 20001

Dear Mr. President:

We believe the U.S. economy is poised for stronger economic growth because of your Jobs and Growth Tax Reduction Act. By reducing marginal tax rates on work, saving and investment, the Jobs and Growth Act has boosted equity values, restored investor confidence, supported consumption and set the stage for a recovery in business investment spending. A strong and broad-based recovery in the U.S. business sector is essential to reducing unemployment in the months ahead.

We believe that the "Invest in U.S.A. Act," pending bipartisan legislation to temporarily reduce obstacles to corporate repatriation of foreign earnings would have an unambiguously positive impact on growth and job creation. Specifically, by reducing for one year the current 35 percent tax on foreign earnings to 5.25 percent, this legislation would lead to an influx of hundreds of billions of capital into the U.S. in 2004, thereby increasing the available funds for capital spending, corporate debt restructuring, increased contributions to under-funded pensions and other productive uses.

An economic analysis by JP Morgan finds that "Invest in U.S.A. Act" would create 400,000 jobs over the next two years and \$300 billion in foreign earnings would be reinvested in the United States if this legislation became law. The same study also found that 35% of the reinvested funds would be spent over a two-year period on capital spending, and research and development. This amounts to approximately \$50 billion in new capital spending per year over two years, and a cumulative increase of 1% in the U.S. Gross Domestic Product (GDP) during the same period. Because of its temporary nature, this proposal will have a negligible impact on the budget deficit.

While there are encouraging signs that our economy is gaining momentum, the Administration must not rest until everyone who wants a job can find one. In our view, the bipartisan "Invest in U.S.A. Act" would build on the previous Bush tax cuts by injecting billions of dollars of capital into the U.S. economy so that businesses, both large and small, can generate more jobs for the American people.



Grover Norquist
Americans for Tax Reform




John Berthoud
National Taxpayers Union



David Keene
American Conservative Union



Darrell McKigney
Small Business Survival Committee



Kerri Houston
Frontiers of Freedom



James R. Taylor
Empower America



Daniel Clifton
American Shareholders Association



Jim Martin
60 Plus Association



Thomas Schatz
Citizens Against Government Waste



Richard Rowland
Grassroots Institute Hawaii

Dr. Don Racheter
Public Interest Institute, IA

Linda Runbeck
Taxpayers League of Minnesota

Scott Pullins
Ohio Taxpayers Association

Andrew Quinlan
Center for Freedom and Prosperity

Chuck Muth
Citizen Outreach

Geoffrey Segal
Reason Institute

cc: Vice President Richard B. Cheney
Secretary of Treasury John Snow
Secretary of Commerce Don Evans
Andrew Card, White House Chief of Staff
Joshua Bolten, Director, Office of Management and Budget
Lewis Libby, Chief of Staff, Office of the Vice President
Karl Rove, Senior Advisor to the President
Stephen Friedman, Assistant to the President for Economic Policy
N. Gregory Mankiw, Chairman, Council on Economic Advisors
Keith Hennessey, Deputy Assistant to the President for Economic Policy