



NEWS

AMERICANS FOR TAX REFORM

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

WWW.ATR.ORG

**FOR IMMEDIATE RELEASE
30 OCTOBER 2003**

**CONTACT: Jonathan Collegio
John Santoliquido
202-785-0266**

Tax Relief and 7.2% Growth: Promoting Perpetual Prosperity

GDP growth fastest since 1984 on the strength of surging consumer and business spending.

WASHINGTON – On Thursday, the U.S. Commerce Department (DOC) reported that the gross domestic product (GDP) grew by an annually adjusted rate of 7.2% for the third quarter (July-September), significantly beating Wall Street estimates of 6% growth. **Soaring consumer spending and business investment spurred by tax relief** are cited as the two main catalysts, the former rising by a robust 6.6%, the latter by a very solid 11.1%.

The economy expanded at its fastest pace since 1984 and more than double the 3.3% pace in the second quarter of this year. Economic growth forecasts for the current fourth quarter call for 4% growth, but the economy may exceed that number due to increasing consumer confidence and a projected strong Christmas shopping season.

"7.2% growth shows one thing is clear: Tax relief promotes perpetual prosperity," said taxpayer advocate Grover Norquist, President of Americans for Tax Reform (ATR) in Washington, D.C. **"Business spending is exploding and business owners are growing confident about the recovery, which means that new jobs are on the way. This is the classic tax cut script, beautifully performed by Americans who are now more free to realize the lofty heights of their potential."**

Consumer spending growth of 6.6% is the best showing since early 1988, while business spending rose at the fastest clip since the beginning of 2000. Third quarter business investment on equipment and software spiked at a 15.4% annual rate. A shrinking U.S. trade deficit also boosted growth by helping sales of American-made goods and services grow at 7.8%, the strongest increase in 25 years.

"As impressive as this growth is, imagine the effect of even more economic freedom, more tax relief, and less government spending," continued Norquist. **"Further tax relief combined with reductions in public spending — in a word, more freedom — would unleash the potential of the American people with results that would humble even Americans themselves. That would be the most beautiful script of all."**

Americans for Tax Reform (ATR) is a non-partisan coalition of taxpayers and taxpayer groups who oppose all federal, state and local tax increases.
For more information or to arrange an interview, please contact Jonathan Collegio at (202) 785-0266 or at jcollegio@atr.org.