



NEWS

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Taxes Down: Jobs, Growth, Productivity Up

New employment figures show economy grew 126,000 jobs in October, following staggering 7.2% GDP growth in the third quarter. All after three tax cuts in as many years.

WASHINGTON – The U.S. economy is roaring back: Today, employment figures from the Bureau of Labor Statistics show that the economy created 126,000 new jobs in October, and revised previous gains in September from 57,000 to 125,000.

The news follows a report last week showing GDP growth at a staggering 7.2% annual rate in the third quarter of 2003 – the highest in 19 years. Meanwhile, productivity has soared, reaching an annual 8.1% rate in the third quarter, as well.

Why all the good news? Taxpayer activists say it is basic economics: Tax relief causes economic growth. And three tax cuts in three years by President Bush and Congress is driving the economy forward.

“The U.S. economy is back on solid ground,” said taxpayer advocate Grover Norquist, who heads Americans for Tax Reform (ATR) in Washington, DC. **“When George W. Bush became president in January of 2001, the economy was collapsing, but is now coming back. We have tax cuts to thank – three of them in three years, to be specific,”** he continued.

After strong growth fueled by the technology boom of the 1990s, the economy hit a recession in March of 2001, just two months into the presidency of George W. Bush. But after three successive tax cuts – one axing marginal rates and taxes on savings, while eliminating the Death Tax and Marriage Penalty in June of 2001; one aimed at business investment in February of 2002; one cutting tax rates on capital gains and dividends in May of 2003 – the economy appears to be back on strong footing.

Federal Reserve Chairman Alan Greenspan said Thursday that businesses finally appear ready to create jobs, and called the short-term economic outlook “relatively optimistic.” He did say, however that future growth would depend on Congress’s ability to rein in budget deficits caused by massive increases in government spending over the last three years.

“Taxpayers used to worry when or if they would ever get a tax cut,” continued Norquist. **“Now they know they’ll get one every year, which makes them more confident about their wealth, their spending, and the economy at large. Confidence brought on by tax cuts is driving this growth.”**

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.