



# NEWS

**AMERICANS FOR TAX REFORM**

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

**WWW.ATR.ORG**

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**CONTACT: Chad Cowan**  
**202-785-0266**

## **Greenspan Endorses Tax Cuts**

*Says rising projections for surplus make a tax cut sound economic policy*

**WASHINGTON**—Federal Reserve Chairman Alan Greenspan endorsed tax cuts Thursday saying that increasing projections for the budget surplus make tax cuts a viable, sound economic policy.

“The most recent data significantly raise the probability that sufficient resources will be available to undertake both debt reduction and surplus lowering policy initiatives,” said Greenspan, who was testifying before the Senate Budget Committee. Greenspan also added that “should current economic weakness spread beyond what now appears likely, having a tax cut in place may, in fact, do noticeable good.”

Greenspan also added that Congress needed to be wary of devoting the budget surpluses to increased government spending because of the difficulty in reining in spending in established programs if the current surplus forecasts turn out to be overly optimistic.

Grover Norquist, president of Americans for Tax Reform, issued the following brief statement regarding Chairman Greenspan’s comments on tax cuts:

“We are very happy to have Chairman Greenspan endorse the idea of cutting taxes while also working to reduce the national debt. Clearly, the surplus is large enough to do both, and both should be done.

“Chairman Greenspan, arguably the public figure most responsible for the strong economy over the last few years, is keenly aware of the fact that the hard working taxpayers of America are over taxed. As a result, Chairman Greenspan has now gone on record saying that a tax cut would be a good thing not only for the taxpayers of America but for America’s economy.”

Americans for Tax Reform is a non-partisan coalition of taxpayers and taxpayer groups who oppose all federal and state tax increases. For more information or to arrange an interview please contact Chad Cowan at (202)785-0266 or by email at [ccowan@atr.org](mailto:ccowan@atr.org).

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To receive this by e-mail, fax this to (202)785-0266 Name \_\_\_\_\_ Email \_\_\_\_\_

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