



June 4, 2004

The Honorable William M. Thomas
Chairman, Committee on Ways and Means
2208 Rayburn House Office Building
Washington, DC 20515-0521

Dear Mr. Chairman:

On behalf of American Shareholders Association (ASA), I want to once again thank you for your leadership in passing the Jobs and Growth Tax Relief Reconciliation Act (JGTRRA) last year. Since the tax cut was passed, economic growth has accelerated to its fastest rate in 20 years, 1.4 million jobs have been created, shareholder wealth has increased \$2.2 trillion, and favorable dividend activity has increased an astonishing 50 percent. Your leadership was instrumental in passing this legislation through Congress and all Americans are better off today as a result.

While economic growth has taken off in the wake of the tax cut, tariffs being placed on American products by the European Union present a significant risk to the nation's economic health. As you know, the FSC/EU export subsidies were found to be in violation of existing World Trade Organization (WTO) agreements and as of June 1st tariffs are now at 8 percent. Without question immediate action needs to occur as soon as possible.

Your recently introduced legislation, H.R. 4520, the American Jobs Creation Act of 2004 provides the correct remedy to bring the U.S. into compliance with WTO rulings while reforming existing tax law and spurring economic growth in America. As such, ASA will rate H.R. 4520 in our annual Congressional ratings.

ASA is particularly pleased that significant tax reduction on repatriations has been included in your proposal. A study by the Bank of America estimates \$400 billion of new investment will enter the United States if this provision becomes law. A J.P. Morgan study estimates the same provision will increase growth in the economy by an extra half of a percent a year. As such, this provision will further increase favorable dividend activity and shareholder wealth.

With the economy picking up speed, H.R. 4520 will further increase the economy's productive capacity by eliminating the economic risks associated with tariffs being placed on American products and providing new tax cuts. As such, this legislation helps ensure every American that wants to work can find work and raise the standard of living for all Americans.

Sincerely,

Daniel Clifton
Executive Director