

# Understanding Our Economy

## The Real Value Of Bush's Economic Growth Plan

by W. Henson Moore

(NAPSA)—The Bush Administration's economic growth plan, with its proposal for elimination of double taxation of corporate dividends, will help American companies compete in the global marketplace. That will provide more jobs and better wages for our workers, spurring dramatic recovery in the U.S. economy.



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To see the practical effect of the President's plan, let's look at how it would affect the forest products industry—the people who manufacture the pulp, paper, paperboard and wood products we use every day. I believe this example is indicative of how the law would help many of the industries and sectors of the U.S. economy.

A recent study by the international accounting firm PricewaterhouseCoopers looked at effective tax rates in the U.S., as well as those in countries with which we compete to sell forest products—Indonesia, Brazil, Finland, Japan, Germany and Canada.

The study found that U.S. tax rates for paper manufacturing were 61 percent, just below Canada's 63 percent and 13 percentage points higher than the average of the other five countries. The effective tax rate on corporate timber operations in the

U.S. was the highest of all nations studied, at 53 percent. That's 22 percentage points higher than the average of the other competing countries. The study concluded the biggest reason for this huge disparity was the double taxation of dividends.

If President Bush's plan to eliminate the double tax were enacted, the tax rate on U.S. paper manufacturing would fall from 61 percent to 44 percent, placing the U.S. in the middle of the pack with its competitors. The tax rate on forestry would also fall into the middle—34 percent. Once the tax rates on U.S. companies are closer to those imposed on its competitors, U.S. companies will be better positioned to compete to sell their products, both here and abroad.

There are those who claim the President's plan is only about increasing wealth and profits for big corporations and rich shareholders. That is simply not true. When U.S. companies are more competitive and are selling more product, they need to hire more workers and offer them better wages. That is what the President's plan will mean for millions of Americans who are looking for work, or who are scratching to get by, one paycheck at a time. That is why we should all support the President's economic growth plan.

• *Mr. Moore is President and CEO at American Forest & Paper Association.*