



the
White House
President George W. Bush

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John Snow
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[Biography](#)

July 20, 2004

John Snow

Thanks so much for having me here on "Ask the White House." I'm in the beautiful state of Maine today, and am so pleased to be able to participate in this conversation!

Ross, from Pensacola FL writes:

Would you say that the net effect to the U.S. economy on business practices called 'outsourcing' is a plus or a minus in terms of jobs and revenue?

John Snow

Let me start by saying that this Administration cares deeply about jobs. We want to create as many jobs as possible. I know what it is like to lose a job. We are concerned about the loss of any jobs. Losing a job is a painful thing. It is an awful experience. I know what it is like to lose a job and I know how stressful it is to not have a job and to be looking for a job.

Jobs lie at the foundation of the American dream. Jobs give people dignity and the hope of a better tomorrow. It is through jobs that people provide for their families and their children - the education and wellbeing of their loved ones. This President cares deeply about jobs and all of us in the Bush Administration are concerned about the loss of any job. We want to create as many jobs as possible. Everybody who wants a job deserves the chance to work.

Let me put this in perspective though. Despite what some of our critics are saying, economic isolation is not the answer. Only 5% of the global population lives in the U.S. That means that 95% of our potential market is outside the U.S. We need to stay engaged with the rest of the world. We need those markets opened to our farmers, our service industry and our manufacturers. We have the best workforce in the world, the most innovative businesses, and the most competitive companies. We can compete with anybody. We will only grow our economy by expanding their opportunities to market American products and services to the world. We must say no to economic isolation.

Staying economically engaged with the rest of the world is critical to our own economic health; it is good for job creation. For example, 12 million American jobs depend on exports and 6.4 million Americans receive paychecks from foreign-owned firms. American workers and their products are the best in the world; we are extremely competitive and there is no doubt that we benefit from free trade in terms of both jobs and revenue.

Raymond, from Conroe, Texas writes:

How can we keep Americans working and keep our economy strong, when companies lay off American workers in order to hire foreign nationals for a lower salary?

John Snow

Thank you for this important question, Raymond. The President is committed to making sure that American workers are the top choice of American companies. Accountability in our education system and worker training initiatives that engage our nation's excellent community colleges are key ingredients in achieving that goal. Additionally, we must make sure that the burden of taxes, regulations and health-care costs on our nation's businesses are minimized.

Making the President's tax cuts permanent is central to that goal. We also need legal reforms that will lower the "tort tax," the financial and psychological burden on our business community caused by abusive lawsuits and aggressive personal injury lawyers. Lowering the cost of doing business is good news for American workers because American companies are more likely to create new jobs for them.

David, from Atlanta, GA writes:

The President said the economy is improving. That statement needs qualification. It is true that the stock markets are up, there are more manufacturing orders, and so on. But the average American does not have more money, as Bush implied. The only people who have more money are the people who already had money. Thus, it is only the rich getting richer.

John Snow

David, I am happy to qualify the assertion that the economy is improving; there is much

good news to share on that front. Economic growth, as measured by increase in our GDP, has been the fastest in nearly 20 years.

The economy is beyond recovery - it is in an expansion, and has created 1.5 million new jobs since last August. And the average American does, indeed, have more money: After-tax incomes are up 11 percent since the President took office, and household wealth is at an all-time high, as is homeownership.

The President's tax cuts clearly benefited our economy, and helped every taxpayer in this country. In fact, those at the lowest end of the income brackets benefited the most from the tax cuts. Higher income individuals are actually now paying a higher percentage of the total individual income tax burden.

Before the President's 2001 and 2003 tax cuts, the top 1% paid 30.5% of individual income taxes. Now they pay 32.3%. Before the cuts, the top 10% paid 62.6%. Now they pay 64.8%. And on the other end, the bottom 50% paid 4.1% of all individual income taxes before the cuts, and now they pay 3.6%. Which means that taxpayers that rank in the top 50% pay 96.4% of all individual income taxes.

We've made great progress, but there is no doubt that there is more room for us to grow, economically. With continued strong economic policy, we should be able to create more jobs for hardworking Americans - and we won't be satisfied until every American who seeks work finds it.

Peggy, from Houston, Texas writes:

Jobs: If unemployment rates are decreasing, then where are the jobs?

John Snow

Peggy, the good news is that the jobs are being created everywhere - 1.5 million of them since last August. Unemployment rates today are lower in 47 states than they were one year ago.

We are seeing broad-based, quality job creation throughout the economy and in virtually every sector, including traditionally high-paying sectors such as information, construction, financial activities, and professional and business services.

In your home state of Texas, nearly 112,000 jobs have been created since September of last year, over 74,000 this year alone.

Michael, from Marinette, Wisconsin writes:

Do politicians just travel where the economy is coming back or do they just ignore the hard working people of Wisconsin and Michigan?

John Snow

Hello, Michael. I can tell you that the President and I appreciate the hard-working folks in Wisconsin and Michigan very much.

I've visited Wausau, Green Bay, Milwaukee and Racine in your home state of Wisconsin since becoming Treasury Secretary. I've also visited Detroit, Michigan. And the President has been to Wisconsin eight times and to Michigan 14 times since taking office.

I was pleased to see that, according to the Bureau of Labor Statistics, 11,400 new jobs were created in Wisconsin in June - and you've had 58,700 jobs created so far this year.

Under the President's tax cuts, more than 2.1 million taxpayers in Wisconsin will have lower tax bills in 2004. More than 3.6 million people will have lower tax bills in Michigan.

Keeping the tax burden low for the people of that region, and for the entire country, is a priority for the President. He knows that freeing small-businesses and individuals from excessive taxation is the key to growing our economy.

ralph, from Scranton, Pa writes:

You keep saying the US is strong, the economy is strong and people are confident; however, every poll I see and every one I talk to contradict you.

Care to comment?

John Snow

I'm glad to have the opportunity to comment, Ralph, because there is a disconnect between the real economic indicators (documented economic growth that is at historic levels and job creation that is robust) and the perception that many Americans have of our economic strength.

It's almost as if we have recovered economically, but not emotionally, from the profound economic shocks our country went through in the recent past.

In fact, the speed and strength of our economic recovery was incredible - just a year ago economists worried about a double-dip recession and deflation and now we're seeing the strongest growth in 20 years - and maybe that is part of the reason why people don't seem to know; the strength of our economy came back with such velocity.

I am confident that an appreciation for our economic strength will return, and that sentiment will help ensure a strong economic future.

Frank, from Milwaukee, WI writes:

If tax cuts have worked so well to recover our economy, to the extent where we even had a recent surplus, why not reduce taxes even more?

John Snow

Thank you so much for this question, Frank. Congress actually has an historic opportunity before them right now to keep our economic recovery on track and prevent a tax increase on the nearly 94 million people who benefit from a variety of tax relief: those in the lowest 10% bracket, those who are using the increased child credit, married people who have been relieved of the marriage penalty, and all those who have been relieved of the alternative minimum tax (AMT).

Those tax cuts will expire at the end of the year if Congress fails to act - resulting in a tax increase on low and middle-class Americans. Congress should extend the tax cuts and also make elimination of the punishing death tax - an outdated tax that hits small businesses and family farms especially hard - permanent.

The President is committed to allowing hard-working individuals and families keep more of their own money to help pay for their children's education, invest for retirement, and spend as they see fit.

Making these tax cuts permanent will help our economy to continue expanding at unprecedented levels of growth both now and in the future.

John Snow

Thank you so much for all of your terrific questions. If you want to hear more about our economy today, don't miss Chairman Alan Greenspan's testimony on Capitol Hill.

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