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JOINT ECONOMIC COMMITTEE

VICE CHAIRMAN JIM SAXTON

PRESS RELEASE

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PRESIDENT REAGAN'S ECONOMIC POLICY

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WASHINGTON, D.C. – The need for President Ronald Reagan’s economic policies was displayed in the bipartisan 1980 annual report of the Joint Economic Committee, entitled *Plugging in the Supply Side*, Vice Chairman Jim Saxton said today in re-releasing this report. The report noted the slowdown in the economy then underway, the acceleration of inflation, and the need for tax cuts to boost saving, investment, and economic growth.

“Ronald Reagan’s economic policies addressed the problems of slow growth and high inflation that were so damaging in 1980,” Saxton said. “High inflation was pushing taxpayers into ever higher tax brackets, and interest rates to double digit levels. Mortgage rates, for example, exceeded 14 percent.

“President Reagan turned the economy around by chopping excessive marginal tax rates, reducing over-regulation, and encouraging the Federal Reserve to reduce high inflation. The result was strong economic growth for most of the following two decades. The economic impact of President Reagan’s tax cuts was summarized by President Clinton’s Council of Economic Advisers in 1994: ‘It is undeniable that the sharp reduction in taxes in the early 1980s was a strong impetus to economic growth.’ The work of the Joint Economic Committee played a constructive role in support of President Reagan’s policies,” Saxton concluded.

Copies of the Joint Economic Committee’s 1980 bipartisan annual report are available from the Committee.

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