



**FOR IMMEDIATE RELEASE
JANUARY 10, 2003**

**CAL-TAX: CALIFORNIA NEEDS ECONOMIC STIMULUS AND FINANCIAL
MANAGEMENT, NOT HIGHER TAXES**

Larry McCarthy, president of the California Taxpayers' Association (Cal-Tax), has this reaction to today's state budget proposal:

The proposed budget places too much emphasis on new taxes and not enough on eliminating out-of-control spending and providing economic stimulus.

The last time we faced this kind of economic cycle, in the early 1990s, then-Governor Pete Wilson and the Legislature relied on real spending reductions, a substantial economic stimulus package and, as a last resort, tax increases. We need more than public works projects to stimulate the California economy. History has demonstrated clearly that the state's biggest revenue opportunity is an improving economy.

(For examples of waste and fraud in California state and local government spending, see Cal-Tax Online [http://www.caltax.org/FinalTax\\$\\$\\$FraudWasteReport1-7-03.pdf](http://www.caltax.org/FinalTax$$$FraudWasteReport1-7-03.pdf).)

Contact: Ron Roach (916) 930-3104