



CONGRESS OF THE UNITED STATES

# *JOINT ECONOMIC COMMITTEE*

VICE CHAIRMAN JIM SAXTON

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## PRESS RELEASE

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For Immediate Release  
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### STATEMENT OF VICE CHAIRMAN JIM SAXTON “The Economic Outlook”

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**WASHINGTON, D.C.** – It gives me great pleasure to join in welcoming Chairman Greenspan once again before the Joint Economic Committee.

The evidence shows that the U.S. economy has displayed amazing resilience in recent years, and has now emerged from a painful adjustment process. The bursting of the stock market and technology bubbles began in 2000. The subsequent economic slowdown and recession, terrorist attacks, and wars harmed the economy, but did not prevent the current economic expansion, which began in November of 2001.

The economic data released in recent quarters indicate that the U.S. economy is growing at a healthy rate. Over the last half of 2003, economic growth adjusted for inflation was 6 percent. This recent pick-up in the economy was expected for some time, but had been delayed by weakness in business investment.

However, the long-awaited rebound in business investment is now underway, and has boosted the economy and led to a more balanced pattern of economic expansion. For example, in the last two quarters of 2003, investment in equipment and software increased at rates in excess of 15 percent. The increases in investment have contributed to a strong recovery in manufacturing activity.

Meanwhile, consumption and housing activity continue to hold up well. Productivity is very strong and inflation is under control. Recent data indicate that payroll employment growth has resumed. Independent economists have noted that tax relief and accommodative monetary policy have made important contributions to the recent strength of the economy.

The Blue Chip Consensus forecast is that the U.S. economy will grow at an inflation-adjusted rate of nearly 5 percent this year. The return to sustained and healthy economic growth is a tribute to the flexibility and resilience of the American people and economy.

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