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JOINT ECONOMIC COMMITTEE

CHAIRMAN JIM SAXTON

PRESS RELEASE

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ECONOMIC GROWTH ROBUST IN THIRD QUARTER

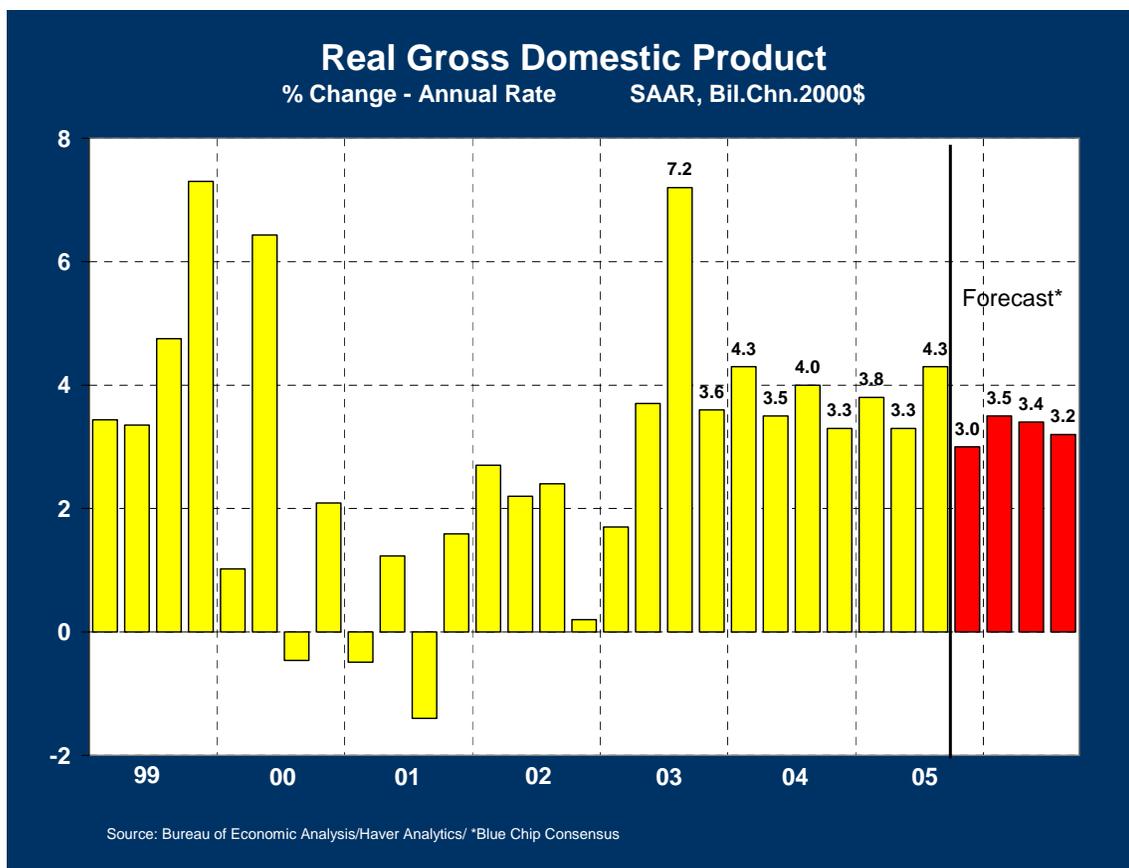
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WASHINGTON, D.C. – The healthy pace of economic growth during the last three years continues with very strong performance in the third quarter of 2005, Chairman Jim Saxton said today. According to new Commerce Department data, the U.S. economy surged at an annual rate of 4.3 percent last quarter. Meanwhile inflation, according to the Federal Reserve’s preferred measure, dipped to 1.2 percent.

“The new figures released today reflect the underlying strength and resiliency of the continuing economic expansion,” Saxton said. “Despite tragic losses due to natural disasters, the U.S. economy actually accelerated in the third quarter.

“Equipment and software investment continued to grow at a rate in excess of 10 percent. The vitality of business investment since 2003 has made a major contribution to the quickened pace of economic and employment growth over this period. Monetary policy and the tax incentives for investment enacted in 2003 together helped foster a sustained rebound in investment.

“The acceleration of economic growth even as core inflation is falling is all the more remarkable. Overall economic conditions as measured by standard indicators are very positive. Furthermore, the Federal Reserve as well as the Blue Chip consensus forecasts project healthy economic growth through 2006 as well,” Saxton concluded.



For more information on current economic conditions, please visit our website at www.house.gov/jec

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