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VICE CHAIRMAN JIM SAXTON

PRESS RELEASE

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CONSECUTIVE FACTORY JOB LOSSES BEGAN IN 2000

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WASHINGTON, D.C. – Criticism of Administration economic policy by its opponents fails to consider the economic deterioration underway in 2000, Vice Chairman Jim Saxton said today. Saxton again referred the Minority to the statement of Joseph Stiglitz, President Clinton's Chairman of the Council of Economic Advisers, who said, **“the economy was slipping into recession even before Bush took office, and the corporate scandals that are rocking America began much earlier.”**

“For some reason, the Minority refuses to address the important point made by Dr. Stiglitz some time ago,” Saxton said. “Furthermore, continuous losses in factory employment began after July of 2000, and this trend accounts for the net decline in total payroll employment since that time. In the last month of the Clinton Administration, factory employment dropped by 76,000.

“The factory payroll employment figures track closely with a variety of other economic statistics including GDP, industrial production, and investment, reflecting the onset of an economic slowdown by the middle of 2000. The downward trajectory of manufacturing employment was established by five consecutive declines during the last half of 2000, a trend that has continued for a total of 34 months. Moreover, the recent cyclical peak in factory employment was actually attained in 1998.

“The bursting of the stock market bubble in the first quarter of 2000 has obviously had a very negative effect on household and business net worth, and has also undermined employment, investment, and economic growth for the last few years. Although there are those who want to attribute these effects to current Administration economic policy, the statistical evidence clearly demonstrates that these trends were well underway before this Administration took office.

“The current pace of the economy, as reflected in the latest data, is somewhat weak, and has raised questions about downward pressures on prices. The Federal Reserve’s Open Market Committee should act to ensure price stability and reduce interest rates soon,” Saxton concluded.

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