

CONGRESS OF THE UNITED STATES

JOINT ECONOMIC COMMITTEE

VICE CHAIRMAN JIM SAXTON

PRESS RELEASE

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NEW JEC REPORT REFLECTS BROAD STRENGTH IN U.S. ECONOMY

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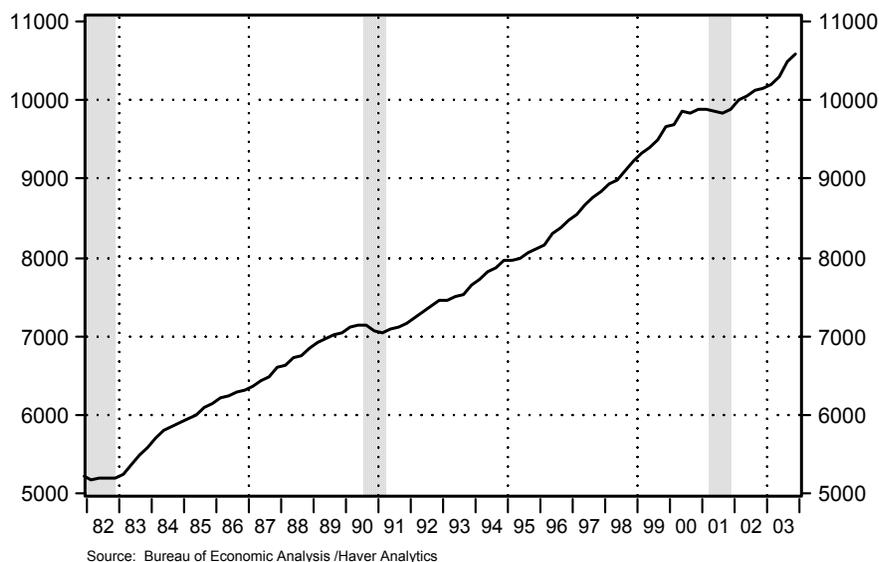
WASHINGTON, D.C. – Vice Chairman Jim Saxton released a new Joint Economic Committee report today showing the strength of the economy as reflected in a wide variety of standard macroeconomic measures. The report, *Current Economic Conditions and Outlook*, examines recent trends in economic growth, investment, consumption, housing, the stock market, employment, inflation, interest rates, and other economic indicators.

“According to the new economic growth figures released today by the Commerce Department, the U.S. economy in the last two quarters has performed better than in any comparable period in many years,” Vice Chairman Jim Saxton. “Over the last two quarters the economy expanded by \$310.9 billion, increasing the size of the U.S. economy to \$10.6 trillion. A rebound in business investment has been an important factor improving the economic outlook in recent quarters. This turnaround in investment is significant since it was the weakness in investment that had led the economy into the slowdown in 2000, which later became a recession.

“As the new report notes, there was a sharp fall-off in investment in the wake of the bursting of the stock market bubble in the first quarter of 2000. Since much of this investment was in the form of capital goods produced in the manufacturing sector, reductions in manufacturing output soon followed, along with continued declines in manufacturing employment. In recent years, the economy had undergone an extensive and painful period of structural adjustment to repair the excesses built up in the bubble period. As the report notes, the seeds of this adjustment were sown during the bubble, but the fallout was to affect a broad array of economic activities, including employment.

“With the strong rebound in investment, and consumption continuing to grow, the economic outlook for 2004 is quite positive. According to the Blue Chip consensus, economic growth should be about 4 percent over the year, and this healthy economic growth should continue to expand employment,” Saxton concluded.

Real Gross Domestic Product
SAAR, Bil.Chn.2000\$



For a copy of the new report, *Current Economic Conditions and Outlook*, please visit our website at www.house.gov/jec.

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