



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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### **NEW DATA SHOW ECONOMIC DECLINE IN THIRD QUARTER OF 2000**

Press Release #108-85  
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**Washington, D.C.** – Newly revised data released by the Commerce Department reveal that the U.S. economy was in decline in the third quarter of 2000, before posting a small increase in the fourth quarter of the year, Vice Chairman Jim Saxton said today. The Commerce Department data show that real GDP fell at a 0.5 percent rate in the third quarter of 2000, pulling down the growth rate for the second half of that year. In the second quarter of 2000, real GDP had risen at a rate of 6.4 percent.

“The GDP decline in the third quarter of 2000 is consistent with a host of other economic statistics showing a dramatic economic slowdown after the bursting of the stock market bubble in the first quarter of the year,” Saxton said. “As the Reuters news service has noted, the figures ‘showed that America was on the brink of recession months earlier than previously thought.’ This weakness in the second half of 2000 spilled over into 2001 and was aggravated by the terrorist attacks and other shocks to our economic system.

“It is not surprising that the bursting of the biggest financial bubble in several generations would lead to a collapse of new investment and a period of painful economic readjustment. The financial excesses of the late 1990s had a negative impact on the economy for several years, but now most of the adjustment process has run its course and the economy is growing at a healthy clip. The Fed’s actions to relax monetary policy, and Congress’ reduction of the tax burden on the economy, have worked as intended to facilitate strong economic growth,” Saxton concluded.

For more information on economic conditions, please visit our website at [www.house.gov/jec](http://www.house.gov/jec).

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