



CONGRESS OF THE UNITED STATES

# *JOINT ECONOMIC COMMITTEE*

VICE CHAIRMAN JIM SAXTON

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## PRESS RELEASE

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### **ECONOMIC DETERIORATION BEGAN IN 2000**

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**WASHINGTON, D.C.** – Recent attacks on current economic policy made by former governor Howard Dean, Senator Bob Graham, and other presidential candidates ignore the deterioration in the economy already underway by 2000, Vice Chairman Jim Saxton said today. Saxton referred them 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.”

“After the stock market bubble burst in the first quarter of 2000, the economy slowed sharply and employment conditions worsened,” Saxton said. “In the last half of 2000, factory jobs declined, a downward trend that continues. In the last month of the Clinton Administration, 76,000 factory jobs were lost. Almost all of the employment decline in recent years is accounted for by falling factory employment.

“While some have attacked the Bush Administration for the stock market decline of recent years, they never mention the fact that it started early in 2000, and that about two-thirds of the decline in the NASDAQ occurred before President Bush even took office in 2001. The popping of the stock market bubble undermined business investment, which has been a major source of economic weakness in recent years.

“It should be obvious that President Bush’s policies could not have caused the economic slowdown that began before he even took office. It will be recalled that terrorist attacks, energy price increases, and war also have had negative effects on the economy,” Saxton concluded.

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