

CONGRESS OF THE UNITED STATES
JOINT ECONOMIC COMMITTEE

VICE CHAIRMAN JIM SAXTON

PRESS RELEASE

For Immediate Release
February 26, 2004

**KERRY ASSERTIONS
DISTORT ECONOMIC
REALITY**

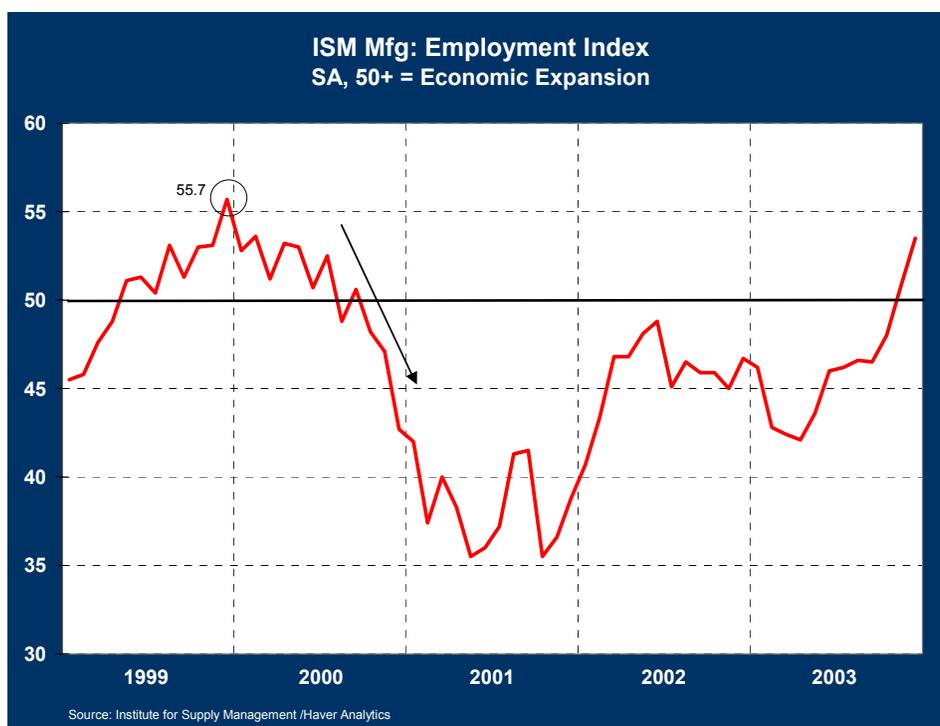
Press Release #108-101
Contact: Christopher Frenze
Chief Economist to the V.C.
(202) 225-3923
Stephen Thompson
Radio & T.V.
(202) 225-4765

WASHINGTON, D.C. – Senator John Kerry’s recent attempts to blame declines in manufacturing employment on Bush Administration policies are misleading because this downward trend was well underway before President Bush and his policies were even in place, Vice Chairman Jim Saxton said today. Saxton pointed out that by the time President Bush took office, over half a million manufacturing jobs had already been lost in the preceding 33 months, and about three fifths of manufacturers surveyed were reporting declines or stagnation in their payrolls. Manufacturing employment reached a cyclical peak of 17.6 million in March of 1998, and has trended downward ever since.

“I agree with those who regard the blame game about lost jobs to be essentially fraudulent,” Saxton said. “All of the net employment losses of recent years are explained by the decline in manufacturing jobs. But the facts show that this trend cannot be explained by President Bush or his policies, because it began long before they were in place. The hardships of factory workers and their families are an important concern, but they should not be exploited as political fodder for partisan gain in an election year.

“Senator Kerry’s recent comments suggest that he may be unaware of when manufacturing employment started to falter. Perhaps it is understandable that in 2000 opponents of current policies did not find it an opportune time to acknowledge the trend in manufacturing job losses. However, the facts are clear: the pattern of declines in manufacturing employment started in 1998. As a result, both 1998 and 1999 ended with lower levels of manufacturing employment than they had started with.

“It may be inconvenient for Senator Kerry, but the respected Institute for Supply Management’s index of manufacturing employment plunged in 2000. By January 2001, 58.0 percent of manufacturing firms in the survey were reporting lower or stagnant levels of employment than in the previous month, continuing a pattern underway for some time. With three-fifths of these manufacturers already reporting shrinking or stagnating payrolls as of January 2001, it is unreasonable to blame the consequences on the current Administration or its policies,” Saxton concluded.



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

###