



JOINT ECONOMIC COMMITTEE
SENATOR CHARLES E. SCHUMER
CHAIRMAN



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Contact: Israel Klein
202-224-0368

SCHUMER RESPONDS TO NEW ECONOMIC INDICATORS: SOFTENING JOB GROWTH AND HUGE TRADE DEFICIT ARE TOXIC BREW FOR AMERICAN ECONOMY

President Bush Tied with Father for Worst Job Creation Record of Any President Since Hoover, Largest Trade Deficits in History

Despite Overall Smaller Trade Deficit Figures, Trade Imbalance with China Continues to Jump

Washington, D.C. – **U.S. Senator Charles E. Schumer**, Chairman of the Joint Economic Committee, responded to new economic indicators released this morning on February's employment figures from the Bureau of Labor Statistics and January's trade balance numbers released by the Department of Commerce.

Schumer said of the poor economic news overall, "Softening job growth combined with high trade deficits are a toxic brew for the American economy."

According to the Bureau of Labor Statistics' report on the February Employment Situation, job growth slowed as employers added only 97,000 jobs in February. The unemployment rate edged down to 4.5 percent, but the labor force contracted by 190,000 people.

Schumer responded to the February employment report, "For over six years the Administration has been selling snake oil to Americans looking for jobs. After just holding a JEC hearing on the staggeringly high unemployment figures for young African American males, these numbers make clear once again that job creation should be a top priority."

The Department of Commerce reports that the U.S. trade balance was \$59.1 billion in January, which is a slight reduction from December's \$61.5 billion. Included in that figure was evidence that our January trade deficit with China was 19 percent higher than it was a year ago.

"It should raise red flags for this administration that while our overall trade deficit is slightly down, our trade deficit with China continues to explode. That trend is particularly

worrisome for our economic health and needs to be watched more closely than ever because of their undervalued currency and closed system of government,” Schumer said about our trade deficit numbers.

February’s Employment Report in Perspective:

- President Bush is now in a virtual tie with his father for the dubious honor of having the worst job creation record of any President since Hoover.
- When people not in the labor force who say they want to work and people working part time because they cannot find full-time work are included, the unemployment rate would be 8.1 percent.
- Growth in payroll employment has been modest by the standards of past economic recoveries and has averaged just 68,000 jobs per month over the Bush Presidency. Job creation under President Clinton averaged 237,000 jobs per month.
- February’s 4.5 percent unemployment rate remains higher than the 4 percent rate achieved in the expansion of the 1990s.
- Under President Bush, 3.0 million manufacturing jobs have been lost.
- Workers’ productivity (output per hour) has increased 17.5 percent since the beginning of 2001 while workers’ real (inflation-adjusted) average hourly compensation (wages plus benefits) has increased just 8.7 percent.
- Increases in health care premiums have increased benefit costs, resulting in even slower growth in real wages.

January’s trade deficit in perspective:

- Although down slightly from the record pace set last year, when the annual trade deficit was \$765 billion (\$63.8 billion per month), the January trade deficit of \$59.1 billion remains unsustainably large.
- Imports of goods from China exceeded exports of goods to China by \$21.3 billion in January. That is an 18.8 percent jump from January 2006 in the monthly trade deficit with China.

The Joint Economic Committee, established under the Employment Act of 1946, was created by Congress to review economic conditions and to analyze the effectiveness of economic policy.

www.jec.senate.gov

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