

DSG

SPECIAL REPORT

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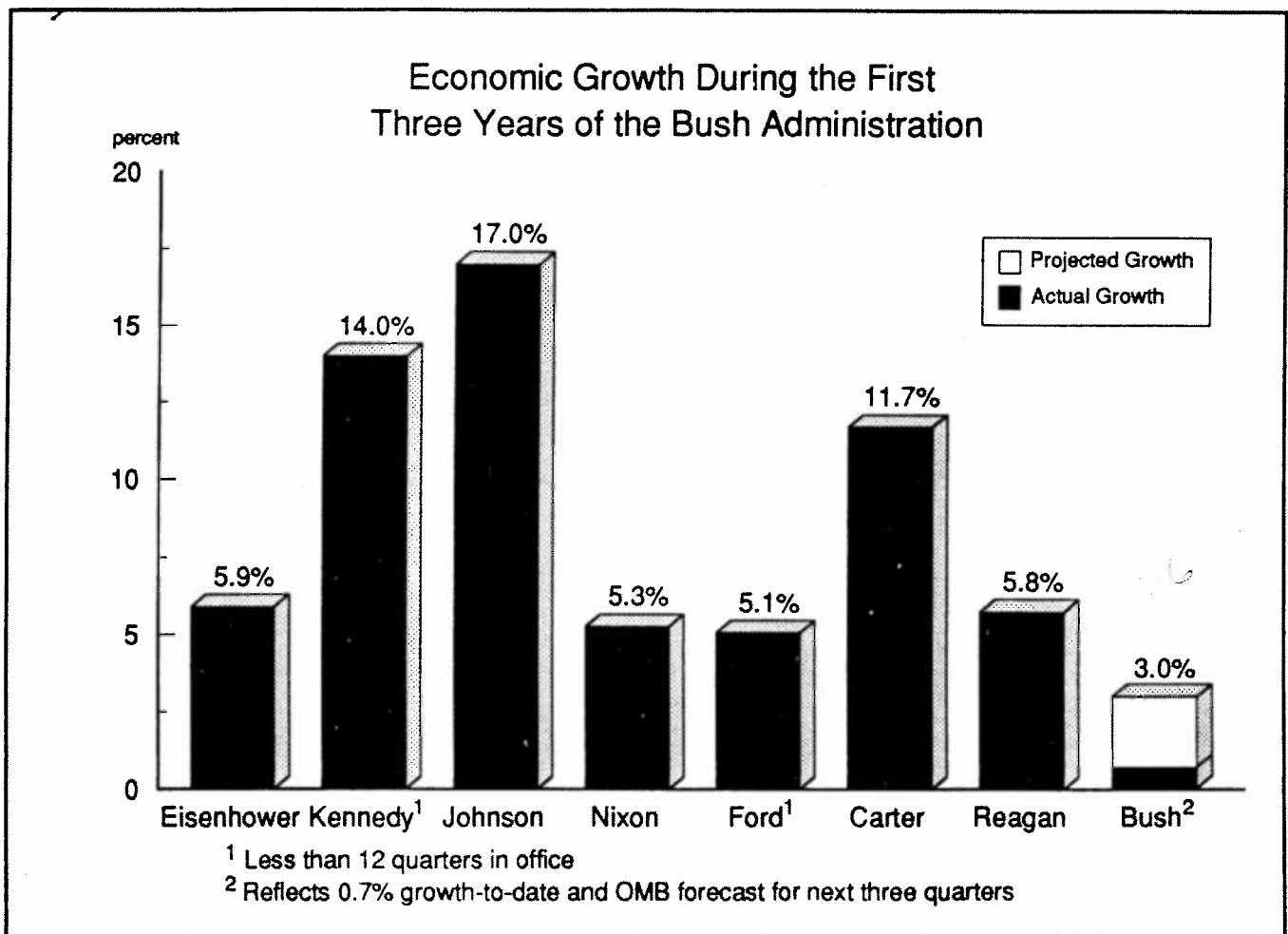
No. 102-10

HON. BOB WISE (W. Va.) — Chairman

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Bush To Set New Record for Slow Growth

U.S. Economic Expansion During First Three Years
Will Be Slowest Pace of Post-War Era



SETTING THE RECORD

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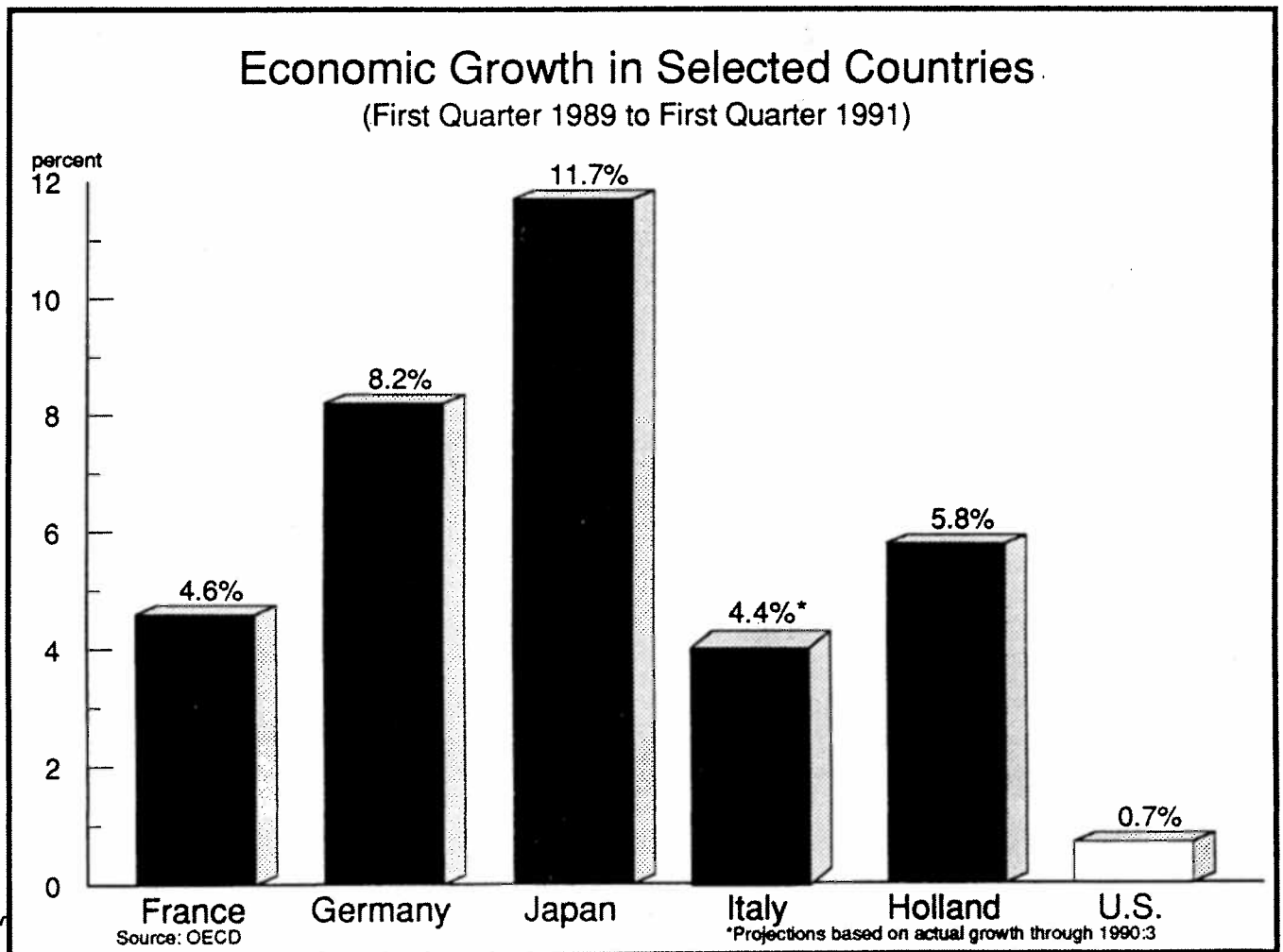
According to the Bush administration's own economic forecast, the administration is likely to set a new record for slowest economic growth during the first three years of a new administration. Presently, the U.S. economy is only 0.7% larger than it was when President Bush took office in 1989.

While the President's economists are predicting an upturn, the growth which they are projecting is considerably less than will be needed to save Bush from the distinction of setting the slow growth record. In fact, Bush is expected to post the worst record for the first three years in office of any administration since

the Commerce Department began releasing quarterly GNP data in the late 1940s.

The President's economists hope that the meager 0.7% growth posted to date will be augmented by a 2.3% increase in real GNP during the next three quarters. Measured in 1990 dollars that would bring GNP to \$5.55 trillion by the first quarter of 1992, 3% larger than the \$5.39 trillion GNP which the country had when Bush took office.

By contrast, the economy grew by 17% during the first three years of the Johnson administration. Although John Kennedy served



less than a full three years, the country experienced a 14% expansion during his presidency. Growth was 11.7% during the first three years of the Carter administration and 5.9% during the first three years of the Eisenhower administration.

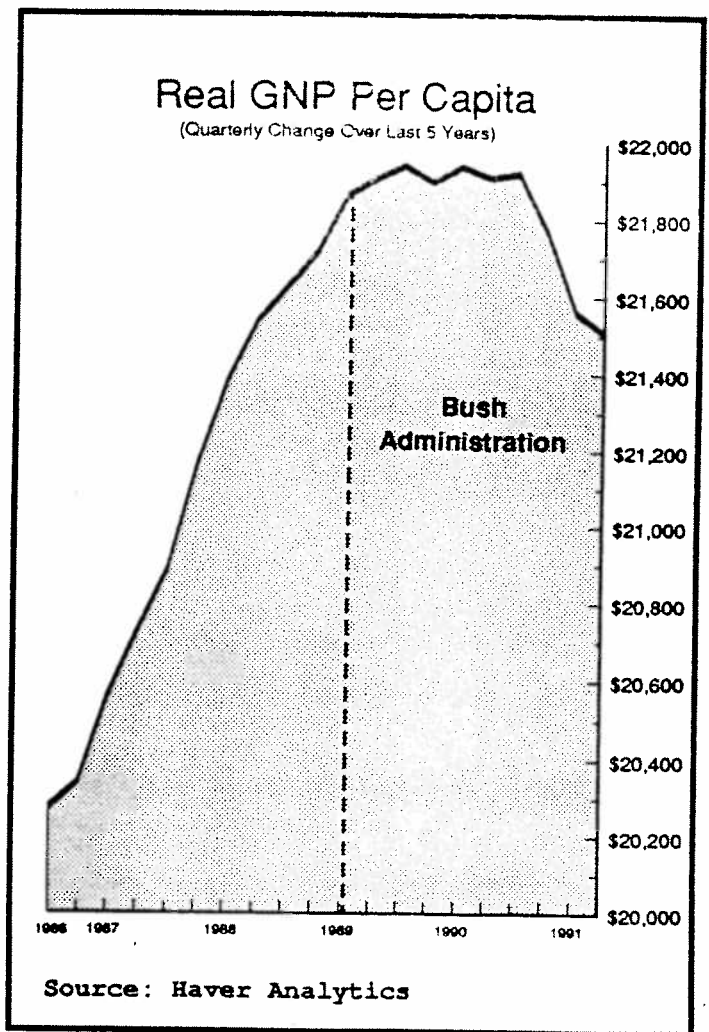
Despite the fact that the worst recession of the post war era occurred early in the Reagan administration, the economy rebounded sharply during the third year of that administration. It was 5.8% larger by the beginning of Ronald Reagan's fourth year in the White House than it had been when he took office. During the first three years of the Nixon administration the economy grew by 5.3%.

The U.S. economy expanded by 5.1% under Gerald Ford, who spent less than three years in office.

Unlike the economic troubles faced by most previous administrations, the stagnation of the U.S. economy under George Bush comes at a time of considerable prosperity among most other industrial nations. It is clearly not true during this period that administration growth strategies have fallen victim to a world wide economic downturn beyond the control of the American presidency.

While the economies of all countries have not preformed well, the latest data available for France shows that it grew by 4.6% between the time George Bush took office and the first quarter of this year. The Netherlands grew by 5.8%, Germany by 8.2% and Japan 11.7%. The disparity between the rate of economic growth in Japan and the United States during the Bush Administration is in fact so dramatic that if it were to continue, the Japanese economy would surpass the U.S. economy in size before the end of this decade.

Since the population of the United States has increased since the Bush inauguration, the country has actually grown poorer on a per capita basis. The Census Bureau reports that the U.S. population grew from 246.4 million to 252.2 million between early 1989 and mid-1991. As a result the U.S. economy has shrunk by nearly 2% on a per capita basis. There is about \$350 per person less to go around today than there was in January of 1989.



Real GNP

1990 Dollars (in trillions)

YR:QTR	GNP						
		58.2	1991.2	69.4	3186.9	81.2	4274.0
47.1	1389.3	58.3	2038.3	70.1	3167.3	81.3	4292.9
47.2	1398.1	58.4	2086.5	70.2	3164.5	81.4	4233.0
47.3	1403.2	59.1	2112.4	70.3	3203.1	82.1	4169.1
47.4	1420.2	59.2	2152.7	70.4	3174.1	82.2	4181.6
48.1	1429.1	59.3	2142.8	71.1	3259.4	82.3	4148.2
48.2	1454.5	59.4	2161.1	71.2	3259.1	82.4	4154.5
48.3	1467.9	60.1	2198.2	71.3	3275.8	83.1	4190.4
48.4	1480.0	60.2	2191.8	71.4	3275.7	83.2	4284.7
49.1	1462.8	60.3	2193.9	72.1	3347.5	83.3	4347.9
49.2	1454.3	60.4	2175.1	72.2	3412.6	83.4	4425.1
49.3	1465.3	61.1	2197.8	72.3	3448.1	84.1	4539.0
49.4	1450.8	61.2	2225.1	72.4	3512.8	84.2	4599.9
50.1	1509.9	61.3	2256.9	73.1	3595.2	84.3	4629.6
50.2	1553.0	61.4	2307.7	73.2	3604.4	84.4	4648.8
50.3	1611.3	62.1	2337.9	73.3	3600.9	85.1	4704.4
50.4	1657.2	62.2	2362.3	73.4	3633.1	85.2	4732.9
51.1	1691.9	62.3	2384.2	74.1	3612.8	85.3	4781.1
51.2	1736.3	62.4	2380.3	74.2	3623.1	85.4	4816.1
51.3	1775.0	63.1	2412.5	74.3	3575.9	86.1	4893.2
51.4	1783.1	63.2	2445.9	74.4	3544.5	86.2	4871.5
52.1	1800.5	63.3	2488.6	75.1	3475.2	86.3	4881.8
52.2	1796.2	63.4	2506.5	75.2	3510.5	86.4	4909.7
52.3	1812.3	64.1	2562.5	75.3	3570.1	87.1	4972.3
52.4	1849.9	64.2	2584.5	75.4	3619.8	87.2	5023.7
53.1	1882.3	64.3	2610.5	76.1	3687.8	87.3	5074.5
53.2	1900.0	64.4	2621.7	76.2	3704.2	87.4	5155.7
53.3	1891.2	65.1	2678.5	76.3	3719.6	88.1	5220.8
53.4	1876.0	65.2	2717.3	76.4	3756.7	88.2	5267.6
54.1	1849.9	65.3	2760.6	77.1	3808.2	88.3	5302.2
54.2	1842.6	65.4	2824.1	77.2	3869.7	88.4	5338.0
54.3	1864.7	66.1	2880.0	77.3	3947.4	89.1	5385.8
54.4	1892.0	66.2	2887.5	77.4	3937.2	89.2	5407.5
55.1	1932.5	66.3	2917.1	78.1	3972.0	89.3	5430.6
55.2	1953.7	66.4	2931.4	78.2	4097.4	89.4	5435.2
55.3	1979.7	67.1	2948.0	78.3	4132.5	90.1	5458.0
55.4	1997.1	67.2	2965.6	78.4	4183.8	90.2	5464.0
56.1	1993.1	67.3	3008.3	79.1	4183.9	90.3	5483.6
56.2	2002.2	67.4	3025.3	79.2	4180.0	90.4	5461.7
56.3	2003.7	68.1	3060.4	79.3	4217.7	91.1	5423.2
56.4	2025.9	68.2	3112.5	79.4	4209.7	91.2	5421.7
57.1	2042.6	68.3	3136.7	80.1	4251.9	91.3	5457.4p 5448.2
57.2	2041.4	68.4	3133.6	80.2	4151.5	91.4	5495.1p
57.3	2053.4	69.1	3177.7	80.3	4154.2	92.1	5545.4p
57.4	2021.5	69.2	3182.0	80.4	4206.9		
58.1	1980.5	69.3	3199.7	81.1	4288.3		

Sources: Commerce Department; OMB projections (p) for last three quarters.

Real Economic Growth in Selected Industrial Countries

Gross Domestic Product, 1985 National Currency Units

YR:QTR	FRANCE (francs)	GERMANY (marks)	ITALY (lira)	JAPAN (yen)	U.S. (dollars)	HOLLAND (guilders)
89:1	849.6	505.9	117855	376977	4095.7	114.8
89:2	855.9	512.0	118758	376977	4112.2	114.6
89:3	861.4	512.0	119563	386061	4129.7	114.7
89:4	870.3	517.8	120402	391148	4133.2	117.2
90:1	878.8	525.8	121389	397448	4150.6	118.5
90:2	879.5	529.1	120924	402877	4155.1	118.1
90:3	887.6	539.6	121725	407433	4170.0	118.8
90:4	886.9	544.3	122370p	410021	4153.4	122.2
91:1	889.1	547.4	123015p	421016	4124.1	121.5
% Change	4.6	8.2	4.4	11.7	0.7	5.8

Source: Quarterly National Accounts, OECD

Projections (p) based on actual growth through 1990:3

Real GNP Per Capita for the Last 5 Years

YR:QTR	GNP 1990\$ billions	Population (1000s)	GNP/POP 1990\$
86.1	4893.2	239790.3	20406
86.2	4871.5	240283.3	20274
86.3	4881.8	240866.0	20268
86.4	4909.7	241464.3	20333
87.1	4972.3	241943.7	20551
87.2	5023.7	242442.7	20721
87.3	5074.5	243030.7	20880
87.4	5155.7	243654.0	21160
88.1	5220.8	244158.0	21383
88.2	5267.6	244647.3	21532
88.3	5302.2	245273.7	21618
88.4	5338.0	245914.7	21707
89.1	5385.8	246411.7	21857
89.2	5407.5	246930.3	21899
89.3	5430.6	247590.0	21934
89.4	5435.2	248284.7	21891
90.1	5458.0	248856.3	21932
90.2	5464.0	249472.7	21902
90.3	5483.6	250223.7	21915
90.4	5461.7	250959.7	21763
91.1	5423.2	251594.7	21555
91.2	5421.7	252172.0	21500

Source: Haver Analytics