



Economy Watch ...

President Bush: "It's Very Important For the Senate To Finish Their Work Quickly"

President Bush And His Administration Discuss the Economy: "I'm Optimistic About The Future Of The Country, Realistic About The Issues We Face, And Have ... A Plan To Deal With Them"

"And the House of Representatives passed a good [economic growth] package. The administration worked with the House – it may surprise you that Republicans and Democrats can actually get something done in a constructive fashion, but it happened in this case, for the good of the country. And now the Senate is debating the bill, and it's very important for the Senate to finish their work quickly because the sooner we can get money into our consumers' hands, the more likely it is ... that this economy will ... recover from this period of uncertainty. The fundamentals are strong, we're just in a rough patch, as witnessed by the employment figures today. And I'm confident we can get through this rough patch."
– President George W. Bush, 2/1/08

President Bush: "Government Can Take Decisive Action To Help Us Deal With This Period Of Uncertainty"

President Bush: "The fundamentals are strong, we're just in a rough patch, as witnessed by the employment figures today." "[A]fter 52 consecutive months of job creation, we lost 17,000 jobs. ... The unemployment rate went down, but nevertheless, a serious matter is that for the first time in 52 months that we didn't create jobs." (President George W. Bush, Remarks On The Economy, Kansas City, MO, 2/1/08)

- "[O]ne way to address [economic concerns] is to have a temporary, robust tax rebate. ... **And the House of Representatives passed a good package.**" "And now the Senate is debating the bill, and it's very important for the Senate to finish their work quickly because the sooner we can get money into our consumers' hands, the more likely it is, is that this economy will get back – recover from this period of uncertainty."

President Bush: "[W]e can help people stay in their homes by connecting the borrower with the mortgage industry." "And that's why we started what's called the HOPE NOW Alliance. Security Paulson and Secretary Jackson are bringing people together from the private sector, and they couple that with an information campaign, so that people who have a subprime loan know how to refinance and can find somebody to help them refinance."

- **"The Federal Housing Administration has got the capacity to help refinance homes, and they need to expand the authority of the FHA to do it."** "And Congress needs to get that bill passed. I mean, this will be a positive step toward helping people stay in homes."

President Bush: "[W]e also need to be wise about policy so that we can continue this period of growth that we've had." "And so trade is an important aspect of – to making sure our economy remains strong. ... My attitude is, just give us a chance, let's level the playing field. We can compete with anybody, any time. We've got to have confidence in our capacity to compete in the world. And trade is an important aspect for keeping economic vitality alive."

- **"Raising taxes in a time of economic uncertainty would be bad for the economy and it would be bad for our people."** "I believe we ought to trust Americans to spend their money. I mean, the truth of the matter is you can spend it more wisely than the government can. And so in my State of the Union the other day I called upon Congress to make the tax cuts permanent."

Chairman Lazear: "Some Of The Indicators That We've Seen Recently Are Positive Ones"

Council of Economic Advisers Chairman Edward Lazear: "[W]e believe that growth has slowed. ... But we are still predicting growth for next year." "Even in this job market report, you know, there are mixed signals there. Jobs were down. So was the unemployment rate. Wages continue to grow. You saw big revision upward in terms of jobs last month. So there are a lot of mixed signals. And it's somewhat hard to read. We're in this period of uncertainty which is again, the reason that we've been pushing the stimulus package through the Senate and the House." (CNBC's "Morning Call," 2/1/08)

- **"I would say that positives on the GDP side is that the reduction in GDP growth was primarily associated with things that we anticipated, housing and inventories."** "And inventories being down coupled with the fact that durable goods orders were very strong in December suggests that we have some positive indicator going into the first quarter. So I would say that is the thing that encourages me the most."
- **"Again, on the employment side, you know, having 4.9 percent unemployment while it's still up from where we were six months ago is still a very low rate of unemployment."** "I don't think we want to think about this as a weak labor market. ... We do see low unemployment. Things are still okay. Obviously any increase in unemployment, any workers losing their jobs in the United States is a concern for the President. But, you know, we don't want to overstate this and think that there's any disaster looming as a result of these most recent numbers."

Sec. Gutierrez: "We're Still Projecting Growth"

Commerce Secretary Carlos Gutierrez: "One thing we saw in the GDP is a dramatic reduction in inventory, which is something that usually bodes well for manufacturing and growth in the next month or quarter." "And the inventory to sales ratio is at an all-time low. The other thing we saw is very strong orders for durable goods and within that for capital goods. And that also bodes well for the future. We're not seeing those numbers reflected in the jobs numbers yet. But we should be seeing that at some point in this quarter." (CNBC's "Squawk On The Street," 2/1/08)

- **"[T]rade agreements will open up markets for manufacturing jobs, for farmers, for exporters."** "The countries with which we have signed a free trade agreement during President Bush's time in office are showing a surplus. In fact, what we find is most of the countries have preference coming into our country, but we don't have preference going into theirs. That's the case of Peru and Colombia. They're coming into our country duty-free. We're asking Congress to give us the same preference Colombians and Peruvians have to our market."

Sec. Chao: "The Economic Picture Is Mixed"

Labor Secretary Elaine Chao: "The positive signs are still that our inflation is low, our interest rates are low, and productivity is still quite high." "On the other hand, I think the jobs report today was less than we expected. And we have to see what is going on. ... I think what this all speaks to is that we really do need to get the stimulus package passed. The House passed it, it's currently now before the Senate, and we hope the Senate will act quickly on the President's stimulus package." (Bloomberg's "On The Economy," 2/1/08)

- "Basically the rebate checks will help in that they are putting money back into the pockets of working men and women. And they know best how to spend their money. And we think that a substantial amount of that ... will go back into the economy."