

American Economy Is Resilient In The Face Of Challenges

President Bush And His Administration Remain Determined To Help Americans Cope With Economic Uncertainties

Today, the Bureau of Labor Statistics released new jobs figures for August. Nonfarm payroll employment decreased by 84,000 jobs in August, and the unemployment rate rose to 6.1 percent. While these numbers are disappointing, what is most important is the overall direction the economy is headed. Last week, the economy posted a strong gain of 3.3 percent at an annual rate in the second quarter, led by growth in consumer spending, exports, and a well-timed and appropriately sized stimulus package. This level of growth demonstrates the resilience of the economy in the face of high energy prices, a weak housing market, and difficulties in the financial markets. Orders for durable goods have been rising in recent months. In addition, productivity growth over the past four quarters has been strong at 3.4 percent – above the averages for each of the past three decades over the course of the Administration.

- **The bipartisan economic growth package that President Bush signed into law is having its intended effect.** The Treasury Department has issued more than 114 million stimulus payments, totaling more than \$93 billion. The growth package is estimated to return more than \$150 billion back to American families and businesses this year. We may be seeing signs that business expensing provisions of the economic stimulus are starting to have an effect – shipments of core capital goods rose solidly in July, and orders have been solid over the past two months. The stimulus package is expected to continue to have a beneficial impact on the economy in the second half of the year.

President Bush Calls On Congress To Work On Bipartisan Measures To Accomplish Our Economic Goals

The President has proposed a comprehensive energy approach that would permit a range of new drilling options and encourage the development of alternative resources. If Democratic leaders in Congress are not willing to take comprehensive action, President Bush has called on them to act at least on three common-sense energy proposals.

- **Congress should expand access to offshore exploration on the Outer Continental Shelf (OCS).** Experts believe that the currently restricted areas could eventually produce about 18 billion barrels of oil, a quantity approaching current proven U.S. reserves and nearly 10 years' worth of our current annual production. This exploration is now banned by a provision included in the annual interior appropriations bill. President Bush calls on Congress to remove this restriction when they return from recess.
- **Congress should expand access to oil shale.** Oil shale is a highly promising resource in the United States that could produce the equivalent of more than a century's worth of imports at current levels. Last year, Democratic leaders used the omnibus spending bill to insert a provision blocking oil shale leasing on Federal lands – President Bush calls on Congress to remove that provision immediately.
- **Congress should extend renewable power tax credits to spur the development of alternative sources of energy, such as wind and solar.** Congress should make these credits long-term and expand them to cover all forms of low-emission power generation. Increasing production of low-carbon electricity will allow us to power a new generation of plug-in hybrid and hydrogen-powered vehicles.

The President continues to call on the Democrat-led Congress to approve pending free trade agreements (FTAs) with Colombia, Panama, and South Korea. Opening markets is extremely important during this time of economic uncertainty. Exports account for a greater share of America's gross domestic product than at any time in our history. These trade agreements will create more opportunities for American manufacturing interests, farmers, ranchers, and entrepreneurs.

President Bush calls on Congress to save Americans from the largest tax increase in history by making his tax relief permanent. At a time of economic challenge, the last thing American families need is a massive tax increase. The President's 2001 and 2003 tax relief fueled economic growth and reduced the burden on everyone who pays income taxes. Without President Bush's tax relief, Americans would have paid an additional \$1.3 trillion in taxes by the end of 2007. If the President's tax relief is allowed to expire at the end of 2010, Americans will pay about \$280 billion more in taxes each year.

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