

Protecting Our Prosperity

President Bush's Plan To Expand Domestic Energy Production Would Help Americans Save Money At The Pump And Create New Opportunities For Workers And Businesses

Today, the Bureau of Labor Statistics released new jobs figures for July. Nonfarm payroll employment decreased by 51,000 jobs in July, and the unemployment rate was at 5.7 percent, below the average for each of the last three decades. Following yesterday's report that Gross Domestic Product for the second quarter grew at a rate of 1.9 percent, it is worth noting that labor-market growth tends to lag GDP growth. In addition, we expect the unemployment rate will rise to a higher level than it otherwise would have been over the course of several months as a direct consequence from the recent extension of unemployment benefits.

- **While these numbers are disappointing, what is most important is the overall direction the economy is headed.** In addition to GDP growing at a 1.9 percent rate – more than doubling the 0.9 percent growth rate in the first quarter and especially impressive considering the "blue chip" consensus forecast at the beginning of the second quarter called for only 0.1 percent growth – exports grew 9.2 percent. While we expect to see the full benefit of the growth package reflected in economic data as the year continues, second-quarter growth is evidence that the President's call for the bipartisan stimulus package was well-timed and properly sized.
- **The Treasury Department has issued more than 112 million stimulus payments, totaling more than \$92 billion, under the bipartisan economic growth package that President Bush signed into law.** Payments will continue to be sent out in small batches through the remainder of the year. The growth package is returning more than \$150 billion back to American families and businesses this year.
- **An independent study finds that the rebate checks are providing a substantial boost to the national economy.** According to the study's results, most people are spending their rebates on durable goods and services – such as appliances, electronics, and furniture – than on items such as groceries and apparel. The margin was impressive – an average of \$180 on durable goods and services, compared to \$90 on groceries and apparel. The study projects that nondurable consumer spending will be boosted by 4.1 percent in the current quarter. (Northwestern University Professor Jonathan Parker and University of Chicago Professor Christian Broda, "The Impact Of The 2008 Tax Rebates On Consumer Spending: Preliminary Evidence," 7/29/08)

President Bush Urges Congress To Enact Pro-Growth Economic Policies

The President has repeatedly called on the Democrat-controlled Congress to allow expanded domestic production of oil and natural gas. One of the most important ways to do so is by increasing access to offshore exploration in the Outer Continental Shelf (OCS). Recently, the President lifted the Executive Branch restrictions on exploration, but Congress has not lifted its legislative restrictions. The only thing standing between the American people and these vast offshore resources is the United States Congress.

- **Lifting the ban would boost our economy and give our Nation access to a large and reliable source of domestic oil.** Experts believe that these restricted areas could eventually produce about 18 billion barrels of oil, a quantity approaching current proved U.S. reserves, and nearly 10 years worth of our current annual production. Bringing oil from the OCS into the marketplace could require dozens of new drilling rigs and tens of thousands of miles of new pipeline, which could create new construction jobs and give American companies new avenues for expansion.

The President continues to press Democratic leaders in Congress to approve pending free trade agreements (FTAs) with Colombia, South Korea, and Panama. During President Bush's time in office, the number of countries with FTAs in force with the United States has jumped from three to 14. Over the four most recent quarters, U.S. export expansion alone accounted for almost 68 percent of U.S. GDP growth, a larger percentage of our GDP than at any time in our history.

President Bush Has Implemented Programs To Stabilize Our Nation's Housing And Financial Markets

This week, President Bush signed the Housing and Economic Recovery Act of 2008, which contains several critically important provisions to help stabilize the Nation's housing market, financial system, and broader economy. The law provides the Treasury Department with the temporary authority to assure continued access to liquidity and capital to the mortgage-lending government-sponsored enterprises (GSEs) Fannie Mae and Freddie Mac. In addition, the Administration strongly supports the creation of a stronger and more effective regulatory oversight regime for the GSEs.

- Last year, the President launched *FHASecure*, which has helped more than 290,000 families avoid foreclosure by refinancing into safe Federal Housing Administration (FHA)-insured mortgages. The President and his Administration also helped facilitate formation of the private-sector HOPE NOW Alliance, which has helped approximately 1.9 million families stay in their homes since July 2007.