



Economy Watch:

President Bush: "The Stimulus Package Has Been Positive"

*The President And His Senior Economic Team Cite Rebate Payments
As Contributing To The Second Quarter's 1.9 Percent Growth In GDP*

"I believe the foundations of this economy are strong. I think with sound policies and the ingenuity of the American people, we're going to emerge better and stronger. We've done it in the past and we'll do it again this time."

– President George W. Bush, 7/31/08

President Bush: "The Stimulus Package Was All Part Of Making Sure That We Dealt With This Slowdown That Was Coming"

President George W. Bush: "[I]n the second quarter, the economy grew at a rate of 1.9 percent." "I want to remind you a few months ago there were predictions that the economy would shrink this quarter, not grow. But in fact, the opposite has happened. As a matter of fact, it's more than double the rate we saw in the first quarter; that's positive." (President George W. Bush, Remarks At The 2008 Annual Meeting Of The West Virginia Coal Association, White Sulphur Springs, West Virginia, 7/31/08)

- "[W]e saw the slowdown early." "And that's why we passed the stimulus package. ... [N]ow we've delivered \$92 billion in stimulus payments. It fits into my philosophy of government, which is I'd rather you spend your money than the federal government spend your money. ... And people believe that the stimulus package should have a positive effect in the third quarter."

Chairman Lazear: "The Economy Is Resilient Even In The Face Of Very Strong Shock"

Council of Economic Advisers Chairman Ed Lazear: "We're also encouraged that evidence suggests that the stimulus is working." "What we've seen so far is people are spending the money, but there's also money left to be spent, and we expect that that will continue to boost the economy in the summer quarter and also through the next quarter." (CNBC's "Squawk On The Street," 7/31/08)

- "We're quite happy with the numbers." "The 2 percent, almost 2 percent, growth that we got this quarter, is, as you mentioned, double what we had in the first quarter."
- "The optimists seem to have won the day on this one." "I think they've been closer to right than the pessimists, and we do believe that the effects that we've seen in terms of the stimulus will continue."

Director Hennessey: "We Need More Energy Supply"

National Economic Council Director Keith Hennessey: "What Congress needs to do now is address specific sectors of the economy where you have problems – energy." "Those are the areas where there's still productive opportunities for the Congress to get something done." (CNBC's "Squawk On The Street," 7/31/08)

- "[The votes have changed." "I think a majority of the House and the Senate would support offshore drilling, but what you have right now are leaders in the Democratically controlled Congress saying we're not going to allow that to come up for a vote."

Director Nussle: "Growth Is Always Good"

White House Budget Director James Nussle: "Growth is better than the negative, the pessimism that was going on throughout the marketplace, and for that matter, throughout Washington." "[B]ut there's still challenges. We know that energy is a challenge, one that we're constantly working on, one that the President has put out policy on, and one that we're challenging the Congress to get busy on." (CNBC's "Squawk On The Street," 7/31/08)

- "There are people here in Washington that believe that the money belongs to the government, and there's a big difference." "This Administration believes that the money belongs to you and the people who actually earn the money."

Director Nussle: "I think the politicians [in Congress] are much more concerned about the polls than the economic data." "They're much more concerned about the fact that they haven't done any appropriation bills this year, that they haven't gotten an energy strategy through, the trade legislation is languishing on the Hill. That's what they're concerned about. They're not concerned about the economy."

- "[W]e have to keep on track of making sure we have an energy strategy." "We need to open more trade through the Korean and Colombia trade agreements that are on the Hill, and we need to control spending so we don't ruin any opportunities by Congress running up the deficit."