

While I believe that these funds should have been considered as regular appropriations, the men and women who have sacrificed for our country should not be held hostage to budgetary wrangling in Washington. Therefore, to provide these funds in a timely manner I hereby request and designate as an emergency requirement the

\$3,691,391,000, consistent with Public Law 110-161.

Additional information on this action is set forth in the enclosed letter from the Director of the Office of Management and Budget.

Sincerely,

GEORGE W. BUSH

Remarks on the National Economy *January 18, 2008*

Over the past several months, I've held a series of meetings with my economic team on the outlook of—for the U.S. economy. And before I left for the Middle East, I directed them to conduct a thorough assessment of our economic condition, consult with Members of Congress, and provide me with their recommendations about any actions we might need to take.

The economic team reports that our economy has a solid foundation, but that there are areas of real concern. Our economy is still creating jobs, though at a reduced pace. Consumer spending is still growing, but the housing market is declining. Business investment and exports are still rising, but the cost of imported oil has increased.

My administration has been watching our economy carefully. My advisers and many outside experts expect that our economy will continue to grow over the coming year, but at a slower rate than we have enjoyed for the past few years. And there is a risk of a downturn. Continued instability in the housing and financial markets could cause additional harm to our overall economy and put our growth and job creation in jeopardy.

In recent months, we've taken steps to shore up the housing market, including measures to help struggling homeowners avoid foreclosure and to keep their homes. I've also—have asked Congress to pass leg-

islation to modernize the Federal Housing Administration and enable it to provide additional assistance to struggling homeowners. The House passed a bill, and the Senate passed a bill, and now they need to get together and get a bill to my desk as quickly as possible.

After careful consideration and after discussions with Members of the Congress, I have concluded that additional action is needed. To keep our economy growing and creating jobs, Congress and the administration need to work to enact an economic growth package as soon as possible.

As Congress considers such a plan, there are certain principles that must guide its deliberations. This growth package must be big enough to make a difference in an economy as large and dynamic as ours, which means it should be about 1 percent of GDP. This growth package must be built on broad-based tax relief that will directly affect economic growth and not the kind of spending projects that would have little immediate impact on our economy. This growth package must be temporary and take effect right away so we can get help to our economy when it needs it most. And this growth package must not include any tax increases.

Specifically, this growth package should bolster both business investment and consumer spending, which are critical to economic growth. And this would require two

key provisions. To be effective, a growth package must include tax incentive for American businesses, including small businesses, to make major investments in their enterprises this year. Giving them an incentive to invest now will encourage businessowners to expand their operations, create new jobs, and inject new energy into our economy in the process.

To be effective, a growth package must also include direct and rapid income tax relief for the American people. Americans could use this money as they see fit: to help meet their monthly bills, cover higher costs at the gas pump, or pay for other basic necessities. Letting Americans keep more of their own money should increase consumer spending and lift our economy at a time when people otherwise might spend less.

Yesterday I spoke to members of the congressional leadership from both political parties. They shared with me their thoughts on the best way forward, and I was encouraged by those discussions. And I believe there is enough broad consensus that we can come up with a package that can be approved with bipartisan support. I've asked Treasury Secretary Hank Paulson to lead my administration's efforts to forge an agreement with Congress so that we can deliver this needed boost to our economy as quickly as possible.

Passing a new growth package is our most pressing economic priority. When that is done, Congress must turn to the most important economic priority for our country, and that's making sure the tax relief that is now in place is not taken away. A source of uncertainty in our economy is that this tax relief is set to expire at the end of 2010. Unless Congress acts, the American people will face massive tax increases in less than 3 years. The marriage

penalty will make a comeback, the child tax credit will be cut in half, the death tax will come back to life, and tax rates will go up on regular income, capital gains, and dividends. This tax increase would put jobs and economic growth at risk, and Congress has a responsibility to keep that from happening. So it's critical that Congress make this tax relief permanent.

We're in the midst of a challenging period, and I know that Americans are concerned about their economic future. But our economy has seen challenging times before, and it is resilient.

In a vibrant economy, markets rise and decline. We cannot change that fundamental dynamic. As a matter of fact, eliminating risk altogether would also eliminate the innovation and productivity that drives the creations of jobs and wealth in America. Yet there are also times when swift and temporary actions can help ensure that inevitable market adjustments do not undermine the health of the broader economy. This is such a moment.

By passing an effective growth package quickly, we can provide a shot in the arm to keep a fundamentally strong economy healthy. And it will help keep economic sectors that are going through adjustments, such as the housing market, from adversely affecting other parts of our economy.

I'm optimistic about our economic future because Americans have shown time and again that they are the most industrious, creative, and enterprising people in the world. That is what has made our economy strong, and that is what will make it stronger in the challenging times ahead.

Thank you.

NOTE: The President spoke at 11:34 a.m. in the Roosevelt Room at the White House.

Remarks Following a Tour of Wright Manufacturing, Inc., in Frederick,
Maryland

January 18, 2008

The President. Let me tell you why I'm here. This man started his own business. He is a manufacturer, he employs over a hundred people, and he represents the backbone of the American economy. And today I talked about our economy, and the fundamentals are strong, but there's uncertainty. And there's a opportunity to work with Congress to pass a progrowth package that'll deal with the uncertainty.

Any package has got to remember that jobs are created by small businesses. A good package will have incentives for investment in it. The package we passed early in my administration helped him. He bought some equipment, made his firm more productive, kept him in business. That's the same spirit that needs to be in this next growth package.

The other thing is, is that we've got to make sure that we benefit consumers. We want our consumers out there spending, and the best way to do that is through broad-based tax relief. Now, this plan ought to be broad-based, it ought to be simple, and it ought to be temporary.

I had a conversation with Congressmen, with the leadership on both sides of the aisle yesterday, and I was encouraged by what I heard. And I believe we can come together on a growth package very quickly. We're going to need to. We need to get this deal done and get it out and get money in the hands of our consumers and small-business owners to help this economy.

I'm optimistic, I truly am. One reason I'm optimistic is cause I understand we got all kinds of Americans just like this man

here, who is working hard to provide a living for folks and to make a product people want.

And so while there's some uncertainty right now, if we act quickly and in a smart way that helps growth, we're going to be just fine.

Anyway, thanks for letting me come by. I'm proud to be—I love the entrepreneurial class in America. I love people who have a dream and work hard to achieve the dream.

And so a fine-looking machine you got here.

William Wright. Thank you. It's a team effort. We're thanking you, thanking you for all your work too.

The President. Do you wonder where they got the name "Wright"? That's his name. And his wife is the cofounder of the company. And this is—it's really great to be with you.

And, Congressman, thank you for being here. I'm proud to be with your workers. You've got some fine workers.

Mr. Wright. We've got a great team here, don't we?

The President. Yes, you do. And if they get a little more money in their pocket as a result of the growth package, it'll help make sure this economy continues to grow.

Anyway, thank you all very much.

NOTE: The President spoke at 1:55 p.m. In his remarks, he referred to William Wright, president and chief executive officer, Wright Manufacturing, Inc., and his wife Margie; and Rep. Roscoe G. Bartlett.