

# Bush Goes Back to Economy

In his weekly radio address to the nation, President Bush focused on the nation's economy, noting faster growth than expected during the second quarter. The bad news is, nobody can get a job. The better news is, those \$400-per-child tax relief checks start arriving this week.

THE PRESIDENT: Good morning. This week, we received some encouraging news on the economy. The nation's economy grew faster than expected in the second quarter. Manufacturers are receiving more orders and their inventories need to be replenished, home builders are busy meeting near-record demand, and retailers report that consumers are buying more goods. Many economists expect that growth will accelerate in the coming months.

Yet this week's employment report also shows that many Americans who want to work are still having trouble finding a job. My administration is acting to promote faster growth to encourage the creation of new jobs. The key to job growth is higher demand for goods and services. With higher demand, businesses are more likely to hire new employees.

The best way to promote growth and job creation is to leave more money in the pockets of households and small businesses, instead of taxing it away. So we lowered income tax rates, cut taxes on dividends and capital gains, reduced the marriage penalty and increased the child tax credit. This week, the checks for up to \$400 per child started arriving in the mailboxes of American families. That money will help American families move the economy forward.

We have also taken action to help small businesses, who are the job creators of America. We increased tax incentives for equipment purchases, giving small businesses an additional reason to invest. More orders for machinery and equipment means more jobs. And more business investment can lead to greater worker productivity, which helps raise worker wages.

We are starting to see results from our actions. My administration's economists believe that if we had not passed tax relief, our unemployment rate would have been nearly one percentage point higher, and as many as 1.5 million Americans would not have the jobs they have today.

This week, three members of my Cabinet -- Treasury Secretary John Snow, Commerce Secretary Don Evans, and Labor Secretary Elaine Chao -- visited business owners and their workers in the Midwest. They received reports that the economy is picking up.

Last month I met with Mike Gendich, who owns a part-making company in Michigan called Metalmite. Mike's customers are keeping him busier than he has been in three years, giving him reason to hire three new workers. Tax relief has given him reason to invest in new equipment, to keep those workers productive. In Mike's words, tax relief, "can be the difference between making an investment or not." When small business owners like Mike make new investments, that can also be the difference between someone finding work or not.

Tax relief is one part of my aggressive, pro-growth agenda for America's economy. We're negotiating free trade agreements with countries to create new markets for products made in America. Congress needs to pass a sound energy bill to ensure our nation has reliable, affordable supplies of energy. And Congress needs to let small businesses join together to purchase affordable health insurance for their employees. We need legal reform to stop the frivolous lawsuits that are a drag on our economy. We have pushed Congress to make the child credit refundable for lower-income families. And we're working to control spending in Washington, D.C., so that government spending does not rise any faster than the average household budget is expected to grow this year.

America's economy has challenges, and I will not be satisfied until every American looking for work can find a job. By steady, persistent action, we are preparing the way for vigorous growth and more jobs. I have confidence in our economic future, because I have confidence in the people whose effort and creativity make this economy run -- the workers and the entrepreneurs of America.

Thank you for listening.