

the American people or our allies and friends around the world.

Even as we confront these dangers, you need to know I know we have needs here at home, especially the need for a vigorous and growing economy. Too many Americans today are wondering about our economy. They're asking, "How is the economy really doing?" Well, the American economy is the strongest and most resilient economy in the world. In spite of the terrible shocks that our Nation has received, our economy is growing, and the entrepreneurial spirit in America is strong.

We've made great progress these past 2 years. Remember, in the summer of 2000, during the Presidential campaign, the market had started on a steady decline. Job growth started to dwindle. The economy had begun to slow. When I took office, the signs of recession were real.

So I worked with the United States Congress to reduce income taxes for everyone who pays them. More than 100 million individuals, families, and sole proprietorships received tax relief. This tax relief was the largest in a generation, and it gave the economy a boost just at the right time, ensuring that the recession was one of the shortest and shallowest in modern American history.

Americans should be able to count on those tax cuts as they plan their financial futures. So I will continue to press the Congress to make these tax cuts, including the end of the death tax, permanent. We know that the tax cuts worked, and Americans deserve to know their tax cuts will not be taken away.

We faced a second test with the attacks of September the 11th, 2001. These attacks caused terrible suffering and a massive disruption of the economy. Flights were canceled. Many hotels and stores were empty. Stock trading was halted for nearly a week. So we acted: We reopened the markets; we helped the people of New York City recover; we assisted the airlines; we provided tax incentives for business invest-

ment; and we passed terrorism insurance so building and real estate projects could go forward.

And then our economy was tested a third time, when Americans discovered serious abuses of trust by some corporate leaders. So we passed historic reforms to assure corporate integrity, to punish wrongdoers, and defend the interests of workers and investors. Corporate greed and malfeasance cause innocent people to lose their jobs, their savings, and often their confidence in the American system. For the sake of justice, and for the sake of every honest business in America, I have made this commitment: Corporate misdeeds will be investigated; they will be prosecuted; and they will be punished.

We have met the tests before us because the American people have worked hard through difficult times. And now our country has entered its second year of economic growth. Our trade with other nations is expanding, bringing lower prices that come from imports and better jobs that come from exports. More Americans are buying and building houses, a central part of the American Dream. The homeownership rate is now 68 percent, close to the highest ever. Low interest rates have allowed Americans to tap the rising value of their homes. In 2002, refinancings added more than \$100 billion to American pocketbooks, money that helped renovate homes or pay off debt or cover tuition or purchase other goods.

The most important indicator of our economic strength is the growing skill and efficiency of the American worker. The productivity of American workers went up by 5.6 percent over the last four quarters for which we have data, the best increase since 1973. As productivity rises, so do wages and our standard of living. Nationwide, incomes are rising faster than inflation.

We have the most productive, creative, and promising economic system the world has ever seen. America sets the standard for scientific research, engineering skill, and