

medical innovation. Our companies and universities attract talent from every single continent. Investors from around the world know America is the safest place to put their money. People around the world who search for a better life still dream of working and living in the United States of America.

All these conditions create a platform for long-term growth and prosperity. Yet, in spite of successes, we have more work to do, because too many of our citizens who want to work cannot find a job and many employers lack the confidence to invest and create new jobs.

We can help assure greater success tomorrow with the policies we choose today. Now, these policies must recognize that our \$10 trillion economy is sustained by the labor and enterprise of the American people. Government spends a lot of money, but it doesn't build factories. It doesn't invest in companies or do the work that makes the economy go. The role of Government is not to manage or control the economy from Washington, DC, but to remove obstacles standing in the way for faster economic growth. That's our role.

And those obstacles are clear. Many jobs are lost in America because Government imposes unreasonable regulations, and many jobs are lost because the lawsuit culture of this country imposes unreasonable costs. I will continue to press for legal and regulatory reform.

But today—today I want to talk about these concerns: Americans carry a heavy burden of taxes and debt that could slow consumer spending. I'm troubled by that. I'm also troubled by the fact that our tax system unfairly penalizes some productive investments. And I worry about people who are out of work. They need our help, both in short-term benefits and long-term opportunity. By directly confronting each of these challenges, we can preserve the hard-won gains our economy has made and advance toward greater prosperity.

Our first challenge is to allow Americans to keep more of their money so they can spend and save and invest—the millions of individual decisions that support the market, that support business, and help create jobs.

Consumer spending accounts for about 70 percent of our economy. It has been the driving force of our recovery. Yet there are warning signs I won't ignore, and I hope the Congress doesn't ignore either. Many Americans live in constant and increasing personal debt, with credit card bills so heavy they often cannot pay much more than the monthly minimum. Millions of citizens spend their entire adult lives living paycheck to paycheck, never getting a chance to save for their children's education or their own retirement. Americans today are paying about a third of their income in taxes. All of this puts pressure on family budget and therefore clouds our economic future.

Americans facing these struggles are due to receive additional tax relief in 2004 and again in 2006. Republicans and Democrats in Congress already approved these tax rate reductions. And the time to deliver the tax rate reductions is now, when they can do the most good for the American businesses.

For the sake of economic vitality, I'm asking Congress to make all the tax rate reductions effective this year. The tax cuts should be retroactive to January 1st. Upon passage, I'll order the Treasury Department to immediately adjust the amount of money withheld for income taxes, so that Americans will keep more of their paychecks right away. By speeding up the income-tax cuts, we will speed economic recovery and the pace of job creation. If tax relief is good enough for Americans 3 years from now, it is good enough for Americans today.

An additional beneficiary of this tax cut will be small businesses. About 30 million Americans include small-business income when they file their individual tax returns with the IRS. Faster tax relief will help