

**U.S. Commerce Secretary Carlos M. Gutierrez
YEAR-END ECONOMIC BRIEFING
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In this holiday season, the good news is that thanks to hard-working Americans and the President's pro-growth, pro-jobs policies, our economy is robust, business is booming and U.S. productivity is growing at the fastest rate in nearly 40 years.

As Secretary Snow said, our workers, our companies and our nation have a lot to be proud of.

Yesterday's retail sales report was another indication that our economy is on the right track.

Retailers are optimistic that last-minute shoppers like me will propel the holiday sales season to a strong finish.

The tax relief that President put in place is generating growth, investment and new American jobs.

Importantly, it is letting Americans keep and spend more of their own money.

Yet, there are Grinches who would take this tax relief away from the American people.

The President's economic agenda is working for American business and American workers.

We need to keep the momentum going.

Over the past four years, the United States has experienced faster growth in real GDP than any other major industrialized nation.

Our 2005 GDP per capita is higher than that of Japan, the UK, Germany, France, Italy and Canada.

The U.S. economy is growing well over twice as fast as that of the European Union.

Our unemployment rate is 5 percent. This is lower than Canada's 6 percent, Italy's 7 percent, Germany's 8 percent and France's 9 percent unemployment rate.

The last time we experienced unemployment as high as France and Germany are dealing with now was 22 years ago.

Where's this growth coming from?

Since the President took office, real after-tax per capita personal income has increased by roughly \$1,600.

This is important because consumer spending accounts for approximately 70 percent of GDP.

Since the tax cuts:

-- This measure has been growing by 3.8 percent per year.

-- And total retail sales are up 19 percent.

More good news for families is that assets are appreciating and they are getting wealthier.

Household net worth exceeded \$50 trillion during the third quarter – that's an all-time high.

Increased business investment is also triggering economic growth.

Since the 2003 tax cuts, real investment has increased by 22 percent. Investment in equipment and software is up 28 percent. And investment in industrial equipment is up 10 percent.

The result is higher profits, higher productivity and Americans receiving more dividend payouts

We've also seen an increase in foreign investment here.

Foreign firms operating in the United States now employ 6 million American workers, enough to populate the entire State of Maryland.

From day one, free and fair trade has been a critical element of the President's growth and job creation agenda.

About 95 percent of the world's potential customers live beyond our borders.

We're aggressively working to open these markets and opportunities to U.S. companies and workers.

This Bush administration has signed free trade agreements with 11 countries into law, more than all other administrations combined.

We're taking the lead in promoting a successful conclusion to the Doha global market opening negotiations.

Since 2003, our export growth has been averaging over 8 percent per year.

Real goods exports have grown 8.5 percent annually since the tax cut, and real services exports have grown 7.2 percent, supporting millions of U.S. jobs.

For more on the subject of jobs, I would like to turn the podium over to my colleague, Secretary Chao.