

Remarks by
Commerce Secretary Don Evans
Economic Development Administration National Conference 2003
May 7, 2003

[Text As Prepared for Delivery.]

Thank you for that kind introduction. And thank you to all of you for coming. I know you come from virtually every corner of America and we very much appreciate your service.

I bring greetings from the President and First Lady. They are well. President Bush is a trusted leader at a pivotal moment in history and I'm proud to serve the nation in his administration. I know David Sampson is also very proud to serve. He's a good man and a great leader. And I'm not saying that just because he's a fellow Texan! No sir. David has a lot of experience in economic development. And he is a dedicated public servant.

I'm proud of the market-based development strategies that EDA has been pursuing under his leadership. They are strategies which recognize the realities of today's global economy. And I agree that the role of government is not to give handouts or to tell businesses and local officials how to develop their economies. No, the role of government is to remove the obstacles to economic development, and to help create the conditions for growth.

So, to carry on this important mission, I'm delighted to announce that the President is sending to Congress a bill to re-authorize the EDA. EDA plays a pivotal role in creating jobs. And the President wants EDA to continue to operate as an effective tool in helping to grow the nation's economy.

Let me assure all of you, I know President Bush. He understands his responsibilities. His commitment to national security, homeland security, and economic security is certain. President Bush knows you can't have economic security without homeland security and national security.

The war on terror and our effort to spread the principles of democratic capitalism are both parts of one mission: Building a safer, more peaceful, and more prosperous world. This is the President's goal and all of our efforts proceed for that purpose. To lead the world, America must be strong at home. The size and vitality of our economy are a key measure of that strength. And it all starts with strong communities, the places where all of you come from. That's where people live and work, where they raise their families and make their friends, where they worship, where they sink their roots. So the work you do in economic development is vitally important. And President Bush is committed to creating the right environment for development to take place.

As I see it, the best development program is a good job. And that's the President's main focus. He has a bold plan to make sure the economy is generating enough jobs for every American that wants one.

We've all heard a great deal of speculation about the current numbers within President

Bush's jobs and growth plan that's now before the Congress. Let's be clear about this: This administration will continue fighting for the policies that will create more jobs, put people back to work, and grow our economy.

We will keep fighting for all the elements in the President's plan. Our opponents like to make a general statement that this is a tax cut for the rich. Well, it's not. This is a tax cut for jobs. The individual that this plan helps the most is the individual that does not have a job.

The President has been focused on this plan since last summer. This is action to give our economy the boost that it needs. It offers not only short-term stimulus, but also creates the conditions for our economy to grow at its full potential in the years ahead — long-term economic growth.

There are three important reasons to pass the President's plan. The first is jobs. The second is jobs. The third is jobs — 1.4 million new and better jobs because a job is central to the American Dream. We're committed to creating the conditions that will bring lasting, vigorous economic growth and millions of new and better jobs. We're committed to unleashing the power of entrepreneurs, innovators, farmers, workers, and small business owners. We're committed to letting American workers take home more of their paychecks.

Creating those conditions is an objective we will not abandon. It's a mission we'll work on every day of our service to the American people. So what policies do we need to achieve the mission?

Repeal of the double taxation on dividends. Accelerate tax rate reductions already approved by Congress. And triple the small business expensing deduction.

Only a jobs and growth package that is at least \$550 billion can create the growth this country needs. We urge Congress to pass the President's plan without delay.

At more than ten and one half trillion dollars, the U.S. economy remains the strongest in the world. We're a third of the global economy. When our economy is weak, the rest of the world follows. We know we're not growing at our full potential. We're not adding enough jobs. We can and we will do better.

One reason that I am so optimistic is that America faces this challenge from a position of strength.

Consider the following facts:

- Nationwide, incomes are rising faster than inflation. Inflation has been in check for over a decade. This allows us to pursue pro-growth monetary and fiscal policies like tax cuts and low interest rates.

- Interest rates are the lowest in 41 years, allowing Americans to refinance their homes, adding more than \$120 billion a year, for the past few years, to their pocketbooks and to the economy.
- The home ownership rate – a central part of the American dream -- is 68 percent, hovering around its highest rate ever.
- Productivity of American workers—the most important indicator of our economic strength – last year grew by 4.8 percent, the strongest showing in the last 50 years.

What's the bottom line? Our long-term fundamentals are sound. It's pretty simple what we need to do next: cut taxes.

When the federal government takes less from taxpayers, they have more to spend, save, and invest. In the process, companies expand, productivity rises, innovation is unleashed, and opportunity spreads for every American seeking work. We know tax relief is a proven catalyst for growth.

Across the country, people are excited about the impact President Bush's growth initiatives will have on their businesses and in your communities. Since January, I have been to some 30 cities in 20 states, and have talked to workers, small business owners, seniors, and just ordinary people — at Heavenly Cheesecakes in Atlanta; At Granite State Manufacturing, in New Hampshire; At Visa Lighting in Milwaukee; And at Les Schwab's tire store in Portland.

I listened and the message is clear: Small businesses are ready to start investing and growing — small businesses account for seventy percent of our new jobs. Ending the double taxation on dividends will provide 35 million households with more money to save, spend, and invest — half will go to our senior citizens.

There's talk that we can't afford tax relief because we're spending more to protect our security. The deficit is affordable. And the deficit this Administration is most concerned about is the jobs deficit. We aren't running a deficit because Americans are taxed too little. No country has ever taxed its way to prosperity. This country will return to balanced budgets when our economy starts growing to its full potential and you get there by cutting taxes and controlling spending. President Bush is working on both.

In order to lead, you have to have a plan. The question opponents of the President's plan must answer is what solution do they propose to revive economic growth? What hope, beyond new federal spending, do they offer Americans out of work?

I know something about lay-offs and what it means to each person — what a job means to

each person. As a CEO, the toughest and most painful part of my job was telling one of our people that we no longer had a job for them. We saw the people working for us at Tom Brown Inc. as part of our family. It hurt to let each one of them go. We hated doing it. It was painful. With a lot of hard work, we started growing again.

Once we did, I was able to go back to the part of my job I loved the most: Changing a life by offering a job. We knew what the opportunity to join an organization like Tom Brown meant to the people we hired. In many cases, we put people on the path to achieving their aspirations for their families — to living the American Dream by feeding and educating their families.

President Bush and I want people across this country to feel the joy that comes from pursuing boundless opportunities. We know how much it hurts to lose a job and we know how it lifts a parent's heart to land a new or better job. But, as one who has thought long and hard about these issues, I'm here to tell you, a small business can't hire anyone without the equity capital to expand the company. It simply does not happen.

By trusting the people of this country, by giving them back more of their money, we will revive robust growth and make the American dream more accessible for millions. We recognize that our greatest strength is the creativity, initiative, and resourcefulness of our fellow citizens.

I know David sees this every day working with all of you. I'm certain you've been discussing what it means to growing your economies back home. And there is no better example of how our citizens are making a difference than the winners of this year's EDA Excellence in Economic Development Awards.

What better contribution is there than the inner in the community and faith-based category? The New Community Corporation of Newark, New Jersey in just a few short years has become the largest community development corporation in America.

It manufactures building components for makers of affordable housing. It's 2,300 workers, many of whom had been unemployed and living in the inner-city, receive on the job training. And eventually, many will earn up to \$40,000 a year.

In the innovation category, there's the Utah Smart Site Project in Salt Lake City which helps develop internet-based companies in rural areas.

With a couple small grants from EDA, it has helped create over a dozen new businesses and expand several others. As a result, they'll be over 1,000 new jobs in Salt Lake City.

When it comes to regional development and competitiveness, consider the award given to the San Diego Regional Economic Development Corporation.

By focusing on what it takes to attract and expand high-skill, high-wage growth industries

— such as a well-educated workforce — San Diego now has nearly 24,000 new jobs, with a total payroll worth over a billion dollars a year. That’s a big impact in just three years.

These are the kind of community-driven projects that you should be considering for your development programs back home. There were a total of 8 award winners this year, and I urge you to take a look at all of them.

Let me end on this.

President Bush and I believe that every person is born with the right to pursue their dreams, to build a life, and to pursue happiness under the dictates of their heart. Around the world, I’m always asked, “How is it that America has done so much in just 200 years?” I tell people our achievements are grounded in our freedoms, our free enterprise capitalistic system and our faith.

Our freedoms: Freedom of speech, right to assembly, religion, press, and, yes, the freedom to pursue excellence. Our free enterprise system that creates an environment of competition, which leads to innovation, which leads to higher productivity, which leads to economic growth, which leads to a higher standard of living, leading to a higher quality of life. And our faith because Americans are honest people who place a high value on trust and the integrity of a person’s word.

President Bush and I came to Washington to leave our world more secure, more peaceful, and more prosperous than we found it. Despite the obstacles, we’re optimists. As the President has said, “Freedom is not America’s gift to the world, it is God’s gift to all mankind.” And I believe there is the power in this room to leave this world a better place for all mankind. We can build a place that all of our children and grandchildren would all want to call home.

Thank you. God bless you and God bless America