

Remarks by Secretary of Commerce Donald L. Evans

Before the National Association of Manufacturer's Fall Meeting

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[As Prepared For Delivery]

Thank you, Harold Weins, (NAM Board member and EVP of 3-M Corporation), and good morning everyone.

I'm pleased to be with you this morning- at this unique and defining moment in our country's history.

I want to talk this morning about the great necessities of our time - and the great virtues of this President.

Many of us had a chance over the last year to read David McCullough's marvelous biography on John Adams. In it, there is a wonderful letter his wife, Abigail, wrote to their son John Quincy, as he prepared to sail for Europe at the young age of 12.

"It is not in the still calm of life," she offered, ".that great characters are formed. Great necessities call out great virtues."

The words of Abigail Adams, written at the time of the Revolution, are as true today as they were two centuries ago. Indeed, it is one of the enduring features of our American experiment that great virtues are called out by the great necessities of our times.

As I survey the American landscape in the wake of September 11th, I see four great virtues: Commitment. Competitiveness. Character. Compassion.

It starts with commitment. The highest purpose in life is to serve others. Great leaders understand this truth, and they are committed to it. They pledge "to pay any price, bear any burden, meet any hardship" to answer this call.

Make no mistake. President Bush has been called to service. And he is committed to winning the long campaign against terrorism.

Clare Boothe Luce once famously observed that every great President is remembered by a single phrase. Washington was the founder of our country. Lincoln freed the slaves.

As she used to tell President Kennedy, you have to figure out what sentence will define your presidency.

This President has found his sentence. And history will record George W. Bush won the war on terror.

President Bush is committed to protect freedom and bring security to every American - "lifting a dark threat from our people and our country."

He recognizes the war against terrorism will be waged on two fronts.

The first front -- which dominates the evening news and dinner-table conversation -- is national security. The second front doesn't lend itself to dramatic pictures on TV, but is vital to winning the war - and that is economic security.

And here is where you come in. This battlefield is your battlefield. You are leaders of America's business community. You employ 18 million men and women. And you embody the great American entrepreneurial spirit.

The actions of the terrorists are, no doubt, calculated to add instability and uncertainty to our economic structures. They would like nothing better than for the entrepreneurial spirit of our great nation to be crushed, like the rubble that was once the World Trade Towers. We can't let that happen. We won't let that happen.

The great necessities of our time call forth the great virtue of commitment - not just from President Bush, but from the American people. from you. Your commitment to defending our economic security in the war against terrorism is important. No, let me go further: It is vital.

Congress can pass a stimulus package. Chairman Greenspan can cut interest rates. But you are the heart of America's economic recovery plan. For, as President James Madison wrote, "The circulation of confidence is [more important] than the circulation of money."

Confidence, of course, can be a challenge in challenging times. The short-term economic pain our nation is suffering, and the even deeper pain within the manufacturing sector, is real. It is very real to the million-plus men and women in manufacturing who have lost their jobs over the last year.

Following September 11th, I traveled to Detroit to bring together the CEOs of the "Big Three" automakers and national labor leaders. One of the participants was my friend, Leo Gerard - head of the national steelworkers.

Leo represents a group of hard, tough Americans. And they love America even in the hardest and toughest of times. They don't expect the world, but they want to know we understand they're hurting - and that we care.

Leo was in my office this morning. And as we talked over coffee, I told him there are good, sound reasons for his fellow workers to be optimistic about the long-term fundamentals of this economy.

Consider just one economic indicator: business inventories. In September, durable goods inventories fell by one percent. These lower numbers, in turn, led to a lower GDP for the third quarter.

But if you get beyond the banner headlines, you find what each of us in this room knows. Lower inventories are a necessary precondition to recovery. These reductions have set the stage for higher growth in 2002 and beyond.

The second great virtue of our times is competitiveness.

The World Trade Center was a shining symbol of the wonder of America's economic system and financial strength. Just as we are trying to come to terms with the dreadful loss of life, we are grappling with short-term economic damage as well.

But while the near-term financial loss is staggering, nothing that happened in lower Manhattan, at the Pentagon, or in a lonely field outside of Pittsburgh has changed the fact that America is the most competitive nation in the world.

Since our first days, America's economic success has rested on a steady dedication to competition. It is a system that says the producer who makes the best product at the lowest cost wins.

We promise hope, opportunity and freedom. But we don't promise success. Our system offers only the freedom to succeed or the freedom to fail.

The mission of this Administration, for its part, is to ensure that our government stands behind - not in the way of - those who seek rewards and take risks.

That mission led the President to cut taxes, to encourage wealth creation. That mission led the President to develop a first-ever national energy policy. And that mission has taken on new urgency since September 11th.

As Commerce Secretary, I am working to make the case that free and open trade is needed now more than ever. International commerce leads to international cooperation. Common markets give rise to common purpose.

Earlier this month, I led a business development mission of 14 companies to Russia. During the trip, we met with two young Russian businessmen - pioneers in the new generation of entrepreneurs there. They had been part of a mentoring program here in the States, returned to Russia, and are extraordinarily successful in an increasingly competitive economy.

And I will never forget what one of those young men told me. "Mr. Secretary," he said, "you might say we are living the American dream."

It was a small moment with big meaning. What a testament to the power of economic freedom. The competitiveness we have thrived on in America can bring prosperity to people around the world.

As we seek to spread prosperity across the globe, we must also preserve our competitiveness at home.

This morning, my Department released Gross Domestic Product (GDP) data showing negative .4 percent growth for the third quarter. Wall Street economists had been forecasting negative 1 percent or more. But Main Street had different ideas.

The newly fashionable chorus of doubters has been using the "R word" of late. Today's numbers suggest that the right "R word" is resilience. From these trials, a resilient America will build a century even greater than the last.

Our new, great century will be built by the hands of millions of Americans, all across our great land. I am pleased to announce this morning the President has asked the Bush economic team to convene a series of roundtables in the months ahead - to combine the wisdom, the vision and the

energies of Wall Street and Main Street. The roundtables will be comprised of small-business owners, workers, economists and CEOs. It will be a chance to listen and to learn.

These economic roundtables are part of this President's pledge to keep America moving. And this Administration stands ready to do what it takes to strengthen this economy.

Now is not a time for political bickering. It is a time for bipartisanship.

The President has called for \$60-75 billion in stimulus, as well as additional dollars to help workers. Congress needs to act - and we look forward to putting this stimulus into action before the fiscal quarter comes to a close.

The third great virtue of our times is character. Character matters.

My remarks began with a comment on David McCullough and his biography of our second President. It is McCullough's contention that character matters in the Presidency more than any single trait.

I have known President Bush almost all of my adult life. He has good instincts. He has tremendous inner strength and unwavering faith. And he has the character to lead America - and to lead the civilized world's fight against terrorism.

Character is called out among our nation's businesses at this difficult time, as well. Your leadership, your clarity of vision, your sacrifice, matter now more than ever.

As one cut from the same entrepreneurial cloth as you, I know first-hand that some of the best decisions in business are made in the toughest of economic times.

And those decisions are driven by a devotion to the core values that guide your leadership in business. A steadfast commitment to the companies you have helped build, to your employees, to the vision you have for your companies' futures.

That steadfastness means you run your companies, even through the toughest of times - you don't let the stock market run them for you.

The fourth and final great virtue of our times is compassion.

September 11th has been described as a date that divides history into "before and after." Like the bombing of Pearl Harbor, everything changed that dark, horrible day in September.

And yet, part of me thinks September 11th wasn't so much a transformation as it was a vivid reminder of the virtues that matter in America. As we struggle to make sense of this "lottery of casualties," we hold tight to the things that count. Our spouses. Our children. Our friends.

The civilized world is allied today in a way we have never been before. We now are aligned against an evil that seeks neither peace nor prosperity. It is an evil, as the President said, that not only seeks to end lives, but also to end a way of life.

We bear a responsibility to protect our way of life, and the liberties we enjoy, and to bring freedom's promise of a better life to all God's children.

True compassion demands we introduce hope where there is none. Market capitalism - the virtue of profit-represents that promise.

Commitment. Competitiveness. Character. Compassion. These are the great virtues called forth by the great necessities of our time.

I began this evening with a quotation from Abigail Adams. Let me also end with one. "When a mind is animated by scenes that engage the heart, then those qualities which otherwise lay dormant, waken to life and form the character of the hero and the statesman."

The scenes of September 11th have engaged George W. Bush's heart. The world is now seeing this remarkable leader at a defining moment. They have been comforted by his calm and reassured by his confidence. It is a confidence I have witnessed since our days in the oilfields of Midland, Texas.

If you travel west on Highway 20, you eventually see a sign welcoming you to a town the President and I call home. The sign carries the Midland motto, "The Sky is the Limit."

As we watch the replay of that awful footage on CNN, it is easy to question. But the President and I still believe the best days of America lie ahead. We still believe the Sky is the Limit.

Thank you. God bless you.