

**Remarks by
Commerce Secretary Don Evans
at Med Week
September 29, 2003
[As prepared for delivery]**

Thank you for that introduction, Ron (Langston, MBDA Director)... This is my third MED week – I'm glad to be back...

About two weeks ago, Ron and I visited New Jersey to meet with some minority business owners. Two things struck me:

- 1) What a great leadership Ron Langston provides for the MBDA.... And
- 2) How minority business owners are more than just entrepreneurs – they're community leaders... they're at the strategic center of creating jobs and building a better life for their neighbors.

You are expanding the American Dream by bringing opportunity to economically challenged communities; resources to poverty-stricken neighborhoods; and better jobs to under-employed cities. You represent the greatness of America.

America's minority businesses owners have accomplished a lot.... In the 1990s, minority-owned businesses were the fastest growing segment of the US economy [30% growth rate between '92-'97]. Standing alone, America's minority-owned businesses generate more economic output than Australia's entire economy... But there is more work to do.

ECONOMIC UPDATE

Our country's been through some challenging times: First we were hit by a recession, then 9/11, then corporate scandals, and the ongoing global war on terror.

President Bush came to office to solve problems – not pass them on to future generations. To create the conditions for jobs growth, the President passed three tax relief packages, cracked down on corporate wrongdoers, and opened markets to American companies.

Thanks to the President's leadership, we now have the right fiscal and monetary policies in place to see accelerated growth and job creation. Already this year:

- Disposable personal income is up 3.4 percent
- GDP growth was 3.3 percent in the second quarter
- The value of U.S. stock markets has increased \$2 trillion.

SPREADING PROSPERITY

But people only feel the recovery if they own some of it. As the President said this spring, "an ownership society is one in which people have more hope for the future."

We live in an ownership society – 28 million Americans own small businesses – but minorities own disproportionately few.
[14% of firms, 27% of population]

That's why this Administration is so committed to unleashing the entrepreneurial spirit in America's minority communities.

When Ron and I were in New Jersey, we visited the folks at Integrated Packaging Corporation. They make boxes and shipping material.

It's the largest African American-owned and operated manufacturing facility of its kind in the U.S.

The President of the company, Joe Wilson, is here today.... Joe told me his factory floor is a pretty good indicator for the rest of the economy. He said when the economy heats up; businesses order more of his boxes.

The factory floor was busy when I visited – which tells me the recovery is underway.

Joe Wilson's company is feeling the economic recovery – but it's still facing the same long-term challenges as other American manufacturers.

MANUFACTURING INITIATIVES

To help create more American manufacturing jobs, six-months ago I created a Commerce manufacturing task force.

Manufacturers told us they can compete with anyone's blue collars and white collars – but not if they're wearing choke collars.

They said indirect business costs like health care and junk lawsuits are choking their businesses. I think that's a message any of you could relate to.

A little while back I met Francisco Salas, the President of CSR Construction, part of the US Hispanic Chamber of Commerce family – an organization the MBDA helped create.

Francisco told me he was having trouble staying competitive.

He said run-away regulations and skyrocketing insurance costs are driving up the costs of business, making it hard for him to compete.

That's why the President is cutting needless government regulations... And calling for Associated Health Care Plans (AHPs) and tort reform.... So health insurance and junk lawsuits don't bankrupt good businesses.

PURSUIING THE GLOBAL ECNOMY

We also need to expand opportunity by opening new markets to America's minority-owned businesses.

That's why I sent Ron Langston to Ghana, South Africa, Botswana, and the AGOA Conference (Africa Growth and Opportunity Act) ... And it's why I'm sending him back to Africa next month....

And I want you to know about our Foreign Commercial Services – we have people on the ground in more than 250 offices here and around the world – standing ready to help you sell your goods in their markets.

Bottom line: With every policy we ask ourselves – does this make it easier or harder for American businesses to compete? We want to create a climate where businesses can succeed and create new jobs...

ACCESS TO CAPITAL

Before I joined the Bush Administration, I spent 26 years in the private sector. I ran a company. I met a payroll, and I looked for opportunities to grow our company — I've been cycle tested.

I know the challenges of raising capital – venture capital, equity capital and debt capital.

And so I understand the importance of MBDA's Access to Capital initiative.

Over the past year, the MBDA and the Department of Commerce have brought together financing experts and community leaders to look at the financial roadblocks facing minority-owned businesses.

I had the pleasure of meeting with the working group... and I'm looking forward to reading its findings this fall... but we're already taking action.

This spring the President signed tax relief to make it easier for small businesses to raise capital.

Earlier this month I met Annis Alston, an African-American woman who just opened her third McDonalds Restaurant. Annis told me she'd been planning to expand her business for a while, but lacked the capital.

She said the only reason she was able to expand now was because of the higher expense deduction limits in the President's Tax Relief package.

I gotta tell you... That made me feel pretty good.

She said the President's tax relief empowered her to buy the equipment she needed to make more French Fries and Big Macs ... and create a dozen new jobs in her community.

DIRECT INVESTMENT

Tax relief is just one way we are expanding minority businesses' access to capital.

Through MBDA we are embarking on the Strategic Growth Initiative, a new initiative to help minority-owned businesses access the debt and equity financing they need to grow.

Government can do a lot to promote long-term access to capital for your businesses... On the most basic level, we can develop better financial data about the strong performance of minority-owned firms, thereby attracting more investors to your businesses.

HOME OWNERSHIP

We can also bring capital to minority neighborhoods by expanding home ownership. For average Americans, most of their wealth is invested in their home and mortgages. Three-quarters of White Americans own their own homes.

But less than 50 percent of African-Americans and Hispanic-Americans own their own homes. We can do better.

That's why the President has set a goal of helping 5.5 million more minority citizens become homeowners by the end of this decade.

You know why this is so important?

Most entrepreneurs tell me they started their enterprises on their kitchen tables, or in their garage...

We are proposing greater tax incentives for people to build homes; and down payment assistance to people who want to buy a home, but don't have the capital. Often, the equity in our homes provide the seed capital to start a business.

SPREADING AMERICAN DREAM

Having a job; owning your home, and starting a small business is all part of achieving the American Dream.... Because what is the American Dream? It's being able to provide for your family...

Twenty years ago, President Reagan predicted that, "a thriving minority business community will be instrumental in bettering the lives of those formerly excluded from the prosperity enjoyed by most Americans."

Today – looking at all of you – President Reagan's prediction has come true.

This Administration is proud of its partnership with minority-owned businesses in America...

We are also proud to serve with the finest Vice President America has ever seen.

Dick Cheney understands the challenges you face as business owners; he's met a payroll...

He has served you and country with the highest moral standards and total integrity throughout his life...

It is now my honor to introduce the Vice President of the United States, my friend, Dick Cheney...