

**Remarks by  
U.S. Secretary of Commerce Donald L. Evans  
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**[As prepared for delivery]**

Thank you Ken (Juster) for that introduction. And thank you for your leadership of the Bureau of Industry and Security. On behalf of President Bush, let me welcome everybody to Washington. I want to thank you all for coming to find out the latest news about our policies for international export controls. Obviously, protecting our national security has been the top priority since 9/11, and for good reason. But at the same time, we want the export control process to be as easy as possible. And we want it to be as transparent as possible. We appreciate your cooperation.

You know, I tell people all the time — as President Bush so strongly believes — governments don't create wealth, they don't create prosperity. What they can do is pursue the right fiscal and monetary policies so you in the private sector can create the wealth, prosperity, opportunity and jobs. When it comes to trade, companies engaged in exporting create roughly 25 percent of the growth in our economy, and employ 12 million workers.

In this new world of globalization, there is only one road to peace and freedom and security and prosperity for all. And that's the road of economic growth and economic development and trade. Last week, that road took me to Iraq and Afghanistan.

Friends, the trip was an eye-opener. I saw for myself the triumphs and successes of freedom you are not always seeing in the media. Iraq and Afghanistan face very different challenges. But both countries are making tremendous strides. There are many hurdles to overcome, many sacrifices left to make, and much work left to do. But we're committed to the task. We are committed because the freedom of Iraq and Afghanistan is a worthy goal. It will bring stability to that part of the Middle East, and serve as a model for self-government. Every day there are new signs of progress.

In Iraq, I visited with a handful of the thousands of new business owners. I participated in the launch of the new Iraqi currency. I also visited students at Baghdad University.

All 22 universities and 43 technical institutes and colleges are open, as are nearly all the primary and secondary schools. We are making rapid progress in other areas. For example: Iraq is producing more electricity than before the war. And we've vaccinated millions of children. I can report that after decades of oppression, the entrepreneurial spirit is showing itself on the streets of Baghdad and Kabul.

Seeing the entrepreneurial spirit flourishing in Iraq really makes me optimistic about our ability to build a prosperous and free Iraq that will stand as a beacon of hope and self-government for oppressed people everywhere. The power of freedom and hope are the most powerful weapons you can put in any individual or nation.

We are fighting for freedom in Iraq and Afghanistan and around the world because it is important for the safety and security of our children and grandchildren.

And it is vitally important for our national and economic security interests.

President Bush came to office to solve problems not to pass them on to future generations.

On the home front, the American economy has 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.

The President responded decisively to these challenges with a pro-growth agenda:

- 3 tax relief packages
- Crackdown on corporate wrongdoers
- Doubled the number of trade agreements
- We are pushing our 6-point plan: health care reform, cut regulations, permanent tax relief, tort reform, national energy plan and expand free trade.

The U.S. economy is beginning to show results. Already this year:

- GDP grew at 3.3% in second quarter
- Disposable personal income is growing 3.8%
- U.S. stock markets added \$2 trillion in value.

Last month, the economy created 57,000 new jobs – the first gain since January

But, while the economy is showing renewed signs of strength, too many Americans remain unemployed.

One sector of our workforce continues to face big challenges: Manufacturers. When you look at all the jobs lost over the last few years, over 80 percent of them are factory jobs.

Recently, I visited D&G Machine Products up in Portland, Maine. I met many of the workers and the President of the company, Duane Gushee. Duane doesn't see himself as just creating machine parts. He's in the business of creating jobs. So it pains Duane that he's had to let some people go over the past few years.

But Duane is an optimist. He's confident things are going to get better. He believes the President's Jobs and Growth Packages are going to help get the economy going – which will increase demand for his products.

And he was also excited about the President's manufacturing agenda. It will deal with the problems facing America's manufacturers that previous Administrations have ignored. First, we will address the unfair practices that some foreign competitors use to exploit our open markets. We understand the value of competition. Competition leads to innovation, growth, and a higher standard of living. But some of our trading partners haven't fully embraced fair competition.

Later this fall, I will visit Asia to drive home our message: the Bush Administration expects our trading partners to compete on a level-playing field.

Now that President Bush has Trade Promotion Authority, we're negotiating trade agreements to open new markets. We're working to create a Free Trade Area of the Americas. This summer the President signed free trade deals with Singapore and Chile. And we're working on deals with Costa Rica, El Salvador, Guatemala, Honduras and Nicaragua.

Despite the setback in Cancun at the WTO talks, we will aggressively pursue the Doha Development Trade Agenda through the World Trade Organization.

We simply must open markets and reduce subsidies that distort normal and fair trade relations.

We're reaching out to new markets in other ways. For example, we created the U.S. - India High Technology Cooperation Group in an effort to expand trade -- consistent with our national security and non-proliferation objectives. This is a major step forward in our commercial relations with India.

Another example: Last fiscal year, our Bureau of Industry and Security successfully advocated for defense contracts worth some \$4.5 billion. This level of defense trade not only supports U.S. companies -- but it enhances international security.

Clearly, expanding international economic security is every bit as vital today as promoting free trade. After all, what good is free trade if terrorists are disrupting local commerce? Sensitive exports destined for those who would attack us or our friends are a clear and present danger. Such illicit transactions undermine the world free trade system. The economic costs are significant. There's the obvious expense of rebuilding infrastructure in the wake of an attack. But there are even greater indirect costs.

I'm talking about the high cost of terrorism. The business opportunities lost due to the fear of investing because of unstable economic and security conditions. By taking steps to prevent terrorists from acquiring our technology, we avoid having to impose far more sweeping and rigorous controls that would hamper exports to countries with friendly and responsible governments.

Let me highlight some of the things we're doing.

First, we're working closely with our allies and friends.

We work with them through four multilateral regimes.

- The Missile Technology Control Regime;
- The Nuclear Suppliers Group;
- The Australia Group for chemical and biological non-proliferation;
- And the Wassenaar Arrangement for conventional weaponry and dual-use items.

These four regimes are the backbone of our export control program. At a minimum, we're going to make certain that all group members fully understand, and fully

comply, with their obligations. But we also want to strengthen these regimes. For example: we need to share more information about new technological developments. And we need to know more about the end-users who might seek to illegally acquire controlled items. We also should improve coordination. This would minimize the possibility that one partner denies an export only to find out later that another partner approved a similar transaction.

Second, we need to work with countries that aren't members of these regimes.

There are a number of countries that export products that can be used to develop weapons of mass destruction, delivery systems, and advanced conventional weaponry. Even though they may not have joined one or more of the export control regimes, we still need to reach out to them to secure their support for non-proliferation.

Our Bureau of Industry and Security is leading the effort. Ken and his team are helping these countries develop their own export control programs within the context of their domestic legal systems.

Another area of focus is the Trans-shipment Country Export Control Initiative.

Ken is also spearheading this initiative. We're working with countries that don't necessarily make the products but that can serve as trans-shipment or diversion points. We've been actively engaging foreign export control agencies in key countries to target illegal diversions. And this effort is not limited to government cooperation. The very nature of global commerce demands that we work directly with companies involved in the transportation of sensitive goods to enlist their support.

Finally, we must do more to stop weapons proliferation.

We must deter nations that have the capabilities to manufacture weapons of mass destruction (WMDs). There are a number of countries that are able to develop WMDs on their own. In such cases, export controls may delay, but they cannot deny development of such weapons systems by countries determined to produce them. For that reason, we need to approach these countries. We must secure binding commitments against making WMDs and developing missiles.

Just as important is ensuring that countries comply with the terms of the arms control and non-proliferation treaties that they have ratified. Treaty ratifications must be more than just public ceremonies intended to attract international attention.

Specifically, we're pressing countries that have signed the Chemical Weapons Convention (CWC), and the Biological Weapons Convention to enact the necessary domestic legislation to enforce these treaties.

Our Bureau of Industry and Security has taken the lead in helping countries comply with the chemical weapons treaty. I'm pleased with the progress being made. The Bureau has the most comprehensive and effective chemical weapons industrial compliance program. It has the best people in the world to assist other countries in developing effective programs.

Before closing, let me make a final point. In fact, it is the most important point I want to make today. Government may make the policy. But the private sector is best

able to carry it out. This effort is a partnership. We can't have an effective export controls policy without a strong corporate commitment to effective internal controls and accountability. This is clearly a partnership with mutual interests. No legitimate company wants to be associated with sales destined for rogue nations. No company wants to indirectly support terrorist groups. No company wants to facilitate weapons proliferation. So, we need to work together for our common objectives.

This Conference is an extraordinary opportunity to expand, and to deepen, this vital partnership between government and industry. I'm privileged to be a part of it. And I am privileged to serve this President and to serve this nation at this crucial time in our history.

Thank you.

God bless you, and God bless America.