

**SECRETARY DONALD L. EVANS
REMARKS TO AMERICAN CHAMBER OF COMMERCE
PRAGUE, CZECH REPUBLIC
DECEMBER 15, 2003**

[As prepared for delivery]

Thank you Mr. Ambassador (Craig Stapleton) for that kind introduction. President Bush told me about his wonderful visit to Prague. I'm delighted to be here and to see it for myself.

Wherever I travel in the world, I always want to meet with the American Chamber of Commerce and personally say thank you.

You are growing the economy and creating jobs and opportunity here and at home by expanding trade.

You're also strengthening America's reputation by working at the highest ethical and business standards and practicing corporate stewardship.

This is certainly true here in the Czech Republic. After the devastating flood last year, your companies responded immediately to help the Czech people.

You assisted the victims. You repaired physical damage. You worked to expedite an economy recovery. Amcham donated over \$2 million and contributed to various relief funds and efforts.

You also partnered with U.S. pharmaceutical companies to provide vital Hepatitis A vaccines.

You were truly good neighbors in a time of need.

As Amcham members, you bring capital, know-how and the American can-do spirit. And you are contributing to the remarkable growth and transformation of the Czech economy. I congratulate you.

U.S.-CZECH RELATIONS

Our countries have a strong friendship based on common values. We both love freedom and democracy. America is proud, and thankful, to partner with the Czech Republic in the war on terror.

Here, we have a steadfast ally who understands firsthand the power, and price, of freedom. The Czech Republic is an ally who has seen the evils wrought by tyranny. And the people here are now benefiting from the rewards delivered by democracy.

Americans are honored by this nation's support and friendship. As President Bush said, "...my nation is proud to call the Czech Republic friend."

US-CZECH ECONOMICS

The United States is committed to building an equally vibrant economic and commercial relationship with the Czech Republic.

As you all know, the brunt of the task falls on your shoulders, and those of your Czech partners. Government has a role to play as well.

I will be meeting with Minister Urban, President Klaus and Prime Minister Spidla later today.

My message is straight-forward: they should work with you to create the conditions needed to attract more investment and to grow the Czech economy.

The United States has a significant trading relationship with the Czech Republic. Our bilateral trade was \$1.8 billion last year. U.S. investment in the Czech Republic was \$4 billion.

But we can do better.

The U.S. government is eager to work with you and the Czech government to see our trade expand even more.

At the Department of Commerce we have an aggressive team in our Commerce Service. Our Central and Eastern Europe Business Information Center and other offices are working hard to grow the American presence in the Czech market. Other U.S. government agencies also are active. The Trade Development Agency funded feasibility studies and missions. The Overseas Private Investment Corporation is ready to invest significantly in the Czech Republic and other Central and Eastern European nations.

This spring, OPIC will announce a new manager for a \$100 million fund for the region.

The Czech Republic is set to attract significant capital from this fund. Other countries in the region also will benefit.

IRAQ UPDATE

As you know, the Czech Republic is a key ally in the war on terror. It is playing an important role in the coalition's efforts to liberate and rebuild Iraq.

A few weeks ago, I was in Iraq. Believe me, our efforts are improving the lives of the people there. During my trip, I saw for myself the triumph of freedom.

I visited 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 institute and colleges are open, as are nearly all of the primary and secondary schools.

We're making rapid progress in other areas. Iraq is producing more electricity than before the war. We've vaccinated millions of children.

I can report that after years of oppression, the entrepreneurial spirit in Baghdad is alive and well.

Seeing the entrepreneurial spirit flourishing in Iraq makes me optimistic. Our troops and the coalition forces there are engaged in a difficult mission. But, as President Bush said: "We will win because our cause is just."

And a prosperous and free Iraq will stand as a beacon of hope and self-government for oppressed people everywhere.

But to succeed in Iraq, we must stay the course and rebuild after years of neglect.

The United States is allowing Czech firms and other Coalition-based companies the opportunity to lead on U.S.-funded prime contracts and participate as subcontractors.

These are clear signs that the United States and the Czech Republic are not only partners in the liberation of Iraq, but that we will be strong partners in Iraq's reconstruction.

ECONOMIC UPDATE

We're fighting for freedom in Iraq and Afghanistan because we know a free world will be a more secure and prosperous world.

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

On the home front, the President responded decisively to our economic challenges with a pro-growth agenda:

- 3 tax relief packages
- Crackdown on corporate wrongdoers
- Doubled the number of trade agreements
- President's 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 responding:

- GDP grew at 8.2% in third quarter
- Disposable personal income is growing 3.8%
- U.S. stock markets added \$2 trillion in value.
- Last week the DOW hit 10,000 for the first time in 18 months.
- Last four months: economy created 328,000 new jobs
- Low interest rates and inflation
- Record home ownership
- Rising consumer and business confidence

U.S.-EU RELATIONS

While the US economy is recovering, we cannot reach our full potential without a robust European Union.

In recent years, slow economic growth in Europe has hurt the US and global economy. It's in our mutual interest for the EU to have a strong, growing economy with rising demand for goods and services.

Both the United States and the European Union are committed to liberalizing transatlantic trade.

Clearly, trade leads to more competition, more innovation, more productivity and a better quality of life for all our citizens.

We have ongoing efforts on several important free-trade issues. They include negotiating an open-skies agreement; cooperation on financial services, and joint work on the Hydrogen Economy.

We are also working to expand trade by dealing with trade barriers posed by unnecessary standards and regulations.

And we are encouraged to see the EU add 10 new members, including the Czech Republic. It's good news for business when you have 25 countries playing under the same rules.

And despite what some pundits are saying: we strongly believe that Czech membership in the EU will broaden and deepen American economic and political cooperation with the Czech Republic.

FUTURE OF DEMOCRACY

Europe and the United States have a shared history – and a common future. On 9/11, terrorists killed citizens from over 80 nations around the world.

The killers made it clear that anyone who loves freedom is a potential target.

But President Bush has drawn a sharp line in the sand. He is committed to working with our allies in Europe to stop the terrorists by spreading democracy.

The Czech Republic understands that nobody is beyond the reach of liberty. So when we hear rhetoric from terrorists in the Mideast that Iraqis are not qualified for democracy – it's no surprise Czechs are skeptical.

This shared mission has brought the Czech Republic and America closer than ever. Now is the time for us to take full advantage of the opportunities for trade and economic growth created by our friendship.

All of you here today are soldiers in this fight. All of you have a vital role in helping strengthen our commercial and economic relationship. So let's get moving.

Thank you... Who has the first questions?