

Remarks on the American Economy
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Thank you for that kind introduction.

Let me share the most important lesson I've learned after September 11: You can't have economic security without national security and national security requires economic security.

I've known our President for 30 years, I've seen him under stress, I've taken his full measure, and this is what I know: He is the steady, principled, determined, and decisive leader that we need to defeat terror and expand freedom.

At the moment of crisis, he does not wobble, he does not wander, he makes a decision and he sees it through. You can count on him 100 percent of the time.

The post-9-11 world demands steady, unshakeable leadership from the leader of the free world.

My message to you is this: I know our President well and he is a leader with the courage and the vision to build a more peaceful and prosperous world.

Now, let me talk to you about the President's economic leadership.

When the President looks at all of you, he sees the backbone of America's economy and the best hope for Americans seeking work.

This year there are 25 million small businesses that will get tax relief because of the President's plan. Those small businesses consistently generate 70 percent of the new jobs in our economy.

Some in Washington look at you differently. They say it was wrong to let small business owners keep and invest more of the money you earn.

These politicians see small business owners as fiscal prey for a giant, predatory tax to feed big government. Their plan to tax small business owners would do grave damage to our economy.

This much we know: Euro-style tax increases will bring Euro-like double-digit unemployment.

Thanks to President Bush's pro-growth incentives, Americans are saving, spending, and investing again. We're back on the move.

The unemployment rate is now 5.4 percent—down from 6.3 percent last year.

Tonight, millions of lights will burn late across America. It will be our national

optimism and a keen sense of individual responsibility inspiring the next wave of inventors, entrepreneurs, and small business owners.

The “can-do American spirit” is just optimism rolling up its sleeves and going to work. But some in Washington try to plant fear about the future.

Pessimism never won a war. Pessimism never cured a disease. Pessimism never won a World Series. America succeeds on our optimistic and positive outlook.

It’s sad to see economic pessimism used for personal gain and political power. You can’t lift people up by tearing our economy down.

A strategy like that is a lot of things but leadership isn’t one of them.

A leader inspires the country to reach its potential. President Bush trusts the people.

The President knows that Americans make wise economic decisions with their hard-earned money and that they possess a work ethic that is the envy of the world.

We’re growing stronger and better than ever. But to understand where we are, you need to remember where we’ve been.

President Bush took office on the bust side of a boom-bust cycle. He inherited a recession.

It began with the dot-com implosion and a stock market collapse.

Terrorists attacked us on September 11. Then we faced a wave of corporate scandals. These seeds of deception and deceit were planted in the 1990’s.

Families and businesses postponed spending decisions during the march to war.

President Bush led us back to growth and his leadership is central to building an opportunity and ownership society. The goal is expanding the economic pie for every American.

We’re seeing strong long-term economic trends. More Americans are working today than have ever worked before.

The unemployment rate is lower than the average rates of the 1970s, 1980s, and 1990s.

We’re the world’s fastest growing major, industrialized economy. Over the last four years productivity posted the fastest rate of growth in 50 years.

Take-home pay increased by 3.5 percent last year—faster than the averages of the 1970s, 1980s, and 1990s.

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Tonight, more Americans will be returning to a home that they own than on any evening in our history.

The U.S. is the world’s leading exporter.

At the same time, interest rates, mortgage rates, and inflation are all down near historic lows.

The record is clear: The trends are our friends.

We're having a defining debate between two very different economic visions.

President Bush knows that people will succeed if government creates conditions friendly to the entrepreneurial spirit.

By contrast, the President's critics offer higher taxes and a larger federal government.

They've lost confidence in America because they assume that Americans have lost the ability to compete, learn, and succeed.

The pessimistic view of these critics is defeatist, elitist, and condescending. It would mean more government control, less individual responsibility, and less economic freedom.

It would make it harder, not easier for American workers and small businesses to compete and create jobs.

We see the economic tide rising and know that it is expanding opportunity for every American.

The choice is clear: Greater economic freedom and rising prosperity or higher taxes and bigger government.

President Bush's policies are strengthening American families.

Under the President's package, 43 million families with children-the backbone of the middle class-have received an average tax cut of \$2,090/yr.

Our critics say it's time to raise taxes on millions of small business owners. Has anyone bothered to tell them that small businesses create 70 percent of the jobs in America?

They made this movie during the 1970's and here's the sequel: It's Big Government Part 2.

Raising taxes is blind ignorance about how our economy works. Without President Bush's tax relief, three million people could have lost their jobs, according to the Treasury Department.

President Bush's tax relief is helping American families realize their dreams. Entrepreneurs, risk-takers, and small business owners are using their added resources to invest in new equipment, expand their companies and hire new workers.

Americans are now keeping more of their income. But to continue our progress and create opportunities for every American, we must maintain the President's pro-growth policies.

President Bush knows that some parts of the country have been slow to adapt to our changing economy. He has a strategy to help these areas in transition.

Opportunity Zones are designed to help neighborhoods that are struggling in the transition to the 21st Century economy.

Areas that qualify move to the front of the line for federal assistance, this includes help like after school training, community based job training grants, other federal grants and loans, and New Markets Tax Credits.

Let me expand a bit on the last element. The President has several tools to stimulate job creation by encouraging companies to set-up in and hire workers from Opportunity Zones. Small businesses are at the heart of the effort. Small businesses with less than \$5 million in revenue could see rate reduce reductions that could approach 50 percent.

Small businesses located in the Opportunity Zones will also be able to double their current business expensing deduction.

Employers in the Zones will also be encouraged to hire Zone residents and welfare recipients through a unified wage tax credit.

This initiative is targeted at both urban and rural communities that have lost a good deal of their economic base, for example manufacturing jobs.

A competitive process will determine the 40 communities that best meet the "community in transition" criteria.

This program relies on the hope and opportunity of the American people because President Bush knows that, on a level playing field, Americans will succeed every time.

However, some of the President's critics are using fear to darken optimism about the future. Some of them are talking about the Great Depression.

The pessimists bringing up the Depression also want America to wall-off our economy from the world. They say that rejecting new trading agreements and erecting trade barriers will strengthen the U.S. economy by insulating it from competition. The opposite is true.

Economic isolationism is rooted in pessimism. A retreat from free and fair trade would isolate U.S. businesses from the global economy and endanger 22 million Americans whose jobs depend on exports, imports and foreign investments.

Millions of manufacturing workers depend on exports for their jobs.

America is the largest and fastest growing major economy because it is also the most open economy.

The economic isolationists would deny economic freedom to the American people.

Competition is healthy; isolation would weaken us.

The U.S. is still by far the world's largest manufacturer. Factory activity has been heating up this year.

Manufacturers have added 107 thousand workers since January.

The level of manufacturing orders recently hit its highest level in 20 years. Even

standing alone, the U.S. manufacturing sector would still be the 5th largest economy.

President Bush's economic vision built the foundation for long-term prosperity: The next ten years could bring the strongest economic performance any of us has ever seen.

But a strong, competitive, and prepared economy takes action. President Bush has a strategy to carry out his economic vision for a stronger America. The plan starts with legal reform.

We've heard talk about pressures on the middle class. If anyone is squeezing middle class Americans it is the Senate obstructionists blocking the President's economic plan.

Junk and frivolous lawsuits are one of the heaviest burdens on our economy.

Junk lawsuits are saddling the American middle class with a Tort Tax that adds up to over \$3,200 for a family of four.

And less than a quarter on the dollar goes to compensate victims for their actual economic suffering while trial lawyers take huge profits.

We need to see action on lawsuit reform.

We need action on the President's energy plan.

We need to lower health care expenses.

We need to lower regulatory burdens. After all, one study found that the cost of federal regulations falls most heavily on small firms with fewer than 20 employees-- \$6,975 per employee.

We need to continue opening new markets for American goods and services.

We need to make President Bush's tax relief permanent so families and businesses can plan with confidence and certainty.

And we need to provide workers with the skills to succeed in the highly skilled jobs our economy will create.

Replacing obstruction with action on the President's plan will give American workers and middle class families their best chance for success.

By any measure, America is positioned for strong and sustainable growth.

We're growing because the President's economic leadership allows us to pursue sound fiscal and monetary policies.

We're growing because President Bush lowered taxes. But the main reason we're growing is because of the hard work, entrepreneurial spirit, and optimism of American small business owners.

Those who bet against America by playing pessimism cards are playing a losing hand.

America is a country in bloom, not a country in doom and our bright future continues to be guided by optimism and freedom.

Thank you all and thank you for everything you're doing to expand opportunity and create jobs. Now, I'll be happy to take a few questions.