

**REMARKS BY
SECRETARY DONALD L. EVANS
TO THE ASSOCIATED GENERAL CONTRACTORS OF AMERICA
WASHINGTON, D.C.
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(Text As Prepared for Delivery)**

Thank you Jim (Waltze) for that kind introduction and for your work with this great organization. I hear we have something in common. Jim started in 1973 as an employee at Griffith Company in Santa Fe Springs, California and worked his way up to CEO. (He was an estimator) I know a little something about that job track myself.

I also want to tell you congratulations, Jim. I understand your company is celebrating 100 years of quality service this year. That's quite an achievement.

It's a pleasure to be here today with the nation's largest and oldest construction trade association. Eighty-six years ago, President Woodrow Wilson asked the large construction firms to form an organization and address mobilization problems that cropped up during World War I. Today, contractors are still answering America's call: by providing quality service and promoting economic development.

And you are contributing to our economic growth. In fact, it's the construction sector that is driving our expanding economy. You are, literally, building up America.

House construction and development is leading the recovery in many areas. Just this week, latest figures show that new home sales rose by 9.4 percent in August, the biggest increase in four years.

Home builders constructed more than 1.8 million new homes and apartment units last year. A record 1.1 million homes were sold last year. And we expect to exceed those figures this year.

The housing boon has helped contractors like you, who do the projects that support residential infrastructure – the grocery stores, the hospitals, the schools. Nonresidential building is up by 2 percent so far this year. Office buildings and hospitals are topping the list of additions to our communities. I don't know about you, but to me that spells growth. So, as Secretary of Commerce, let me thank you for all that you do to contribute to our economic cycle.

I've got good news. We're seeing signs of economic strength every day in the American economy. Thanks to President Bush's pro-growth incentives, Americans are saving, spending and investing again. We're back on the move. And we're seeing strong long-term economic trends.

I mentioned the home construction numbers earlier. Well, homeownership is at an all-time high – 69 percent. More than half of minorities now own a home. Interest rates, mortgage rates and inflation remain low. Unemployment is at 5.4 percent, lower than the averages of the 1970s, 1980s and

1990s. Our nation has added new jobs every month for the past year with a total of 1.7 million jobs.

That's more jobs than the nations of Germany, Japan, Great Britain, Canada and France were able to create combined.

More Americans are working today than at any other time in our nation's history.

People's pay-checks are getting bigger. Take-home pay increased by 3.6 percent last year – faster than the averages of the 1980s and 1990s.

The U.S. economy is the fastest growing major industrialized economy in the world.

Americans manufacture more goods than any other country in the world. And factory activity has been heating up this year.

Manufacturers have added more than 100,000 workers just since January. Factory orders in July were at their highest level in four years.

We're also the world's leading exporter.

The record is clear: The trends are our friends.

The American economy is growing stronger and better than ever.

But you know, to understand where we are, you need to remember where we've been. Our nation's economy has been through a lot the last four years. We saw the dot-com bubble burst and the stock market collapse.

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

Corporate scandals shook the public's confidence.

We were attacked by terrorists on our homeland . . . and lost nearly a million jobs in the three months after the attacks. And we waged the war on terror.

But President Bush is a steady, principled, determined and decisive leader.

He has addressed and tackled these issues head on. He is leading our nation on a path of growth and opportunity.

Unfortunately, some in Washington try to plant fear about the future. But pessimism never won a war. Pessimism never cured a disease. Pessimism never won a World Series. Pessimism never built a community from the ground up and watched it grow. 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. He 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.

Ladies and gentlemen, we're having a defining debate between two very different economic visions. President Bush knows that people succeed if government creates conditions friendly to the entrepreneurial spirit.

The President's critics offer higher taxes and a larger federal government. They raise taxes for the worst possible reason: just because they're convinced they can.

You're all in business, have you ever considered why the President's critics trust you to earn your own money for THEM to spend . . . but they don't trust you to earn your own money for YOU to spend?

The President knows that if you want to get less out of something, you tax it more...If you want to create more jobs you tax people, and companies less.

President Bush's policies are strengthening American families. He has pushed for not one, but four rounds of tax cuts. And by the way, President Bush sends his thanks to the contractors. This organization understands the importance of tax relief and you've supported this Administration from the very beginning.

For a family of four earning \$40,000 a year, the first three cuts mean they now pay nearly \$2,000 less in federal taxes – enough to pay the average home electricity bill for more than a year, or fill up your gas tank for a year.

For the 25 million small business owners, the Bush Administration tax cuts mean average savings of \$2,853 this year.

The fourth tax package, which passed Congress last week and the President intends to sign, allows families and small businesses to once again plan with certainty. It extends provisions like the \$1,000-per-child tax credit and the tax credits for married couples. It also expands the 10 percent tax bracket.

It's a good package for American families and businesses. And it will keep our nation on the path to prosperity.

There are some who try to ignore our progress. They don't want to acknowledge the elephant in the room: President Bush's tax relief is reviving our economy and putting Americans back to work.

As you all know, President Bush has charted a course for cutting the budget deficit in half in five years. We must fund our priorities of winning the war on terror, defending the homeland and creating jobs. But that means we have to hold the line on spending in other areas.

The President's budget proposes a responsible \$256 billion highway and transit bill. It's a 21 percent increase over the previous six-year period. And more importantly, it is responsible. President Bush has made it clear. He will only support a highway bill

that does not increase the gas tax, tap the Treasury or hide the true cost to taxpayers.

Let me be clear. We want a highway bill. We support a highway bill. But the Bush Administration will not fund it on the backs of American taxpayers.

Now, I want to address another issue of concern and that's the cement shortages that are being felt in certain regions of the country. I know these shortages are hitting your industry hard, and we are working to find a solution acceptable to all parties.

As you know, we are operating under an anti-dumping order on imports of gray portland cement from Mexico that was put in place more than a decade ago. That order, however, affects only Mexican cement that is sold in the United States at unfairly low prices, and does not establish any limits on the amount of Mexican cement that can be brought into our country.

In other words, the Administration is simply enforcing the law. We do not have the authority to unilaterally suspend the collection of dumping duties.

The Bush Administration has continued informal talks with the Mexican government and with representatives from the U.S. and Mexican cement industries. We have, and will continue to work to identify an alternative solution to continued operation of the anti-dumping order.

Let me close with this. 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 and unleashed the power of the American people.

And we're growing because President Bush is committed to improving the lives of every single person in this room. I've known our President more than 30 years, and he is a compassionate, sincere man.

I can assure you that this Administration will continue to work for you and your families each and every day. Thank you. I'll take your questions now.