

A Word from the Founder. . .



Creating enterprise excellence consistent with the highest standards of ethics and civic responsibility through best practices.

A Republic If You Can Keep It

It had been an extraordinarily hot summer in Philadelphia. To make matters worse, the 55 men who had been part of the Herculean effort had compounded their discomfort by insisting that windows and curtains remain closed so nothing could be heard on the street. That was all done now. The sun shown through, and there was the first hint of an approaching fall. The delegates moved by Dr. Franklin's eloquent expression of his own doubt as to the perfection of their product but plea that all join him, had completed their work. All but Rhode Island, which had not participated, was represented among the 39 signatures on their creation. As Dr. Franklin rose to gather with the departing delegates in celebration one last time, he happily concluded that he finally knew the sunburst on George Washington's presiding chair was a rising not a setting sun. The delegates were now in a rush to get back to their homes to let their states learn first hand about the new Constitution. Dr Franklin left in a small group with James McHenry from Maryland and was accosted by a Mrs. Powel who asked what kind of government the delegates had produced. "A republic, madam, if you can keep it" he responded.



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What is it especially about this form of government that would cause that response and what should we 217 years later take from it? George Washington in his first inaugural hinted at it in saying, "There is no truth more thoroughly established, than that there exists in the economy and course of nature, an indissoluble union between virtue and happiness, between duty and advantage..." But it was left to John Adams, in his characteristic unvarnished language in 1797 to spell it out.

"We have no government armed with power capable of contending with human passions unbridled by morality and religion. Avarice, ambition, revenge, or gallantry, would break the strongest cords of our Constitution as a whale goes through a net. Our Constitution was made only for a moral and religious people. It is wholly inadequate to the government of any other.

Morality and religion were the keys to the new republic. Republics must rely on the moral rectitude of their citizens not to be sunk by the passions described by John Adams. Two centuries later our place in the world, the complexity of our lives and the fabric of our state is assaulted by strains undreamed of by those good men. Yet the secret to our continued success remains in us just as it did then. The simple values endure. Dr. Franklin, ever the pragmatist and not an overtly religious sort, looked at it from the perspective of what was best in this world in saying "God is very good to us, Let us...show our sense of His goodness to us by continuing to do good to our fellow creatures." This was a personal duty and remains at the core of our obligation to each other. The delegates would be amazed at the array of government distributed largess today. In their view, Man has a duty to be charitable. Man has a duty to care for his

Crisis and Opportunity: Medical Care in the United States by Devin Eakes

While earning a PHD and an MD from two highly celebrated schools would be more than a lifetime's achievement for most, it was just the beginning for Dr. W. Leigh Thompson. Dr. Thompson, born in Charleston, SC, is a graduate of both The College of Charleston and The Medical University of South Carolina where he earned his PhD in Pharmacology and was one of the inventors of Hetastarch, the universal blood substitute.

Following his PHD from MUSC, Dr. Thompson entered Johns Hopkins Medical School where he earned his MD. After receiving his MD, Dr. Thompson continued at Johns Hopkins, where he served as head of the critical medicine unit and created the school's first Intensive Care Unit (ICU). Dr. Thompson has also created similar units at Case Western Reserve and at NIH.

Dr. Thompson ultimately decided to leave the academic world to enter the private sector. As Chief Scientist at Eli Lilly and Company he researched new and experimental drugs that would better society's standard of living. While with Eli Lilly and Company, Dr. Thompson was instrumental in the creation of Prozac. The antidepressant medication Prozac has gone on to become the most prescribed drug of its kind, since it was introduced to the public in 1986. Dr. Thompson returned to Charleston in 1993 to care for his ailing mother and has continued to serve on corporate boards and consult. Dr. Thompson has agreed to work with the Free Enterprise Foundation in an examination of "Best Practice" in medical care and drug development. Filmed at his home, this FreeEnterprise.tv ©production will be available on our website in the Fall. It will present practical suggestions for taking on our medical care crisis

Dr. Thompson also cannot help but speak of one of his greatest loves, Charleston. He reflects back to when Charleston was founded and the conditions, that had to be endured to reach the still untamed land of America. As Dr. Thompson makes known, there must have been some great desire, some great reward which drew the early inhabitants to Charleston and made them willing to leave so much behind. To start anew with so little, these people must have had some great yearning which kept them motivated through all of their hardship. Dr. Thompson describes these yearnings and

"Why Charleston" in terms that continue to be identified with the City to this day. We know you will want to tune in to hear directly from him what it was.



Founder continued

neighbor. Most importantly, Man has a duty to live by The Ten Commandments. The Commandments weren't so much a religious precept as the core of a civil requirement for the continued health of our society. Dr. Franklin and his neighbors could and did set up libraries, fire companies, philosophic societies, orphanages and whatever was required for the general welfare. For Dr. Franklin, the array of government provided services we have today would be viewed as a threat to the liberty he cherished. To the extent of need, he believed voluntary organizations should spring up to meet it. We remain today among the most religious and charitable of societies. At the same time, we are among the most confused and irresolute in applying the lessons of our Fathers. I fear Dr. Franklin's response is even more relevant today than it was at our shaky beginning. We have too much government and too partisan a response to everything. There is not sufficient self-reliance, and the media build interest and sales by looking for shock and conflict in all they do, thus further dividing us. It remains our Republic so long as we can keep it. How long will that be?

Meet Our Management

William A. Finn

Vice Chairman

by DevinEakes

For a company to exist the better part of 200 years, it takes not only a steady profit margin and sound return on investments, but more importantly, it requires the fundamental essentials to make this possible. For paper machine clothing manufacturer AstenJohnson, these basics center on strong central leadership and the core values upon which the company is based. No where is this dedication to strong leadership more apparent than AstenJohnson's Chairman and CEO, William A. Finn. Mr. Finn, who has earned a master's degree in textile engineering, became the company's President and CEO in 1984. In 1994 he took on additional responsibilities as the company's Chairman. During his time with AstenJohnson, Mr. Finn has guided the company's survival by surpassing many of its competitors. This is significant in an industry that formerly had 18-20 companies, but has dwindled to about 5 major competitors.

AstenJohnson is the product of a merger that took place in September of 1999. This is when Asten and JWI Group, which had their beginnings in the 19th and 18th centuries respectively, formed a powerful combination we see today.

AstenJohnson is a leading international producer of paper machine clothing which helps to form, press, and dry a variety of paper grades. After the merger, the company became the second-largest North American paper machine clothing manufacturer. With products that are used globally and major facilities across North America and Europe, Asten Johnson continues to be a premier company in its industry.

A "normal" day for Mr. Finn involves a multitude of tasks ranging from traveling overseas for regular meetings with foreign managers to strategic planning and insuring the long term goals of the company are implemented. One of the most striking examples of this is the large investment AstenJohnson has committed to a future manufacturing plant in China. Having already purchased the large tract of land, which will permit already planned expansions, this project is scheduled to begin production by August of 2005. This is a plan that has been in the works for many years because, Mr. Finn believes in preparation over hastiness. His display of this trait is evident in the fact that he has spent several years insuring that AstenJohnson would have every advantage once operations in China are opened. This all begins with making sure a stable supply chain will be in place, ensuring highly trained and capable workers will be accessible, and, most importantly, particularly in a Communist nation, guaranteeing that AstenJohnson will have the support of the government. Through all of his actions, Mr. Finn continuously radiates that he is a strong leader, leading by example.

AstenJohnson maintains progress by adhering to a high standard for its core values, values which Mr. Finn personally promotes and displays. The Company has reached the top of its industry, not only by excelling in its business practices, but also by staying true to their high morals. The Company cares for its employees, customers, and community. "Excellence, Integrity, People, Safety, and Stewardship" are its motto. AstenJohnson strives to be the best in its industry by having "zero injuries, zero defects, 100% on-time delivery and world-class productivity."

As Mr. Finn would tell you, at AstenJohnson, there is a focus on "Integrity and commitment to excellence, while providing a fair return for our stakeholders." These stakeholders include associates, shareholders, and suppliers. One way in which AstenJohnson rewards its associates is by offering a company wide "Team Share" of the profits. Mr. Finn has also been known to refer to his own title of CEO by a unique acronym, "Customers Employees Owners", encompassing all the vital parts necessary to ensure success in a company. While getting a return on investments is necessary for all businesses to survive, it is only one of many goals at AstenJohnson. Two main areas the company and Mr. Finn focus on are dedication to employees (associates) and community involvement.

While still in college, Mr. Finn began working for then Asten. He started full time in 1972. Thirty years later, he found himself in the highest position in the company, that of both Chairmen and CEO. When confronted with morally challenging decisions such as plant closings and relocations, the impact upon the employees is heavily weighed before a solution is reached. Mr. Finn also believes in employee empowerment. To continually ensure that employees remain



Second Annual Meeting of Foundation's Board

The Free Enterprise Foundation Board held its second annual meeting on July 14, 2004 in The Citadel School of Business Administration Boardroom. In addition to the re-election of Governor Mark Sanford as its Honorary Chair, Paul Campbell as Chair and Bill Finn, Vice Chair, the board elected Ken Roozen, MUSC's representative on the board as Treasurer, Earl Walker from The Citadel as Secretary and Robert Freer as President & CEO. Paul Campbell, Bill Finn and James LaFond were re-elected to the Board through 2007.

A recap of FEF's first year was given with milestones being the publishing of two newsletters, several lectures and the establishment of a website so that, FEF is actively reaching a greater number of people quickly and efficiently. FEF's first year also saw significant financial contributions from C. Boyden Gray, Burton R. Schools, Holly Coors, The John F. Templeton Foundation, Lawyers for the Republic, Alcoa, AstenJohnson. The Citadel, MUSC, and The College of Charleston all made substantial in-kind donations that permitted The Foundation to commence operation much faster than would otherwise have been possible. The Board expressed its gratitude to all these donors

FEF continues its rapid development as it begins its second year. FEF continues looking into integrating more videos and movies into its website and making it a more interactive and informative site with better resources. FEF is also focusing on holding a Director Responsibility Institute in conjunction with its three principle academic partners.

FEF also hopes to continue spreading its message and possibly opening membership opportunities to area businesses. By becoming more focused on the short term and long term goals facing FEF, the Board intends to tackle all objectives head-on with enthusiasm.

Baker Fellows Announced

The President of the Free Enterprise Foundation has announced a substantial gift from Tommy Baker, President of Baker Motors and a longtime member of the faculty at The College of Charleston's School of Business and Economics and a member of The Foundation's Board. Mr. Baker's gift will permit the awarding of one year appointments for four promising students at the College, The Citadel and The Medical University of South Carolina to work with The Foundation in the development of its programs and advancement of its mission.

The Foundation's president in announcing the new grants said, "At the Free Enterprise Foundation we believe our Constitutional freedoms are bound with our economic freedoms. The Foundation is dedicated to safeguarding the principles of democratic freedom by strengthening the practice of free enterprise. The ability to put four graduate students to work as the first Baker Free Enterprise Fellows will materially aid us in our ability to advance our mission. We are very grateful to Mr. Baker for his generosity and confidence in the Foundation"

Finn continued

satisfied and content with their job and their surroundings, the company uses various surveys including the Q12 survey conducted by Gallup. These surveys are used company wide to ensure employees remain engaged as integral parts of the organization.

Mr. Finn also stresses the importance of a company and its employees becoming involved in the community in which they conduct their business. For this reason AstenJohnson employees are engaged in extensive volunteer activities that range from tutoring school children, feeding the homeless, and helping Habitat for Humanity. Employees are also involved in projects that highlight areas of the Charleston Community, such as repainting the Jenkins Orphanage.

Mr. Finn also actively involves himself in many events. While being both Chairman and CEO of a global company is very demanding in itself, it only goes so far in quenching Mr. Finn's thirst for involvement and stewardship. Outside of AstenJohnson, Mr. Finn is also involved with the College of Charleston where he is Chairman of the Board of Governors for the College's School of Business and Economics. Through this position he was influential as of late, serving on the committee to select the College's new Dean of the School of Business and Economics. Mr. Finn is also the Treasurer of the South Carolina Aquarium, Board Member of multiple organizations including Trident United Way, and Vice Chairman of the Free Enterprise Foundation.

Through all of Mr. Finn's multiple involvements, he is able, while at the head of a global company, to set a high moral and ethical standard and maintain a company that is tops in its field. He is proof that a well managed company with high morals and a strong civic responsibility does not have to sacrifice profits to be a good citizen.

NOISETTE: BUILDING THE NEW AMERICAN CITY

The Foundation likes to call attention to innovative approaches and projects that reflect a new standard of “Best Practice” The Noisette Company in its public-private partnership to redevelop the old Charleston Naval Base is engaged in just such an effort. By focusing on balanced, sustainable development for “people, planet and prosperity”, Noisette is helping to redefine the new urban landscape. ed.

When the Charleston Naval Base closed in 1996, apocalyptic predictions abounded on the future of North Charleston, South Carolina. Critics claimed that the loss of more than 20,000 jobs – the anchor of the Lowcountry economy since World War II – would devastate the economy of the region, creating a ghost town in the historic neighborhoods circling the former base. But the pessimism never translated to reality, as private initiatives have led to an economic resurgence in North Charleston, a momentum largely sparked by the Noisette Project.

First announced in March 2001, the Noisette Project is a 3,000-acre sustainable urban redevelopment effort, a public-private venture between the City of North Charleston and the Noisette Company, LLC. Hailed as the largest environmentally-conscious, sustainable urban renewal project in North America, Noisette entails the creation of an urban center with a three-quarter mile park on the Cooper River, along with a 200-plus acre tidal creek preserve surrounding a restored Noisette Creek on the former Navy Base. In 2004, current plans call for the construction of 4,000-plus housing units, about 5,000-plus rehabilitated housing units, and up to five million square feet of retail, commercial and industrial space. The projects aggregate cost is projected at more than \$1 billion, over a period spanning 20 years.

Anticipating the Noisette revitalization of North Charleston, a new boom has started. Housing starts have boomed as homes that sold for \$98,000 in 1998 have more than doubled in value just six years later. Along the City’s formerly abandoned commercial district on East Montague Avenue, entrepreneurial businesses have reinvented retail in Old North Charleston, with an authentic Irish pub, upscale restaurant, professional theater company, artist’s studio, digital television production facility, and a day spa opening since 2002.

Master Plan The Noisette Community Master Plan was submitted to North Charleston City Council in January 2004, with overwhelmingly positive reviews. The plan encompasses a holistic concept for redevelopment, which includes a regenerative land use plan to create a mixed-use development pattern, promoting a live, work and play environment for local citizens, and revitalizing key portions of the city. The master plan also includes a blueprint for restoring natural systems at Noisette – particularly damaged wetlands like Noisette and Filban creeks – so that they remain integral to the functions and aesthetics of the community for future generations.

However, the hard statistics belie the truth behind Noisette, a unique environmentally-conscious redevelopment, designed to rebuild a blighted community with a number of initiatives including special tax districts and cultural initiatives. To finance needed infrastructure improvements, a federally designated Tax Increment Financing (TIF) district, including an on-base TIF estimated at \$300 million in newly-generated revenue, and off-base TIF with \$75 million – all at no cost to the taxpayer.

Approximately 25 percent of the off-base TIF funds on-base will be earmarked for improvements in public schools located in the Noisette redevelopment district. Other funds will be used for infrastructure improvements throughout the Noisette District, including funds for the planned maritime museum on the Cooper River, which will display the recovered *H.L. Hunley* submarine now undergoing restoration at the Warren Lasch Conservation Laboratory on the former base.

Although Noisette entails a 3,000-acre development zone, the Noisette Company will only profit from projects on 380 acres on the former Navy Base. Outlined in the master plan, the Company has invested over \$2 million in urban planning for the City of North Charleston, with no cost to the taxpayer.

Landmark Events In September 2004, two landmark events – the ground breaking for the Riverfront Park and the opening of the Noisette Urban Alliance Studio – will have a long-term impact on the Charleston metro area. Located on a 10-acre site on the Cooper River,

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Noisette continued

the Riverfront Park will re-unite local citizens with a waterfront that has been isolated to them for the past century, when the property was part of the Navy Base.

The Noisette Urban Alliance Studio is an educational facility designed to train both individual homeowners and building industry professionals on the principles of sustainable building – translated, applying common-sense solutions that provide long-term comfort, durability, health and efficiency to users. The 15-member Urban Alliance includes such manufacturing giants as Owens Corning, Whirlpool, Carrier, Interface, Herman Miller, and Universal Forest Products, all joining forces in a first ever corporate partnership designed to help revitalize an entire community.

Work continues on a number of projects at Noisette, including the relocation of non-profits like the Berkeley-Charleston-Dorchester Council of Governments to new office space, incubator space for new businesses, and Live/Work Artist's lofts. At the heart of these efforts are plans for the River Center at Noisette, transforming a major portion of the old base into a vibrant, mixed-use urban center.

Ultimately, the Noisette Project offers a glimpse into the future, the New American City that combines public and private enterprise to create solutions for the problems plaguing inner cities throughout the US. "Our private and non-profit sectors must join forces to work together in solving the nation's urban renewal and housing problems," concludes Noisette CEO John L. Knott, Jr. "If we realize the problems and work together, the solutions are within our grasp."

For more information on Noisette, please visit the company web site, www.noisettesc.com, email publicaffairs@noisettesc.com, or call 843-302-2100.

Free Enterprise's Upcoming Events

- Presentation by Paul G. Campbell, "Impact of Reliability on Business Performance"
- Webcast of Dr. W. Leigh Thompson, "Crisis and Opportunity-Health Care in America"
- Adding Blog section and "Treasury of Values section" to web site while revising and enlarging

The Free Enterprise Foundation has been created as an independent nonpartisan institute dedicated to preserving and promoting those enterprises and practices that are consistently the best in our free market economy.

The Foundation, a tax exempt 501 (c) (3) organization, relies on donors to provide both critical financial support but also intellectual leadership to the Foundation in its discourse on policy and extending the institutions outreach into the education of the public on the vital role of free enterprise and setting the highest standards of ethics and civic responsibility through study, research, the funding of scholarship, publications, and awards. Please help us not only with your tax-deductible donation, but by forwarding names and addresses of those who would enjoy being added to our mailing list.



**FREE ENTERPRISE
FOUNDATION**

P.O. Box 21569

Charleston, SC 29413

For more information:
843.953.4944
robert.freer@citadel.edu
www.FreeEnterprise.tv