

OPENING REMARKS

BY

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AMERICAN CAN COMPANY

AND

CHAIRMAN, NORTHEAST-MIDWEST LEADERSHIP COUNCIL

TO THE

NORTHEAST-MIDWEST LEADERSHIP COUNCIL,

"A REGIONAL AGENDA FOR THE 100TH CONGRESS"

WASHINGTON, D.C.
FEBRUARY 25, 1987

NEMW

THIS IS QUITE AN IMPRESSIVE GATHERING,

I AM ESPECIALLY DELIGHTED TO SEE SPEAKER JIM

WRIGHT AND TREASURY SECRETARY BAKER ON THE

PROGRAM, HOW REASSURING IT IS FOR THIS GROUP

TO LEARN THAT TEXAS IS NOW THE SOUTHERNMOST

EXTENSION OF THE NORTHEAST-MIDWEST COALITION.

LET ME WELCOME ALL OF YOU, TEXANS AND NON-
TEXANS ALIKE, TO THIS LEADERSHIP COUNCIL
MEETING.

AS YOU HAVE JUST HEARD, THE NORTHEAST MIDWEST
LEADERSHIP COUNCIL WAS FORMED TO PROVIDE
ELECTED OFFICIALS OF OUR REGIONS WITH A
PRIVATE SECTOR VIEWPOINT ON ISSUES THAT
AFFECT ALL OF US,

WE HAVE TWO GOALS FOR TODAY'S MEETING.

FIRST., WE WANT YOU TO LEARN FIRSTHAND ABOUT

LEGISLATIVE OPPORTUNITIES FOR REFORM IN THE

100TH CONGRESS. THROUGHOUT THE DAY) YOU WILL

MEET AND TALK WITH AN IMPRESSIVE ARRAY OF

LEADERS FROM THE REAGAN ADMINISTRATION AND

THE 100TH CONGRESS, SECOND., WE WILL BREAK

INTO THREE WORKING GROUPS TO DISCUSS SPECIFIC

INITIATIVES THAT CAN HELP CREATE JOBS AND

EXPAND BUSINESSES.

TODAY'S MEETING IS ONLY A FIRST STEP, OVER
SEVERAL HOURS, WE WILL CERTAINLY NOT IDENTIFY
THE IDEAL MEANS TO TRANSFER TECHNOLOGY FROM
THE LABORATORY TO THE PRODUCTION LINE, TO
MAKE CAPITAL AVAILABLE) OR TO EDUCATE AND
TRAIN OUR CITIZENS FOR A CHANGING ECONOMY,
WE CAN HOWEVER DEVELOP SEVERAL INITIATIVES
THAT MEMBERS OF CONGRESS, THROUGH THE
NORTHEAST- MIDWEST CONGRESSIONAL AND SENATE
COALITIONS) CAN PUSH THROUGH THE LEGISLATIVE
PROCESS, AND WE CAN CONTINUE TO IDENTIFY
ISSUES AND IDEAS THAT THE NORTHEAST-MIDWEST
INSTITUTE SHOULD EXAMINE IN MORE DETAIL,

I HOPE THAT AFTER TODAY'S SESSION YOU WILL
AGREE THAT THE LEADERSHIP COUNCIL WORKS, THAT
WE SHOULD AGGRESSIVELY EXPAND OUR SCOPE -THAT
WE SHOULD ORGANIZE BREAKFAST MEETINGS WITH
MEMBERS OF CONGRESS ON SPECIFIC ISSUES, THAT
WE SHOULD ARRANGE FOR FIELD HEARINGS, AND
THAT WE CAN VIGOROUSLY AND SUCCESSFULLY
PURSUE THOSE CREATIVE POLICY INITIATIVES THAT
ARISE FROM THIS PROCESS TO RESOLVE ECONOMIC
PROBLEMS IN OUR REGION AND OUR COUNTRY.

NEMW

IN OTHER WORDS) WE WANT THE LEADERSHIP
COUNCIL TO BE AN ONGOING ORGANIZATION. WE
WANT ALL OF YOU TO CONTINUE YOUR
PARTICIPATION IN THE MONTHS AHEAD, THROUGH
THE LEADERSHIP COUNCIL, WE HAVE A UNIQUE
PUBLIC-PRIVATE PARTNERSHIP THAT CAN HELP
SOLVE SUBSTANTIVE PROBLEMS OF CONCERN TO ALL
OF US,

SO/ WE ASK YOU NOT TO LOOK UPON THIS MEETING

AS A HERE-TODAY-AND-GONE-TOMORROW EXERCISE.

THIS MAY NOT QUITE QUALIFY AS THE FIRST DAY

OF THE REST OF YOUR LIFE, BUT IT DOES

QUALIFY AS THE FIRST DAY OF AN OPPORTUNITY TO

DEVELOP A SUCCESSFUL WORKING RELATIONSHIP

THAT CAN MAKE CHANGE HAPPEN.

TOPREPARE FOR THIS MEETING AND PRODUCE A
GENERALLY-STATED "REGIONAL AGENDA FOR THE 10011
CONGRESS)" THE LEADERSHIP COUNCIL FORMED
THREE TASK FORCES. WE ARE DEEPLY INDEBTED TO
MICHAEL TIMPANE) THE PRESIDENT OF TEACHERS
COLLEGE) COLUMBIA UNIVERSITY AND AL SHANKER)
PRESIDENT OF THE AMERICAN FEDERATION OF
TEACHERS) WHO ORGANIZED OUR REVIEW OF
EDUCATION AND TRAINING. AND PAT CHOATE)
POLICY DIRECTOR AT TRW) WHO LED A GROUP THAT
EXAMINED REGIONAL COMPETITIVENESS. AND RALPH
WIDNER) DIRECTOR OF THE GREATER PHILADELPHIA
FIRST CORPORATION) WHOSE TASK FORCE ANALYZED
ECONOMIC DEVELOPMENT AND INFRASTRUCTURE.

THESE TASK FORCES) WHICH HELD MEETINGS AND
EXCHANGED SEVERAL DRAFT REPORTS) HAVE DONE AN
EXCELLENT JOB OUTLINING VARIOUS CONCERNS AND
OPTIONS. You RECEIVED THEIR REPORTS ABOUT A
WEEK AGO) AND ANOTHER COPY IS IN YOUR
CONFERENCE FOLDER. THE TASK FORCE PAPERS
WILL SERVE AS THE BASIS FOR THE WORKSHOPS
THAT BEGIN AT 4:30 THIS AFTERNOON.

THE CONFERENCE DOCUMENTS REITERATE THE CONCERNS VOICED BY MANY COMMENTATORS ABOUT OUR REGION'S ABILITY TO COMPETE IN WORLD MARKETS, BUT THE PAPERS DO MORE THAN JUST EMBRACE AMERICAN COMPETITIVENESS. THEY BEGIN TO TRANSLATE THE GENERAL CONCERN FOR ECONOMIC VITALITY INTO A COMMON AGENDA AND SPECIFIC INITIATIVES.

WE ALL RECOGNIZE THAT AMERICAN FIRMS ARE
LOSING THEIR POSITION IN THE GLOBAL
MARKETPLACE. WE KNOW THAT THE U.S. TRADE
DEFICIT REACHED A RECORD \$170 BILLION LAST
YEAR AS AMERICAN BUSINESSES EXPORTED 56 CENTS
WORTH OF GOODS FOR EVERY \$1 WORTH THEY
IMPORTED. WE ARE GREATLY CONCERNED ABOUT THE
DEFICITS WHICH COST THE NATION SOME 2.3
MILLION MANUFACTURING JOBS, 70 PERCENT OF
WHICH WERE LOST IN THE NORTHEAST AND MIDWEST,
PUT SIMPLY, THE DECLINE OF U.S.
COMPETITIVENESS TRANSLATES INTO DECLINING
PROSPERITY, ERODING DEFENSES, AND FRUSTRATED
NATIONAL HOPES AND ASPIRATIONS.

NEMW

OUR REGION IS IN THE MIDST OF A PROFOUND
ECONOMIC TRANSFORMATION. WHILE HEAVY
MANUFACTURING CONTINUES TO PLAY A CRUCIAL
ROLE IN THE ECONOMY/ ITS PROFILE IS CHANGING
RAPIDLY. THROUGHOUT THE NORTHEASTERN AND
MIDWESTERN STATES/ COMPANIES ARE REORGANIZING
THEIR PLANTS TO IMPROVE PRODUCTIVITY/ WE ARE
INTRODUCING NEW TECHNOLOGIES/ AND WE ARE
DIVERSIFYING INTO NEW, HIGH-GROWTH VENTURES.

UNLIKE PREVIOUS ECONOMIC TRANSFORMATIONS)

TODAY'S CHANGES ARE OCCURRING WITH TREMENDOUS

SPEED. WE ONCE HAD DECADES TO IDENTIFY AND

SOLVE THE PROBLEMS OF ECONOMIC ADJUSTMENT.

NOW CYCLES HAVE BEEN COMPRESSED INTO ONLY A

FEW YEARS. BECAUSE WE HAVE LESS TIME WE

HAVE LESS ROOM FOR ERROR, WE ALSO HAVE MORE

NEED FOR COOPERATION AMONG PRIVATE-SECTOR

LEADERS AND ELECTED OFFICIALS.

THESE RAPID ECONOMIC SHIFTS CREATE TREMENDOUS OPPORTUNITIES, BUT THEY CAN ALSO DISPLACE WORKERS) DISRUPT COMMUNITIES, STRAIN STATE TREASURIES, AND DIVERT ATTENTION FROM MORE DELIBERATE STRATEGIES OF LONG-TERM ECONOMIC GROWTH.

HOW WE ACHIEVE THE NEEDED FLEXIBILITY TO ADAPT TO NEW ECONOMIC AND TECHNOLOGICAL CONDITIONS IS THE CRITICAL ISSUE FACING EXECUTIVES) LABOR LEADERS, EDUCATORS) AND ELECTED OFFICIALS IN THE LATE 1980'S. OBVIOUSLY) THERE IS NO SIMPLE) GRAND SOLUTION. WE NEED A BROAD VISION OF U.S. COMPETITIVENESS,

THE LEADERSHIP COUNCIL TASK FORCES CONCLUDE
THAT WE MUST FIRST IDENTIFY OUR PEOPLE -- OUR
HUMAN CAPITAL, IF YOU WILL -- AS THE MAJOR
RESOURCE FOR REVITALIZING OUR ECONOMY.

ECONOMIC RENEWAL IS A HUMAN PROBLEM.

TECHNOLOGY AND MANAGEMENT ABILITY ARE
CRITICAL FACTORS, BUT ECONOMIC GROWTH AND
RENEWAL ULTIMATELY DEPEND UPON OUR WORKFORCE.
THEY DEPEND ON WHETHER WE) AS A NATION, CAN
PROVIDE OUR PEOPLE WITH THE EDUCATION,
TRAINING AND JOB OPPORTUNITIES THAT WILL
ALLOW THEM TO REACH THEIR FULL POTENTIAL AND
ATTAIN SECURITY IN THEIR PERSONAL LIVES.

THEY DEPEND ON WHETHER WE CAN CREATE A
CLIMATE IN WHICH ENTREPRENEURS CAN FLOURISH.

THE TASK FORCE ON EDUCATION AND TRAINING
CLEARLY NOTES THAT OUR REGION HAS A LOT OF
CATCHING UP TO DO FOR THOSE LEAST SERVED BY
OUR PUBLIC EDUCATION., EMPLOYMENT AND WELFARE
POLICIES. THE REGION SUFFERS FROM HIGH
STUDENT DROPOUT RATES) AND ALMOST 30MILLION
AMERICANS -- ONE IN FIVE ADULTS -- ARE
FUNCTIONALLY ILLITERATE. THE PROBLEMS.,
PARTICULARLY SEVERE AMONG THE POOR AND
MINORITIES., EXACERBATE UNEMPLOYMENT AND
UNDERMINE ECONOMIC GROWTH, WHILE THE STATE
EDUCATION REFORM MOVEMENT HAS DEMONSTRATED
THE NEED TO RAISE EDUCATIONAL STANDARDS/
SPECIAL EFFORTS FOR ^H"AT-RISK" YOUTH HAVE BEEN
VIRTUALLY OVERLOOKED.

IN ADDITION TO MAKING A SERIES OF
RECOMMENDATIONS FOR YOUTH AT RISK OF DROPPING
OUT OF SCHOOL) THE TASK FORCE IDENTIFIED
SPECIFIC LEGISLATIVE MEASURES TO COMBAT ADULT
ILLITERACY AND TO ENHANCE OUR REGION'S
EDUCATIONAL INFRASTRUCTURE, WHICH IS OUR
COMPETITIVE EDGE, TO BRING SCHOOL FACILITIES
INTO THE MODERN AGE OF TECHNOLOGY. THE GROUP
RECOMMENDS A SERIES OF REFORMS FOR PROGRAMS
WITHIN THE NATIONAL SCIENCE FOUNDATION AND
THE ECONOMIC DEVELOPMENT ADMINISTRATION,

ON THE ISSUES OF ECONOMIC DEVELOPMENT AND
INFRASTRUCTURE, THE SECOND TASK FORCE
DEVELOPED RECOMMENDATIONS THAT RELY LESS ON
THE TRADITIONAL GRANTS-IN-AID AND
FEDERALLY-PROVIDED SUBSIDIES OF THE PAST AND
MORE UPON NEW INCENTIVES, REGULATIONS AND
PROCEDURES THAT CAN STIMULATE PRIVATE
INVESTMENTS AND STATE OR LOCAL GOVERNMENT
ACTIONS, WITHOUT INCREASING THE BURDEN ON THE
FEDERAL BUDGET,

THE GROUP HAS MADE SEVERAL INNOVATIVE
RECOMMENDATIONS, (TO FINANCE BRIDGES) PORTS)
SEWERS AND OTHER FOUNDATIONS OF OUR ECONOMY)
THEY ADVOCATE EACH STATE ESTABLISH MECHANISMS
TO INCREASE LOCAL ACCESS TO CAPITAL) PERHAPS
AN INFRASTRUCTURE BANK THROUGH WHICH LOCAL
GOVERNMENTS CAN GAIN MORE FAVORABLE
FINANCING. THEY ALSO RECOMMEND THAT THE
NORTHEAST-MIDWEST CONGRESSIONAL AND SENATE
COALITIONS PROPOSE LEGISLATION THAT WOULD
ESTABLISH A SECONDARY MARKET FOR PURCHASING
THE PAPER HELD BY INSTITUTIONS THAT HAVE
FINANCED SUCH INFRASTRUCTURE INVESTMENTS.

THE TASK FORCE ON REGIONAL COMPETITIVENESS
EXPLAINS THAT OUR NATION'S RECENT ECONOMIC
REVERSALS HAVE HAD A DISPROPORTIONATE EFFECT
ON THE NORTHEAST AND MIDWEST BECAUSE THE
REGION CONTAINS AN OVERWHELMING SHARE OF THE
NATION'S MANUFACTURING., BUSINESS SERVICES/
AND RELATED JOBS. WHILE TIMELY ACTIONS TO
INCREASE U.S. COMPETITIVENESS ARE IMPORTANT
TO THE ENTIRE COUNTRY., THEY ARE PARTICULARLY
CRITICAL TO THE LONGER TERM VITALITY OF THE
NORTHEAST-MIDWEST REGION.

THE TASK FORCE OFFERS A SERIES OF PROPOSALS)
MANY OF WHICH CAN BE REALIZED IN THE 100TH
CONGRESS) FOCUSED ON THE FOUR FACTORS OF
PRODUCTION: HUMAN CAPITAL) TECHNOLOGY)
INVESTMENT CAPITAL) AND TRADE, REGARDING
HUMAN CAPITAL) FOR INSTANCE) THEY RECOMMEND
THE ELIMINATION OF TAX DISINCENTIVES FOR
RETRAINING TOPROMOTE TECHNOLOGIES THEY
OUTLINE HOW TO STREAMLINE EXPORT REVIEW AND
LICENSING PROCESSES) AND HOW TO ELIMINATE TAX
DISINCENTIVES THAT DISCOURAGE COMPANIES FROM
BASING R & D WITHIN THE UNITED STATES.

OUR NORTHEAST-MIDWEST LEADERSHIP COUNCIL
WANTS THE UNITED STATES TO DO MORE THAN
SIMPLY COMPETE IN THE INTERNATIONAL
MARKETPLACE: WE WANT TO WIN THAT COMPETITION.
DESPITE OUR ECONOMIC PROBLEMS. WE FACE THE
FUTURE WITH FORMIDABLE STRENGTHS. OUR
REGIONS POSSESS GREAT SCIENCE AND ENGINEERING
CENTERS. WE HAVE A TREMENDOUS EDUCATIONAL
NETWORK IN PLACE. WE ARE LEADERS IN THE
AMOUNT OF VENTURE CAPITAL FUNDS AVAILABLE FOR
BUSINESSES. THE CHALLENGE WE FACE IS TO USE
THESE RESOURCES CREATIVELY TO RESPOND TO
CHANGING ECONOMIC CONDITIONS,

NEMW

TODAY'S MEETING OF THE LEADERSHIP COUNCIL IS ANOTHER STEP IN THE
PROCESS OF MOBILIZING THE NATIONAL CREATIVITY AND FLEXIBILITY TO
MEET THIS CHALLENGE. THE COUNCIL HAS A CRITICAL ROLE TO PLAY.
IT OFFERS YOU THE REGION'S BUSINESS, EDUCATION AND LABOR
LEADERS, THE OPPORTUNITY TO RECOMMEND PUBLIC POLICIES TO SENIOR
MEMBERS OF CONGRESS AND THE ADMINISTRATION. AND IT
ENABLES ELECTED OFFICIALS AT ALL LEVELS TO BENEFIT FROM THE
PRAGMATIC IDEAS OF OUR REGION'S PRIVATE-SECTOR LEADERS. I AM
VERY PLEASED YOU COULD ATTEND TODAY'S MEETING, AND I HOPE YOU
WILL REMAIN ACTIVE PARTICIPANTS IN THE LEADERSHIP COUNCIL.
