

NORTHEAST-MIDWEST LEADERSHIP COUNCIL
CLEVELAND BRIEFING MEETING

REMARKS BY

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CHAIRMAN. NORTHEAST-MIDWEST LEADERSHIP COUNCIL,

CHAIRMAN, EXECUTIVE COMMITTEE

PRIMERICA CORPORATION

AND

PRESIDENT, PRIMERICA FOUNDATION

UNION CLUB
CLEVELAND, OHIO
SEPTEMBER 14, 1987

THANK YOU JERRY. I SINCERELY APPRECIATE
YOUR EFFORTS TO ORGANIZE THIS MEETING AND
TO SERVE AS OUR HOST TODAY.

MY PURPOSE IN BEING HERE IS QUITE SIMPLE:

I WANT TO INTRODUCE THE BUSINESS LEADERSHIP
OF THIS AREA TO THE NORTHEAST-MIDWEST
LEADERSHIP COUNCIL AND URGE YOU TO
PARTICIPATE IN OUR ORGANIZATION.

LET ME BEGIN BY OFFERING SOME BACKGROUND.
IN 1976, MEMBERS OF CONGRESS FROM THE
MIDWEST AND THE NORTHEAST JOINED TOGETHER
TO ENSURE THAT FEDERAL POLICIES DID NOT
DISCRIMINATE AGAINST THE NATION'S INDUSTRIAL,
HEARTLAND. THE NORTHEAST-MIDWEST
CONGRESSIONAL AND SENATE COALITIONS HAVE
CAREFULLY TRACKED TAX, PROGRAM, AND BUDGET
INITIATIVES, HELPING 'TO SECURE INCREASED
COMMITMENTS FOR ECONOMIC DEVELOPMENT,
TRADE, AND JOBS. TODAY, THE BIPARTISAN
GROUPS TRY TO PROMOTE A RANGE OF POLICIES
TO SPUR THE REGION'S ECONOMIC VITALITY.

AS YOU PROBABLY KNOW, DENNIS ECKART, ED
FEIGHAN AND OTHER REPRESENTATIVES FROM
NORTHEAST OHIO ARE ACTIVE MEMBERS OF THE
200-MEMBER CONGRESSIONAL COALITION. BOTH
SENATORS GLENN AND METZENBAUM PARTICIPATE
IN THE SENATE COALITION, WITH MR. GLENN
CHAIRING THE GREAT LAKES TASK FORCE. MUCH
OF THE POLICY WORK FOR THE COALITIONS IS
DONE AT THE NORTHEAST-MIDWEST INSTITUTE, A
NONPROFIT RESEARCH CENTER.

LAGT-VEAR, MEMBERS OF THE COALITIONS ASKED THAT A GROUP OF PRIVATE-SECTOR LEADERS BE FORMED TO HELP THEM IDENTIFY PRAGMATIC MEANS TO TRANSFER TECHNOLOGY FROM THE LABORATORY TO THE PRODUCTION LINE, TO CHANNEL CAPITAL TO PROMISING NEW BUSINESSES, TO ENHANCE TRADE, AND TO EDUCATE AND TRAIN OUR CITIZENS FOR THE DEMANDS OF A CHANGING ECONOMY. THUS, WE CREATED THE LEADERSHIP COUNCIL, A GROUP OF EXECUTIVES, UNIVERSITY PRESIDENTS, AND LABOR LEADERS THAT PROVIDES A UNIQUE PUBLIC-PRIVATE PARTNERSHIP TO HELP SOLVE SUBSTANTIVE PROBLEMS OF CONCERN TO ALL OF US.

THE NEMW LEADERSHIP COUNCIL HELD ITS FIRST N1AJok
MEETING IN FEBRUARY, 1987 TO COINCIDE WITH
THE BEGINNING DELIBERATIONS OF THE 100TH
CONGRESS. WE MET AND TALKED WITH AN
IMPRESSIVE ARRAY OF LEADERS FROM THE
REAGAN ADMINISTRATION AND CONGRESS.

TREASURY SECRETARY JAMES BAKER, FOR
INSTANCE, DESCRIBED HIS PLANS FOR TAX
REFORM AND MONETARY POLICY. MAC
BALDRIDGE, THE LATE COMMERCE SECRETARY,
OUTLINED THE ADMINISTRATION'S TRADE
INITIATIVES. HOUSE SPEAKER JAMES WRIGHT
DISCUSSED THE DEMOCRATS' CONCERNS ABOUT THE
BUDGET AND THEIR PLANS
TO ENHANCE AMERICA'S COMPETITIVENESS.
AND MORE THAN FOUR DOZEN OTHER MEMBERS
OF
CONGRESS PARTICIPATED IN THE DAY'S
SESSIONS. IT WAS, IN SHORT, AN
EXTRAORDINARILY
PRODUCTIVE FIRST MEETING.

IN OCTOBER, IN FACT ON OCTOBER 13TH, THE
NEMW LEADERSHIP COUNCIL WILL CONVENE AGAIN
IN WASHINGTON, THIS TIME TO MEET WITH
SEVERAL OF THE PRESIDENTIAL CANDIDATES.
THIS SESSION, WHICH I HOPE YOU CAN ATTEND,
WILL ENABLE OUR MEMBERSHIP TO COMPARE THE
CANDIDATES, AND IT WILL PROVIDE YOU WITH
THE CHANCE TO ALERT NATIONAL LEADERS, AND
PERHAPS OUR NEXT PRESIDENT, TO OUR
REGION'S CONCERNS.

WHY THE LEADERSHIP COUNCIL? LIKE MANY GROUPS, THE COUNCIL IS CONCERNED ABOUT OUR REGION'S ABILITY TO GROW ECONOMICALLY AND COMPETE IN NATIONAL AND INTERNATIONAL MARKETS. BUT WE WANT TO DO MORE THAN JUST EMBRACE AMERICAN COMPETITIVENESS. BUILDING ON OUR WORKING RELATIONSHIPS WITH REPRESENTATIVES AND SENATORS, WE WANT TO TRANSLATE THE GENERAL CONCERN FOR ECONOMIC VITALITY INTO A COMMON AGENDA AND SPECIFIC INITIATIVES.

WE ALL 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 WE LOST IN OHIO AND OTHER
MIDWESTERN AND NORTHEASTERN STATES.

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 MIDWESTERN
AND NORTHEASTERN 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.

MUCH OF THE COUNCIL'S SUBSTANTIVE WORK IS
DONE BY THREE TASK FORCES. THE GROUP ON
COMPETITIVENESS, LED BY PAT CHOATE OF TRW,
HAS FOCUSED RECENTLY ON U.S.-CANADIAN
TRADE AND FEDERAL RESEARCH AND DEVELOPMENT
POLICIES. THE TASK FORCE ON EDUCATION AND
TRAINING, CO-CHAired BY PRESIDENT MIKE
TIMPANE OF TEACHERS COLLEGE, COLUMBIA
UNIVERSITY, AND AL SHANKER OF THE AMERICAN

AND RALPH WIDNER, HEAD OF THE GREATER PHILADELPHIA FIRST CORPORATION, HAS LED THE TASK FORCE ON ECONOMIC DEVELOPMENT TO DISCUSS INNOVATIVE INITIATIVES THAT CAN PROVIDE BROADER ACCESS TO CAPITAL; THIS COMMITTEE ALSO IS IDENTIFYING MEANS TO PROMOTE STRATEGIC INFRASTRUCTURE INVESTMENTS, ESSENTIAL INGREDIENTS TO ANY ECONOMIC DEVELOPMENT PROGRAM IN THE CLEVELAND AREA.

IN ADDITION TO COUNCIL AND TASK FORCE MEETINGS, OUR MEMBERSHIP CAN PARTICIPATE IN SPECIAL SESSIONS TARGETED TO SPECIFIC ISSUES. I KNOW MANY OF YOU, FOR INSTANCE, ARE KEENLY INTERESTED IN U.S.-CANADIAN TRADE. FOR GOOD REASONS. THE TWO COUNTRIES ENJOY THE WORLD'S LARGEST TRADE RELATIONSHIP, WITH TWO-WAY TRADE VALUED AT ABOUT \$150 BILLION. ABOUT TWO-THIRDS OF THOSE EXCHANGES TAKE PLACE IN THE NORTHEAST-MIDWEST REGION. AND THE STATE OF OHIO RANKS THIRD IN THE NUMBER OF MANUFACTURING JOBS AND VALUE DIRECTLY TIED TO CANADIAN EXPORTS.

Coriac L,

THE U.S. AND CANADA ARE IN THE FINAL STAGES OF DRAFTING A BILATERAL FREE TRADE AGREEMENT THAT WILL FUNDAMENTALLY CHANGE THE TRADE PATTERNS ACROSS A BROAD RANGE OF SECTORS. IN JUNE, SEVERAL LEADERSHIP COUNCIL MEMBERS PARTICIPATED IN A BREAKFAST MEETING WITH SEVERAL SENATORS AND AMBASSADOR PETER MURPHY, THE CHIEF U.S. NEGOTIATOR. THEY HEARD FIRSTHAND THE STATUS OF THE NEGOTIATIONS, AND THEY GOT A CHANCE TO EXPRESS THEIR CONCERNS ABOUT WHAT SHOULD BE ON THE BARGAINING TABLE., THE COUNCIL PLANS SEVERAL SIMILAR MEETINGS OVER THE NEXT FEW MONTHS.

**THESE EFFORTS, OF COURSE, COMPLEMENT THE
WORK OF THE CONGRESSIONAL AND SENATE
COALITIONS, WHICH HAVE TAKEN THE LEADING
ROLE ON THIS ISSUE. SEVERAL WEEKS AGO, AT
THE REQUEST OF THE U.S. TRADE REPRESENTATIVE,
THE COALITION ISSUED A DETAILED SET OF
RECOMMENDATIONS ON ISSUES RANGING FROM
AUTOS, TO TELECOMMUNICATIONS, TO DISPUTE
RESOLUTION MECHANISMS. THE HOUSE COALITION
WILL MEET SEVERAL MORE TIMES WITH AMBASSADOR
MURPHY, AND IN NOVEMBER, ABOUT TWO DOZEN
MEMBERS OF CONGRESS WILL FLY TO OTTAWA TO
DISCUSS THE ADMINISTRATION'S PROPOSED
TREATY WITH CANADIAN MINISTERS AND
PARLIAMENTARIANS.**

THE PAPERS IN YOUR PACKET DESCRIBE OTHER ISSUES ON WHICH LEADERSHIP COUNCIL PARTICIPANTS CAN GAIN SIMILAR ACCESS TO KEY POLICYMAKERS. THE COUNCIL, IN SHORT, HAS A KEY ROLE TO PLAY. PARTICIPATION WILL NOT REQUIRE A GREAT DEAL OF YOUR PERSONAL TIME; YOUR REPRESENTATIVES CAN ATTEND SEVERAL OF THE MEETINGS. IT ALSO WILL NOT REQUIRE A LARGE FINANCIAL INVESTMENT; IN FACT, IT IS RARE THAT A \$5,000 INVESTMENT CAN YIELD SUCH SIGNIFICANT RETURNS.

**THE COUNCIL OFFERS YOU, THE REGION'S
BUSINESS 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 HAVE YOUR
COMPANY BECOME AN ACTIVE PARTICIPANT IN
THE LEADERSHIP COUNCIL.**

THANK YOU, AND I WILL, ALONG WITH OUR
EXECUTIVE DIRECTOR, RICHARD
MUNSON AND OUR HOST, JERRY
JARRETT, BE HAPPY TO ANSWER
ANY QUESTIONS YOU MIGHT
HAVE.