Speeches - Business Roundtable

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THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release August 10, 1999

REMARKS BY THE PRESIDENT
AND THE VICE PRESIDENT
AT BUSINESS ROUNDTABLE

Powell's Manufacturing Industries, Inc.
Washington. D.C.

12:45 P.M. EDT

THE PRESIDENT: Well, hello, everyone. I have a few remarks, but I want to be brief so we can get on to the business at hand. But first, I'd like to thank James Powell for making us feel welcome in his place of business, and his family and his coworkers, and the instruction that he gave me on making a mop. I'm always looking for new skills since I have to acquire some pretty soon. (Laughter.)

And the Vice President appreciates the fact that he buys the cord from Tennessee.

THE VICE PRESIDENT: Humbolt, Tennessee.

THE PRESIDENT: And I want to thank the Mayor and the two councilpersons, and Congresswoman Eleanor Holmes Norton, for making us feel welcome up here. We're always glad to be out in D.C., but this is a special opportunity. And I know that the Mayor and Councilwoman Charlene Drew Jarvis and Kevin Chavous, Councilman Chavous, are excited about what's going on here.

I want to thank Dana Mead, the President and CEO of Tenneco, the gentleman to my right who is the Chair of the Business Roundtable, and Peter Bijur, the President and CEO of Texaco, who is going to chair our BusinessLINC National Coalition, for their willingness to undertake this project with gusto -- and all the others around here who are proving that this kind of things works and who will be introduced as we go through, including the members of the administration who are here -- Secretary Summers; Gene Sperling, my National Economic Council, who has done so much to develop the New Markets Initiative; Aida Alvarez of the SBA; and Jack Lew, Director of the Office of Management and Budget.

We all know why we're here. We have a record expansion in America, the longest peacetime expansion in history. It has finally in the last three years given us substantial increases in wages for ordinary workers, after 20 years of stagnation, and the lowest minority unemployment rate ever recorded. Yet we know that there are still people in places that have not been touched by this recovery.

And it's very interesting to me that what many of us in the business community, as well as in the public sector, believe is a moral obligation we have to try to give all our people a chance to participate in this great economy is also an economic opportunity and perhaps an economic imperative. Every day, I promise you, the people here who run these big companies have got people scouring the press every day trying to divine the intention of the markets -- have we reached the limits of this expansion, can we continue to grow the economy without inflation, how can we do it?

Well, obviously, if we expand economic opportunity and create businesses, employees and consumers in areas where they didn't exist before, that is an inflation-free way to expand the economy. So we have reached a point in our country's economic development where I think we finally have a chance to do something for the places that have been left behind, from Appalachia to the Mississippi Delta to the Native American reservations to the inner-city neighborhoods in ways that will benefit all Americans. That's the idea behind the New Markets Initiative and the tour I took of areas that have been left behind, a few weeks ago with a lot of CEOs and other people.

And the idea is simple, that we want a partnership between business and government to make investments more attractive in areas where they haven't been made in the past, but only on the basis of profit -- that this has to be a profitable decision. This is not a social program. This is free enterprise economics. We are trying to create the conditions in which the economic expansion -- which has so benefited so many millions of Americans -- can reach people who have been left behind for decades.

Mr. Powell's exhibit A. He introduced me to someone who moved from welfare to work in his company. He introduced me to a man who has eight children that he feels he can now support. He introduced me to a man who immigrated to this country 10 years ago from Central America, who's proud to be working here.

And this is a very, very important moment for our country, because for at least 30 years, Americans have wanted to do this -- not just politicians; people in business have wished there was some way to bring free enterprise to the people and the places that have been left behind. And we believe we have found some ways to do it.

Now, I said, we have to do this in partnership. And just this last week, legislation based on our New Markets Initiative was introduced in both the House and Senate. It's pretty simple. It's basically designed to give American investors like those around this table, the same incentive to invest in developing markets in America that we give you to invest in developing markets in Central America, or the Caribbean, or Asia, or Africa. I support those incentives for those countries, but they ought to exist in this country as well.

It builds on the successful approach that the Vice President and I have developed over the last six and a half years, and that he has so very ably headed, of our empowerment zones, our enterprise communities, a stronger Community Reinvestment Act, community financial institutions. This approach is working where we have applied it. What we want is a nationwide framework.

What we're here today to talk about is what I think is perhaps the single most important thing the business community can do to make this work -- BusinessLINC. Let me tell you how BusinessLINC got started.

Nearly two years ago, Vice President Gore met Tom Lazo down there in Dallas, in South Dallas. He had a small company that built telecommunications equipment. It was doing well, but he told the Vice President that his company couldn't grow and thrive without technical assistance and better training, without tools and skills his larger competitors already had. He needed a corporate mentor. That's why we launched BusinessLINC last summer, under the leadership of the Vice President and with the support of Secretary Summers, Administrator Alvarez and former Secretary Rubin.

Tom Lazo's idea has a lot of power. Large companies helping small companies get access to capital, learn the best technology and the best management techniques. As many of you can attest and will attest this morning, partnerships like this are good for investment, good for consumers, good for the bottom line. You see that at businesses like Powell's. And Mr. Powell and his big supporter will have a chance to talk here in just a moment.

Today, I am very pleased that the Business Roundtable, a coalition of Fortune 500 companies, is stepping up to lead BusinessLINC. This means that we'll be able to go national with this idea. This means we'll be able to do it in a big way. And this means people who know what they're doing will have a stake and a commitment to its success. I cannot thank Dana enough. I cannot thank Peter enough. This is a very, very impressive commitment and I'm very grateful to both of you.

Especially, I want to thank Texaco's Peter Bijur, because since he's going to lead the effort, Dana can look at him and ask for results. (Laughter.) I've been on both ends of that, I'd rather be asking than answering. (Laughter.) But this will help the corporate community to meet the challenge the Vice President issued a year ago to mentor more businesses, especially in the distressed communities.

Now, I know the Vice President has more to say about BusinessLINC, so I'd like to ask him to say a few things and then we'll just start calling on the people around the table. And I think the press and those who read about this or see about it on the media will quickly understand the great power of this idea.

Mr. Vice President.

THE VICE PRESIDENT: Well, thank you very much, Mr. President. I also want to thank the Powell family. This is a wonderfully inspiring business. And talking to the employees here has been just a great thrill. Some of them were on welfare not too long ago and, as is commonly said by those who have come into the work force, they talk enthusiastically about the difference these jobs have made in their lives, and in the lives of their families. And I want to compliment Mr. Powell for his initiative in starting this business -- where did you go -- there you are -- and I heard the story from your partner, Mr. Rutstein, on how you knocked on his door. This actually started back -- I don't know, 10 years ago. But it's a rare example of a large business mentoring a small business, helping it succeed and grow.

What's being announced today is a massive national effort that will make examples like this one not rare, but commonplace. The President recently completed his New Markets tour and powerfully focused the attention of the country on areas that have been left behind in past economic expansions. This expansion will shortly become the longest and strongest in the history of America. And so it's obvious that this is a time when we have an obligation as well as an opportunity to reach out and make sure that everyone participates.

This effort really began in 1993. It had a different name -- the Empowerment Zone initiative was part of the original economic plan. And we established empowerment zones and enterprise communities and champion communities. I visited every single one of the empowerment zones that received an award -- most of them more than once -- and many of the enterprise communities, and I learned a great deal from that experience, reported back to the President, worked with my colleagues in his Cabinet.

And as the President said in November of 1997, during one of those meetings -- it was actually called originally to talk about the development of a brownfield in South Dallas that was an impediment to the development of that area of Dallas. We got a breakthrough there, and the EPA and others came through with a great coordinated plan, with Mayor Ron Kirk leading the way in Dallas.

And after that announcement, we had a roundtable about the size of this one, and I asked the assembled business leaders there what can we do to make this more common -- how can we have more successes with new start-ups and minority business and small business entrepreneurs of all kinds?

And Tom Lazo said , well, it would be great if there were some way for new small businesses to get advice and mentoring on a regular basis from large established successful businesses. And one of the keys to this is to break it out of just an effort to reach out to minority business -- that's important in and of itself.

But in many cases what you're finding is that there are minority-owned large businesses mentoring majority-owned small businesses. Now, as it often happens in so many of the areas that need more economic growth, most of the hard-charging new entrepreneurs on the verge of success are in communities that have been historically discriminated against. They've had less access to capital, less family wealth, less opportunity -- and so it naturally works out that you're going to find less African American and Hispanic entrepreneurs participating in this program.

Anyway, I pledged to Tom that I would go back to the White House and look for a way, with the President, to put this into place. And I want to thank the Treasury Department and the Small Business Administration. Larry Summers and, at that time, Bob Rubin -- and Larry has taken the baton handoff and has really gone full speed with it -- and Aida Alvarez, who was an original co-creator of this, along with Bob Rubin and myself, really got this going. And their teams, along with Gene Sperling's team in the White House, really put together a fantastic plan.

And then in June of last year, I announced the launch of the BusinessLINC initiative at a White House roundtable with CEOs on how we could stimulate more investment in inner-city communities and impoverished rural areas. And in December of last year, at the second White House roundtable, Treasury and SBA released the report and 10 CEOs made formal commitments at that meeting to move forward the BusinessLINC program.

Now, it has gotten to the point where it is going to be handed off formally to the business community and there are regional partnerships being created all over the United States of America. And it's going to grow and grow. In addition, there are six -- in addition to the one here, where in Washington it's going to be -- the local chapter is going to be co-chaired by David Rutstein, the CEO of Giant Food, and Patrick Swygert, of course, the President of Howard University. There will also be chapters in the Mississippi Delta, in Boston, in Chicago, in Dallas, and in New York.

And along with the President, I want to thank Peter Bijur and the Business Roundtable not only for taking the handoff here, but for pledging to double the number of local coalitions by the end of this year. This is going to help us create an America that's not only better off, but better. I'm firmly convinced -- indeed, I believe with all my heart -- that we grow better when all Americans participate in our prosperity. And this BusinessLINC program is going to be an important new chapter in that story.

Now it's my pleasure to hand off both the microphone and the BusinessLINC initiative itself to the chair of the Business Roundtable. Throughout his career, Dana Mead has been one of America's most effective leaders in bridging the worlds of government and industry. And today, he takes that commitment one step further.

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THE PRESIDENT: I just want to make one very brief point here, because the last two presentations illustrate something that we really believe and that basically is the whole reason for the existence of the Small Business Administration, which is that, even in the best of times there are almost artificial barriers to the success of free markets. We are not trying to supplant them; we're trying to take away the barriers to them. That's what you're doing, and in so doing you're creating more. And this is very impressive to me.

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THE VICE PRESIDENT: In closing, Mr. President, everybody here realizes there are countless people behind the scenes who have supported each of these business leaders and each of the agency heads. And Patrick Swygert reminds me that here in the D.C. coalition we have Representative John Tidings, President of the Greater Washington Board of Trade; and Pamela McKee, Staff Director of the Board of Trade Community Business Partnership -- appreciate you all being here. Thank you very much. (Applause.)

And in the other coalitions being announced today, they have counterparts and we want to congratulate them also. And to all the members of the federal team who have worked so hard. I want to also single out Jack Lew because nothing like this happens in the federal government without OMB being a big part of it.

This has been a great program, and we certainly appreciate it. Just one final question before I turn it back over to you, Mr. President. To all of the CEOs here -- I asked this question of one of you earlier, but just with a show of hands, how many of you use mops in your business? (Laughter.) Did you get that down? We had that video-cam'd so you can expect to be followed up. (Laughter.)

THE PRESIDENT: I think this has been wonderful. And let me say we are -- I think we have a reasonably good chance to get a bipartisan big vote for the legislation that would provide some greater tax incentives and some eligibility for lower interest loans to go with the equity in some of these really distressed areas this year. But none of this is going to happen without the kind of partnerships that we've celebrated today. This is clearly something that is better done and can only be done really in the private sector with the government sort of cheering on and then trying to provide the resources that SBA and others have.

So, again I want to thank Dana and Peter and all the rest of you, and those of you who are living and doing this every day, and I just can't thank you enough. I also would like to say that it means a lot to me personally, having been a resident of Washington D.C. the last six and a half years, that we could do this in Washington, highlight this project, and remind people that there is another Washington where not everybody does have a good job or a good opportunity; and that we believe our Nation's Capital is small enough that the economies of scale work in a way that would sustain vigorous leadership if we can actually bring economic opportunity to all the neighborhoods here.

So, Mr. Mayor and Congresswoman, and to all the rest of you, I want to thank you. And if you'd like to say anything in closing, we'd be glad to hear from you.

END 2:10 P.M. EDT

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