Economic Club

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U.S. Newswire
January 8, 1999

HEADLINE: **Transcript of Clinton Remarks to Economic Club of Detroit (4/4)**
CONTACT: White House Press Office, 202-456-2100

Following is a transcript of remarks by President Clinton today to the Economic Club of Detroit (Part 4 of 4):

Q Mr. President, you recently proposed boosting the defense by about $100 billion over the next six fiscal years. What is it that you hope to accomplish? And another question was asked, among several, what is the policy that you have implemented to attempt to keep so many key military men and women from leaving their positions?

THE PRESIDENT: From leaving their positions?

Q Aging out or --

THE PRESIDENT: Well, first o f all, the military budget peeked in the late '80s and has been going down either in absolute terms or relative to inflation ever since, until a couple of years ago when we stabilized it. We have dramatically reduced the size of our armed forces. We have dramatically reduced the civilian work force supporting those armed forces.

But we now have downsized our force almost to, I think, the point where we shouldn't go lower. We can't go any lower and maintain our present military strategy -- which, among other things, calls upon us to be able to fight in two separate regional conflicts at roughly the same time, and enables us to fulfill our responsibility from Bosnia -- where we're keeping the peace and have saved Lord knows how many lives -- to Central America, where today and for the last several weeks, ever since Hurricane Mitch, the worst hurricane in well over a century, devastated Central America -- you've had several thousand of your fellow Americans in uniform who have been down there working every day to help rebuild it. And we have people on the seas, people in foreign countries, all over the world, on every continent.

I visited in Africa, when Hillary and I went to Africa this year I visited the young Americans that are part of the Africa Crisis Response Initiative, training African soldiers to deal with civil wars and other problems there. We are everywhere.

And what's happening is, as we've downsized the military, the following problems have arisen, and you should all be aware of them. Number one, the deployments overseas are lasting longer and the breaks between them are shorter. Number two, we haven't had the money to replace and repair our equipment as rapidly as we should. Number three, married people in the military who have families and children and who need to live in military housing have not seen any significant improvements in their military housing.

Q Mr. President, you recently proposed boosting the done, and as much I think we'll have to do in the years ahead, in modernizing the weapons that we have. And as you saw in the recent military action in Iraq, where we did a terrific amount of damage to the military infrastructure and the weapons of mass destruction infrastructure, while causing the deaths, the unintended deaths of far, far, fewer civilians than were lost even in the Gulf War a few years ago -- the technological edge the United States has is very important.

Finally, in certain critical areas, we just can't keep up with recruitment. We have a lot of pilots leaving because the airlines are doing very well and they can get jobs making a lot of money working for the airline companies. And I don't blame them, but it would bother you if you knew I needed the American Air Force and there weren't enough people to go fly the planes.

So when I say we're going to spend $100 billion over 10 years, you should know that some of that money is coming out of savings the Defense Department has achieved. And when information is lower than we thought, when fuel costs are lower than we thought, normally they'd have to give up that money -- we're just letting them have money that they were budgeted for anyway. Some of that money will be new money. But we have to raise pay, we have to improve living

You know, not a single one of those planes that flew in Iraq came down, not a single bolt came loose, because people that you will never see worked like crazy, maintaining those planes in tip-top shape condition. They should -- no American pilot, no man or woman that flies those airplanes should ever have to worry about getting into an airplane, worrying about whether it's been properly maintained, whether the equipment was there and all of these things.

So that's what this is all about. And we are going to invest some more money in modernized equipment. I hope you will support this. I know everybody would like to see more money spent everywhere else, but they deserve it. (Applause.)

Q Mr. President, we are out of time, but as a presiding officer I always attempt to try to reach to our young people who have tried to ask -- and they do ask some very interesting and challenging questions. I close with these two combined, one written by a person who is age 13; and the other by the age 12.

Mr. President, are there horses and a horse barn at the White House? If so, could you please send me a picture? And who is the most interesting person you have met during your presidency?

THE PRESIDENT: There are no horses or horse barns in the White House. There is a place where Socks and Buddy sleep. However, the President can ride horses either in Rock Creek Park or up at Camp David, and the National Park Service keeps horses, wonderful horses, which my family and I sometimes ride, and if we have friends come spend the weekend with us, we can ride. So we do have access to horses, but they're not right there on the premises.

It's very difficult to answer who is the most interesting person I've met since I've been President because I meet all different kinds of people. For example, some of you know I love music very much, and one of the big perks about being President is that if you ask somebody to come perform, they'll pretty well do it. (Laughter.) So it's been a real kick, you know. (Laughter.)

And I've met a lot of very fascinating people in public life. But among the most interesting people I've met are the President of China, who is a fascinating man; Boris Yeltsin, who is a fascinating man. Remember, he got up on a tank alone when they tried to take democracy back in Russia and he said to all the soldiers all around him in the threat to take democracy away, you may do this, but you'll have to kill me first. And he was standing on that tank all by himself.

The late Prime Minister of Israel, Yitzak Rabin, who was assassinated by one of his own citizens for working for peace with the Arabs, after he'd spent a lifetime protecting the people of Israel in uniform.

But I think among the politicians, the political leaders I've met, I could mention many more, but I think the most interesting one I've met, for me, for a particular reason, is Nelson Mandela, the President of South Africa. (Applause.) And I say that for this reason -- to the young people -- you should think about this the next time something bad happens to you and you get discouraged.

Bad things happen to kids, you know -- people they like don't like them; gang members try to push them around, maybe threaten them, maybe even hurt them; they make grades that they don't think are as good as they ought to be. You know. Disappointments happen in life.

Nelson Mandela was in prison for 27 years because of his political beliefs. And we talked once about it. And he walked out of there with enough mental and emotional strength to take all the support that he had generated by becoming the symbol of South African freedom and to win in a landslide the first free election they had had in 350 years, and to do it in a way that brought people together across racial and political lines instead of driving them apart.

When I went to South Africa, Nelson Mandela, for example, arranged for me to have lunch with legislative leaders. And one of them was the leader of the most militant right-wing, white party there who had once threatened to restart a civil war if Nelson Mandela got elected President. And Mandela sat down and talked to him and convinced him he ought to be part of the political system. And then when I came to South Africa, instead of having me eat lunch with all of his allies, he had me sit down and eat lunch with this fellow.

I have a minister friend who ran into President Mandela at the airport in Johannesburg and he came up to a little five-year-old white girl, and he asked the young girl if she knew who he was, and the young girl said, yes, you're President Mandela, you're my President. And he looked at this little child now, after all his life, and he said, yes, young lady; and he said, if you study hard in school and you learn a lot about things you, too, could grow up to be President of South Africa.

Hillary and Chelsea and I have all become friends of President Mandela, but also fascinated by how he survived 27 years in prison. There was over a decade in which he didn't have a bed in his cell. A dozen years of breaking rocks, an experience which cost him seeing his children grow up -- ultimately cost him his marriage and subjected him to all sorts of physical and emotional abuse. And he walked out of prison, got elected President, invited his jailers to his inauguration.

So I asked him one day, I said, how did you do this? I said, how did you go without hating them? And he said, well, you know, I did hate them for a long time, about 12 years. And he said, one day I was out there breaking rocks in prison and I thought, look what they've taken away from me. They've taken the best years of my life. I can't see my kids grow up. They brutalized me. They can take everything -- they can take everything from me, but my mind and my heart. Now, those things I will have to give to them. I don't think I will give them away. You think about that. I don't think I will give them away.

The morning Nelson Mandela got out of prison, it was an early Sunday morning in America, in the Central Time Zone. And I got my daughter up and I took her down to the kitchen and turned the television on and sat her up on the counter -- she was a little girl -- and I said, I want you to watch this, this is one of the most important things you'll ever see. And some of you remember when Mandela took that last long walk to freedom, when he was coming out of the prison.

So I asked him, I said, now, when you took that last walk, tell me the truth, didn't you hate them again? He said, yes, I started to. And he said, I was also scared because I hadn't been free in a long time;

I was actually scared. And I was filled with anger. And then I thought to myself, when I become free, I want to be free. If I still hate them, I won't be free. They've had enough of my time. I'm not giving them any more, not another day. (Applause.)

This is a very long answer to a child's question, but it's an important answer. That's why he's the most interesting person I've met -- because I don't know another human being that suffered so much for so long and came out so much stronger and richer and deeper than he went into his period of suffering.

And so I ask the children here and the parents here to think about it when times get tough. And I ask America to think about it when we have all these racial and religious and political divisions that we think are so big -- we spend all of our time trying to solve the problems in Northern Ireland, the Middle East and other places in the world. None of the people -- practically none of the people that are involved in any of this stuff around the world, and nobody here in America has ever been through anything -- anything -- like what he went through.

And so when we call for a spirit of reconciliation and unity and community and mutual respect in America, we ought to think about Nelson Mandela. If it was good for him, it would sure be good for us.

The Economic Club of Detroit

Membership

Purpose and Program

The Economic Club was organized September 10, 1934, as a forum for the discussion of vital governmental, economic and social issues.

In the intervening years, the Club has established a premier position among the great public platforms of the world. The Club serves its nearly 3,000 members as a meeting place, as an educational institution, as a platform for debate and discussion and the expression of divergent viewpoints on a variety of topics, and, above all, provides members a sense of awareness of and a feeling of involvement in the great issues and affairs of the world.

The Economic Club includes men and women in business and industry, in the professions, in labor, in government, in education -- in all walks of life. The Club is anchored firmly to Metropolitan Detroit, but its service area has become statewide, and its reputation is known nationally and throughout the world.

The Club's main activities:

- Weekly meetings from September to June at which outstanding leaders in fields of timely interest speak to the members and answer their questions.
- University, college and high school outreach programs in which individual or corporate sponsors arrange for student groups to attend the regular meetings and to meet privately with the speakers appearing at the Club's weekly meetings.
- Publication and distribution to the membership of the texts of the talks given by a number of the speakers appearing at the club's weekly meetings.

Membership

Membership is open to all who have an interest in the great issues of our times. Catagories of membership are as follows:

Regular Member: **$125.00** per year
Junior Member (Under 36 years of age): **$75.00** per year
Associate Member: **$100.00** per year
    Ministers of religion, full-time members of the faculties of accredited schools, colleges and universities, both public and private, officials of local, state and national governments and employees of non-profit organizations.
    Persons over 60 years of age who have retired from full- time employment.
Non-Resident Member: **$100.00** per year
    Persons who live and work beyond a radius of 30 miles from the City-County Building of the City of Detroit.
Sustaining Member: **$300.00** per year
    Available to all who wish to provide additional financial support for the club's activities.
Life Member: **$1,500.00**
    Available to persons who wish to assure a lifetime affiliation with the Club.

For a membership application, contact:

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ECONOMIC CLUB OF INDIANAPOLIS SPEAKER SCHEDULE FOR 1998-99

September 17, 1998 - F. W. de Klerk, Former President of South Africa - A co-recipient (with Nelson Mandela) of the 1993 Nobel Peace Prize, de Klerk was a major figure in the abolition of apartheid rule in South Africa and transition to an all-race, multi-party democracy. The National Party leader succeeded staunch apartheid supporter P. W. Botha in 1989 and immediately began to dismantle the race laws underlying hundreds of years of white minority rule. After helping to usher Mandela into the Presidential office in 1994, de Klerk served two years as a deputy president. He resigned from politics in 1997 and now lectures around the world.

October 29, 1998 – Dinesh D'Souza, John M. Olin Fellow at the American Enterprise Institute – A native of Calcutta, India, D'Souza has experienced a meteoric rise to prominence in American political and literary circles, including service as a senior domestic policy analyst in the closing two years of the Reagan White House. This Phi Beta Kappa graduate of Dartmouth has emerged as a best-selling author, social issues commentator, and media celebrity in such areas as affirmative action, higher education, religion, and public policy, and cultural issues. His most recent book, "Ronald Reagan: How an Ordinary Man Became an Extraordinary Leader," examines Reagan's character and special leadership style. D'Souza is one of the country's most sought after public speakers.

November 9, 1998 – Stephen C. Hilbert, Chairman, President and CEO of Conseco, Inc. – Since founding Conseco in 1982, Hilbert has grown a company with $3 million in assets into an insurance and financial services empire with assets of more than $65 billion today. Hilbert and his wife are nationally recognized for their generous philanthropy, including a $10 million personal gift to the Indianapolis Symphony Orchestra. More recently, the company made a $30 million commitment that resulted in the designation of the city's new basketball facility as the Conseco Fieldhouse.

December 16, 1998 – E. D. Hirsch, Jr., President, Core Knowledge Foundation –This University of Virginia English professor is to many a demon of public education, to others a hero. The publication of his best seller "Cultural Literacy," and in 1997 "The Schools We Need, Why We Don't Have Them," have propelled Hirsch to the forefront of the education debate. He maintains that if all children, not just the privileged, are taught in the ways that emphasize hard work, facts, and rigorous testing, their enthusiasm for learning, academic performance and ultimately success as citizens will rise. Hirsch provides provocative solutions for our schools' many ailments and hope for solving many of America's social problems.

January 6, 1999 – Herbert I. London, Ph.D., President and CEO of the Hudson Institute – After a distinguished career in academia, London became president of the Indianapolis-based think tank in September, 1997. He is a former John M. Olin professor of humanities at New York University. He was responsible for creating the Gallatin Division in 1972 and served as dean until 1992. He was the Conservative Party candidate for Governor of New York in 1990, collecting more votes than any third party candidate in the state's history. In 1994, as a Republican candidate, he narrowly lost the race for New York State Comptroller. He is the author of 13 books on public policy themes and is a frequent contributor to major journals on social issues.

February 17, 1999 – Sidney Taurel, President and CEO, Eli Lilly and Company – A staff member of the Indianapolis-based pharmaceutical company since 1971, Taurel became president and CEO at Lilly in July, 1998, and will become chairman of the board on December 31, 1998. A native of Spain, Taurel has held many strategic planning and marketing positions for the company, many of them in foreign nations, but has lived in Indianapolis continuously since 1986. He became vice-president of the pharmaceutical division in 1991 and was promoted to corporate executive vice-president in 1993.

March 25, 1999 – William J. Raspberry, Nationally Syndicated Columnist – This noted journalist, with many Central Indiana ties, is a member of the Washington Post Writers Group, with columns appearing weekly in 203 U.S. newspapers, including The Indianapolis Star. He is a graduate of the University of Indianapolis (where he is today a trustee) whose writing career began with the Indianapolis Recorder. Raspberry won the Pulitzer Prize for commentary in 1994. Since 1995, he also has been a public policy professor at Duke University. He was elected to the prestigious Indiana Academy in 1998.

April 12, 1999 – Lisa Graham Keegan, Superintendent of Public Instruction, State of Arizona – In 1993, as a state legislator in Arizona, Lisa Graham Keegan proposed a comprehensive education reform package featuring parental choice and charter schools. The measure was defeated. Later, as the newly-elected superintendent of public instruction, she introduced similar legislation without parental choice. This bill passed, triggering hundreds of charter schools throughout Arizona and launching the state to the apex of the public school reform debate.

May 7, 1999 - Andrea Mitchell, Chief Foreign Affairs Correspondent, NBC News -A top reporter at NBC News since 1978, Andrea Mitchell has covered virtually every facet of governmental affairs in Washington, including nearly two years at the WhiteHouse early in President Clinton's first term and all eight years of the Reagan Administration. She was chief Congressional correspondent from December, 1988, to January, 1993. In her present assignment, NBC draws on her extensive experience to report evolving foreign policy news for all NBC affiliates around the world.

Membership dues for the Economic Club of Indianapolis are $50. For information on becoming a member of the Economic Club of Indianapolis, please contact Barbara Russell at 317-464-2248.

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"Creating and Protecting Our Community's Wealth"

Speech to the Economic Club of Indianapolis
November 9, 1998

Stephen C. Hilbert
Chairman, President and Chief Executive Officer
Conseco, Inc.

Introduction
Thank you very much for that wonderful introduction. This is truly a humbling experience for a man born and raised in North Terre Haute, Indiana, especially after doing my research on the Economic Club. I found that, over its 24-year history, the Club has provided a national forum for a broad range of "interesting characters" and "original thinkers," from economist Milton Friedman, to political commentators like William F. Buckley, to cabinet officers and foreign dignitaries.

I noted with some amusement that the "interesting characters" and original thinkers to grace this stage has even included my old friend and "admirer" from Barron's, Alan Abelson.

Some speakers have used the Economic Club podium as a means of testing the water before a political run. Others, such as former U.N. Ambassador Jeane Kirkpatrick and businessman J. Peter Grace, have used it to float "trial balloons" or to test-market some potentially controversial ideas. After all, as Theodore Roosevelt once noted, Indianapolis is "America's most representative city."

This club has achieved a unique place in the American cultural scene, and you are to be congratulated. A few years ago, U.S. News & World Report developed a leaders list it called "The New American Establishment" - risk takers, innovators and organizational wizards who "have risen to power and prestige - and are changing society forever." Significantly, many of them have addressed the Economic Club.

Let me assure you that your speaker today has no political aspirations, no trial balloons, and no concealed agenda, other than to get a few observations off his chest. He's not even sure that he qualifies as either an interesting character or an original thinker, but he's nonetheless very pleased to be part of your proceedings.

My topic today is "Creating and Protecting Our Community's Wealth." Those of you who have seen the television ads supporting Conseco's nationwide branding campaign will recognize that my title paraphrases our ad's theme as the company that "creates wealth, protects wealth, for life."

My thesis is that corporations and corporate leaders have played a vital role in creating the wealth of the Indianapolis community - adding not just to its tax and employment bases, but also to its quality of life -- by fostering a thriving environment for the arts, education, sports, entertainment, and charitable organizations.

And yet the impact of corporate involvement in the daily life of the city is often overlooked and underappreciated, in my view. It's a situation that deserves our attention.

For the next few minutes, I'd like us all to reflect on a few of the companies and leaders who have added significantly to the wealth of our community. And let's ask ourselves, what can we learn from them about building community wealth?

At the end, I'd like to present a few ideas for ensuring that corporations and corporate leaders are encouraged to grow and thrive, and that entrepreneurs are encouraged to start new businesses, here in Indianapolis - so that, together, we can continue to create and protect the community's wealth.

Eli Lilly & Co.
Any discussion of the corporate treasures of Indianapolis must begin with Eli Lilly. In 1876, a 38-year

old pharmaceutical chemist and Civil War veteran named Colonel Eli Lilly was frustrated by the poorly prepared, often ineffective medicines of his day. He made these commitments to himself and to society: he would found a company that manufactured pharmaceutical products of the highest possible quality. His company would develop only medicines that would be dispensed at the suggestion of physicians. And Lilly medicines would be based on the best science of the day.

Later, the company came to focus on the discovery and development of new and better medicines. Lilly today is a worldwide leader in the pharmaceutical industry, with annual sales of more than $8.5 billion to customers in 159 countries. Here in Indianapolis, Lilly employs more than 8,000 people, and another 2,000 in other Indiana facilities outside the city. In 1997, Lilly invested nearly $1.4 billion in the research and development of new products. To put that staggering total into perspective, that's $5 million every workday invested in R & D.

Lilly was guided very masterfully for more than 20 years by Dick Wood, a man I greatly admire. After Dick's retirement in the early '90s, conditions changed for Lilly and its industry. I remember articles in The Wall Street Journal speculating about Lilly as a takeover target. What a tragedy that would have been.

Enter Randy Tobias and the beginning of the most challenging, and ultimately, for Lilly shareholders, the most rewarding five-year period in the company's history. When Randy became chairman and CEO of Lilly in 1993, the market value of the company - including what has since become Guidant Corporation - was about $14 billion. Today, the market value of Guidant alone is more than $8 billion, and the value of Lilly is well over $70 billion. Under Randy Tobias, Lilly's total return to shareholders over the last five years has ranked first in the pharmaceutical industry. And Randy tells me that Sydney Taurel is the right person to take Lilly to the next level.

Lilly's motto, to paraphrase, is: Take what you find, and make it better. And Lilly has been making it better for Indianapolis for more than 120 years. Through financial grants, the donations of products and equipment, and the volunteer time and expertise of its employees, Lilly offers assistance to organizations whose programs help meet the needs of people in the areas of health and human services, education, civic affairs, and culture.

It's almost impossible to list all the ways in which Lilly has enriched this community and all the organizations they have touched. But let me mention a few: Habitat for Humanity; Junior Achievement; the Indianapolis Minority Engineering Program; Partners in Education (a Lilly program in which employees serve as mentors to students with special needs); Scout Explorer Posts; the Science Education Coordination Committee; and Lilly Hammers (a group of about 150 active employees who volunteer their time throughout the year to work on low-income housing and home rehabilitation projects).

Last year alone, Lilly contributed nearly $103 million in cash and product to charitable organizations around the world.

It's difficult to imagine what Indianapolis would be like without Lilly, without the Foundation, and without leaders like Dick Wood and Randy Tobias.

Brightpoint
Another true Indiana success story started in August of 1989, when Bob Laiken founded a tiny Indianapolis company --Brightpoint.

Brightpoint today is a leading provider of distribution and value-added services to the wireless communications industry. Brightpoint distributes wireless and cellular products manufactured by such technology giants as Siemens, Ericsson, Philips and Samsung. With annual revenues of more than $1 billion, Brightpoint serves network operators, agents, resellers, dealers and retailers throughout the United States and in more than 75 countries around the world.

Here in Indianapolis, Bob Laiken, Brightpoint and its employees actively support numerous organizations and events around central Indiana, including: Noble Centers; the Indianapolis Repertory Theatre; Starlight Summerstage; the Indianapolis 500 Festival; Emily's Walk; the Children's Museum;

the Leukemia Society; the Indiana Literacy Foundation; the Children First Benefit Fund; the U.S. Gymnastic Championships; and the Boy Scouts.

Emmis Broadcasting
When you're thinking of Indianapolis companies, who would have ever thought that Indianapolis would be home to a media empire?

Jeff Smulyan started working in radio in 1973, and founded Emmis Broadcasting in 1981. Other than a period of what I would call temporary insanity as owner and CEO of the Seattle Mariners, he's been a giant of the broadcasting industry ever since.

Using a disciplined growth strategy, Emmis Broadcasting has become the eighth-largest radio broadcaster in the United States, and owns or operates 13 radio stations in Los Angeles, New York, Chicago, St. Louis and Indianapolis. The company also owns six network-affiliated television stations in other cities and also owns four magazines.

Emmis' commitment to its communities is truly magnificent. In 1997, Emmis and its media properties contributed cash, employee services, advertising space and broadcast time worth more than $15.3 million to charitable causes in the communities in which they operate - much of it here in Indianapolis.

For Jeff Smulyan and Emmis, giving is a way for the company not only to demonstrate its commitment to the communities in which it operates, but also to raise awareness of important issues and foster support for worthwhile causes. We are lucky to have Emmis based here in Indianapolis.

Marsh
Another community jewel is Marsh Supermarkets. Marsh was founded in 1931 with one store in Muncie, Indiana. In 1953, the company went public with 16 stores. Today, it is a leading regional food retailer headquartered in Indianapolis.

The company operates 72 Marsh supermarkets, 17 LoBill Foods stores, 181 Village Pantry convenience stores in Indiana and Ohio, a distributing company that serves 1,300 non-affiliated convenience stores in seven states, and it also operates Crystal Food Services, the largest food service operator in Indianapolis. The 12,800 employees of Marsh serve more than 2 million customers each week.

Don Marsh believes that you must give back to the community. And he believes that a company is only as successful as the community it serves. These beliefs are fundamental to Marsh's business objectives. Don has been active with the Indiana State Chamber of Commerce, the Indianapolis Museum of Art and the Indiana State Symphony Society. As one of the largest contributors in Indiana, his company is active in many community projects. Marsh has a 17-year relationship with the ISO through its Symphony on the Prairie series at Conner Prairie, a series that has been enjoyed by hundreds of thousands of people.

Simon Property Group
And what about Indiana's own Simon Property Group? Mel Simon, a native of Brooklyn, came to Indiana while serving in the U.S. Army, when a transfer brought him to Fort Benjamin Harrison in Indianapolis. We're glad he stayed.

In 1960, with his brothers Herb and Fred, he started a little company that later became the Simon Property Group.

Today, the Simon Property Group is the largest publicly traded retail real estate company in North America, with a total market capitalization of more than $5 billion. The company owns or manages approximately 154 million square feet of space in retail and mixed-use projects. Simon Property Group attracts over 1.6 billion shopping visits annually to its properties. The company owns or manages some of the nation's foremost retail properties, including: Mall of America in Minneapolis; The Forum Shops at Caesars in Las Vegas; the Fashion Centre at Pentagon City in Washington, DC; and, of course, Circle Centre here in Indianapolis.

Simon malls transform their communities. Without question, the Circle Centre mall was a key factor in the revitalization of downtown Indianapolis.

The Simons hold numerous board memberships with community and civic organizations, and they have received many awards and honors for their involvement. They have owned the Indiana Pacers since 1983. The Simons were instrumental in keeping the Pacers in town when it appeared the team was destined for "greener" financial pastures. Then they built one of the NBA's most exciting teams, featuring another Indiana legend, coach Larry Bird.

Others
Unfortunately, time doesn't permit me to mention individually the thousands of other companies that add to our community's wealth. This vast collection of businesses - whether old or new, large or small, service or manufacturing, stable or growing, public or family-owned, highly technical or mundane - all contribute to the diversity and depth that stabilize our community's wealth. Would any of us like to speculate how much poorer our community would be without Lilly, without Brightpoint, without Emmis, or without outstanding businesspeople like the Simons, Don Marsh or the thousands of others I don't have time to mention?

What is it about these "jewel companies" that sets them apart? I have a few thoughts. First, each has a winning idea. They've boiled down their businesses to a simple essence.

Second, each of our "jewel" companies has been able to attract and retain extraordinary management talent and implement a strong management discipline. These companies are motivated to dominate their industries, and they know how to evaluate and manage risks.

Third, they have an active management philosophy and a commitment to make sure their idea succeeds - these companies don't "let it happen," they "make it happen."

Fourth, they have developed a culture of success - where less competitors see only obstacles, they see opportunities. Fifth, each of our "jewel companies" has a strong sense of community. And they appreciate the other "local treasures" that surround them.

And sixth, each has a philanthropic spirit. Sure, it's good business to support organizations that foster a better quality of life. It benefits your employees and adds to your ability to sell products and attract talent. But there's also a healthy degree of altruism at work here. There is nothing like the great feeling you get from giving back to the community that helped you succeed.

A good friend of mine in the insurance business once told me, "You make a living out of getting. You make a life out of giving."

That's the spirit, I think, that motivates the leaders at our "jewel" companies.

Conseco
Of course, I believe that my company, Conseco, also deserves to be included among the jewels of this community.

Back when we started in 1979, Conseco was little more than $10,000 of assets and an idea. At that time, the insurance industry was dominated by "inside the box" managers. A century of slow industry evolution had produced managers who were satisfied with the "same old products" and the "same old distribution systems." They had little ownership in their companies, so they didn't think like owners. They had little profit focus, little motivation to manage costs, and little incentive to change. Their companies, as a result, were characterized by lazy capital and a "marking time until retirement" mentality.

Then the world changed. New competitors emerged--mutual fund companies and discount brokerage firms, among others--competitors who were leaner, more agile and more innovative. Consumers, given more choices from more sources, became more demanding. It was no longer good enough simply to protect wealth. Consumers also wanted products to help them create wealth.

That is the environment that produced Conseco.

We had a rather unconventional idea -- that insurance companies should be operated just like any other business. We set out from the beginning to operate as efficiently as possible and be very careful with our precious capital. We recognized that the competitive landscape was changing. We would be competing not only against traditional insurance companies, but also against banks, mutual funds, and securities brokers. We had to be lean and focused, and we had to develop an entrepreneurial, "owner/operator" culture.

We've been fanatics about following those basic business principles, and we've produced some extraordinary results along the way. We completed our initial public offering in 1985, and listed our shares on the New York Stock Exchange in 1986. We were named to the Fortune 500 in 1996 and to the Standard & Poor's 500 in 1997. And we completed 20 acquisitions. Of all the companies in the Fortune 500 at yearend 1997, we generated the highest return to shareholders over the preceding 10 years. An investment of $10,000 in our original offering would now be worth about $5.6 million, or an increase of nearly 55,000 percent. (In the interest of full disclosure, I need to add here that our return so far in 1998 is not living up to our lifetime average of 50 percent per year, but believe me, we're working on it.)

Conseco today is one of America's largest financial services companies, with a full range of products and services -- from life and health insurance to retirement savings products, mutual funds and consumer and commercial finance services.

Our insurance products are sold by 160,000 agents, and by our direct marketing company, Conseco Direct. Our finance products are sold through more than 20,000 dealers and 200 sales offices. Our mutual funds are sold through more than 100 broker/dealers.

We are now a nationwide company, with more than 12,000 employees in eight major U.S. locations and hundreds of smaller offices, 12 million customers, 85,000 shareholders, and $83 billion of assets, managed investments and finance receivables.

But Indianapolis is still our home. More than 3,500 of our employees are located right here in central Indiana, and our annual local payroll exceeds $126 million.

Indianapolis was the perfect spot for our new company. It was home. I was born and raised in Terre Haute and came to Indianapolis very early in my working career. So my friends and business contacts were right here.

As we have grown, Indianapolis has remained the perfect home for the company, because of the people of central Indiana - the people who develop the products, work with customers and agents, and watch over our finances. Their incredible work ethic and "can-do" spirit formed the backbone of the company and made it possible for Conseco to build, to grow, and to thrive.

It is one of the great pleasures of my life, that, as the company has prospered, it's become possible for my wife Tomisue and me, and for Conseco, to share our blessings with the Indianapolis community. Tomisue and I have been pleased to give to the symphony, to the zoo, to St. Vincent Hospital, to Park Tudor School, and to the Museum of Art. And we've really enjoyed watching our dollars help these organizations maintain or enhance their activities. We have also provided, through our foundation, the means to fund other worthy causes even after we're gone.

Through the years, Conseco's community involvement has also grown. Through grants and volunteerism, Conseco supports a variety of community action initiatives. To recap just a few, we have a long-standing relationship with Junior Achievement, including support of programs such as the Economics of Staying in School and Exchange City. Just last month, 35 teams of Conseco associates raised funds for JA through Bowl for Kids Sake.

Conseco supports the Indianapolis Zoo through Christmas at the Zoo, Zoobilation, ZooFest and the annual corporate campaign. Right now, hundreds of Conseco employees are preparing to adopt needy families during the holidays through the United Christmas Service. On the national stage, Conseco provided a lead gift to the March of Dimes to fund biomedical research.

We believe that individuals can make a difference, no matter how small or large their participation is. Together, we strengthen the community.

It's obvious that Conseco is near and dear to me. But my point here today is that Conseco is part of a relatively small group of companies that were born here, grew up here, went public here, and continue to call Indianapolis "home," contributing, each in its own way, to the wealth of this community.

We owe it to ourselves to make sure that our community wealth continues to grow by encouraging more Brightpoints, more Marsh's, and yes, even more Consecos.

In partnership with a very supportive local and state government, the corporate community has accomplished a great deal for Indianapolis - attracting the NCAA headquarters, financing the Circle Centre Mall, forging the long-term relationships with the Pacers and the Colts, and building the Conseco Fieldhouse, to name just a few.

Let's agree that preserving and encouraging companies like Lilly and Brightpoint is a good thing. Therefore, we have a challenge before us. What can we provide, as a community, to see that these and other companies start here, then stay, thrive and contribute to our community wealth?

My view is that first we can provide enlightened government at all levels throughout the region - city, county and state, resulting in a true public/private partnership. An example is Mayor Goldsmith, who has been instrumental in building just such a partnership in our city. His views have earned him recognition as one of the finest mayors in the country.

State legislation and regulation must work to maintain a level playing field for our Hoosier companies who compete with the rest of the world. We passed legislation a decade ago that overly protected small town banks. Ultimately, that legislation helped push our largest banks out of the state.

We also have a state gross receipts tax that drastically penalizes service organizations, such as mutual funds and money managers, in competing with out-of-state firms.

With the convergence and consolidation that is occurring in all large industries today, we must stay on the alert for ways to insure that Indiana companies continue to drive the process of convergence, rather than being a passenger in the car of some out-of-state acquirer.

The kind of public/private partnership I describe makes for a consistent business environment, one which supports the building of long-term relationships with customers, employees, and community leaders - and the building of long-term wealth for our community.

Second, we can insist that the community spend at least as much time, effort and money to keep the companies we already have as is spent to entice companies from elsewhere. Don't get me wrong. The city and state did the right thing in putting together the packages that brought United and FedEx to Indianapolis in a big way. But let's make sure at the same time that we're doing what's necessary to help our own companies grow their employee and tax bases.

I had an experience in 1986 that's always stuck with me. We were very young, had just 350 employees, and had just acquired a company in New Jersey. We wanted to move 300 jobs to Carmel. Because of our limited resources, we applied for a state grant. You can't imagine our joy when we received approval for $50,000. And you can't imagine our mood swing when we received a letter a short time later that said, "Sorry, we have no funding for your grant. You're on your own." Today, Conseco receives several inquiries each month from different cities and states offering tax breaks or financial incentives to move. Believe me, we have no plans to move. But I'm sure other companies are receiving similar overtures and will be tempted.

One more thought on this subject. Let's also make sure that we give as much attention to growing our base of service and technology jobs as we give to manufacturing jobs. The newly formed Indianapolis and Central Indiana Technology Partnership has an excellent opportunity to inspire and promote our future growth in technology. We at Conseco are proud to support its activities and we ask you to do likewise.

Third, we can provide a co-operative business environment. Years ago, Indianapolis had a corporate/community council - a committee of business and community leaders organized around just such a theme. It died because it had no clear mandate and no ability to implement ideas. I know that there is currently an effort being made to revive the concept of a community council, but this time, with some clout and a more regional focus. I applaud that effort.

Lastly, we can provide media support. No matter how thick-skinned businesspeople appear to be, local press coverage does matter to management. Businesspeople, especially managers of public companies, expect to be criticized when they mess up. They also know that they must earn the respect and trust of reporters. But businesspeople also expect local press coverage to reflect the fact that they're the home team, and that, when local businesses succeed, the community succeeds. In New York, the papers rarely slam local financial services companies. In Chicago, the papers don't go out of their way to rip Chicago companies - they're viewed, appropriately, as the lifeblood of their respective cities. It seems to me that both the print and broadcast media here in town have an important role to play in nurturing a more business-friendly culture.

In conclusion, I hope I've challenged all of us to think a little differently about our community wealth and the environment we provide for our "jewel companies." I'll close with one more challenge. It's a challenge to the companies who are emerging as the next "jewels" of Central Indiana. Get involved. Make your case for community support.

It's time for a new generation of business leaders to step up and make their own contributions to community wealth.

Thank you.

Economic Clubs by State
*Indicates "similar" types of organizations or forums.

Alabama - Birmingham?

Alaska
Commonwealth North*
935 West Third Avenue
Anchorage, AK 99501
(907) 276-1414

Arizona - Phoenix?
Arkansas - Little Rock?

California
Commonwealth Club of California*
595 Market Street
San Francisco, CA 94105
(415) 597-6700

Los Angeles World Affairs Council*
900 Wilshire Boulevard
Suite 230
Los Angeles, CA 90017

Town Hall of California*
523 West Sixth Street, Suite 232
Los Angeles, CA 90014
(213) 628-8141

Colorado
The Economic Club of Denver

Economic Club of Colorado
1200 Larimer Street, Box 165
Denver, CO 80204

Connecticut -Hfd?
Delaware -Wilmington?

District of Columbia
The Economic Club of Washington

Florida
Economic Club of Florida

2952 Wellington Circle
Tallahassee, FL 32308-6885
(850) 906-9226

The Florida Economics Club*
864 East Park Avenue
Tallahassee, FL 32301

Forum Club of Collier County*
350 Bow Line Bend
Naples, FL 33940

Georgia - atlanta
Hawaii
Idaho - Boise

Illinois
Economic Club of Chicago
20 North Clark Street #2720
Chicago, IL 60602-5002
(312) 726-1628

The Executives Club of Chicago*
8 South Michigan, Suite 1604
Chicago, IL 60603
(312) 263-3500

Indiana
Economic Club of Indianapolis
320 North Meridian Street
Indianapolis, IN 46204

Iowa
Kansas
Kentucky - lexington
Louisiana - new orleans, Baton Rouge
Maine - Portland
Maryland - Springfield

Massachusetts
Boston Economic Club
Worcester Economic Club

Michigan
Economic Club of Detroit

333 West Fort Street, Suite 100
Detroit, MI 48226-3115
(313) 963-8547
(POTUS Spoke early JAN)

Women's Economic Club of Detroit
155 West Congress Street, Suite 310
Detroit, MI 48226-3204
(313) 963-5088

Economic Club of Grand Rapids
220 Lyon Street NW, Suite 220
Grand Rapids, MI 49503-2208
(616) 454-1883

Economic Club of SW Michigan
c/o Plante & Moran, PO Box 1128
Benton Harbor, MI 49022

Economic Club of Lapeer County
449 McCormick Drive
Lapeer, MI 48446- 2555
(810) 667-0080

Tri County Economics Club
1500 Center Avenue
Bay City, MI 48708
(517) 893-5577

Minnesota
Mississippi
Missouri - Kansas City, St Louis
Montana
Nebraska
Nevada Las Vegas
New Hampshire
New Jersey Newark
New Mexico albuquerque

New York
Economic Club of NY
350 5th Avenue #4910
NY, NY 10118-4999
(212) 947- 7738

Foreign Policy Association*
729 Fifth Avenue
New York, NY 10019

North Carolina
Charlotte Economic Club

North Dakota

Ohio
Economic Club of Columbus
2671 Sawbury Boulevard
Columbus, OH 43235-4582
(614) 798-9411

City Club of Cleveland*
850 Euclid Avenue
Cleveland, OH 44114
(216) 621-0082

Economic Roundtable of Ohio Valley*
Peoples Banking and Trust Company
PO Box 666
Marietta, OH 45750

Oklahoma
Economic Club of Oklahoma
210 Park Avenue
Oklahoma City, OK 73102-5605
(405) 235-0405

Oregon
City Club of Portland*
317 South West Alden Street, #1050
Portland, OR 97204
(503) 228-7231

Pennsylvania
Economic Club of Pittsburgh

World Affairs Council of Pittsburgh*
c/o Kaufmann's Department Store
400 Fifth Avenue
Pittsburgh, PA 15219

Rhode Island
South Carolina
South Dakota

Tennessee
Economic Club of Memphis

Texas - Houston, Dallas, Austin
Utah Salt lake City
Vermont

Virginia
Economic Club of Hampton Roads ?

Washington
Deborah Swets
City Club of Seattle
1111 Third Avenue, Suite 260
Seattle, WA 98101
(206) 682-7395

West Virginia
Wisconsin Milwaukee
Wyoming

The Boston Globe
December 24, 1998, Thursday ,City Edition

HEADLINE: **Public education critic eyed for top state position**
BYLINE: By Jordana Hart, Globe Staff

The head of a Boston think tank that supports charter schools, vouchers, and school choice is a front-runner for state education commissioner, sources said yesterday after a meeting of the state's search committee.

James A. Peyser, executive director of the Pioneer Institute for Public Policy Research, is expected to resign his seat on the state Board of Education within the next few days in order to legally free himself for possible appointment as commissioner. Reached yesterday, Peyser said only, "I don't know when the process will become public."

No one was willing to speak directly yesterday about the Peyser candidacy. Peter Finn, director of the Massachusetts Association of School Superintendents,said the new commissioner should be someone "with hands-on public school experience and be a proponent of public education."

Privately, though, many expressed worry and shock. They said Peyser has no experience in an elementary or high school classroom, and they questioned his underlying attitude toward public education.

"The Pioneer Institute is going around saying public education ought to be blown up. To make him commissioner would be a big slap in the face of educators," said one education reform advocate.

Peyser, like Pioneer, supports opening more charter schools, which are publicly funded, but independently run schools. He also has called for a major overhaul of both special education and bilingual education, which has advocates worried.

In a 1996 address to the **Boston Economic Club**, Peyser laid out his plan to alter the "monopoly structure of public education.

"Like all monopolies, the public education system is marked by a preoccupation with politics and bureaucracy rather than customers and quality, resulting in stagnation, if not decline," he said.

Outlining how he would create a "market-driven education system," Peyser listed deregulation, independently managed schools, and parental choice as the three most important principles.

Sources yesterday said Peyser has told other board members that he has six of the nine board votes needed to become commissioner.

Paul Reville, chairman of the state's education reform review commission, declined to comment yesterday on Peyser as commissioner. But he said, "I am concerned that this be an open process. The rumors that there is wiring going on for a candidate give me concern."

Sources said Peyser, interim Education Commissioner David Driscoll, and five other applicants made the list of finalists yesterday at a search committee meeting.