

Sincerely,

BILL CLINTON

NOTE: This letter was made available by the Office of the Press Secretary on May 15 but was not issued as a White House press release.

Message to the Congress Transmitting a Report of the
National Science Board
May 15, 1996

To the Congress of the United States:

As required by 42 U.S.C. 1863(j)(1), I am pleased to submit to the Congress a report of the National Science Board entitled *Science and Engineering Indicators—1996*. This report represents the twelfth in a series examining key aspects of the status of American science and engineering in a global environment.

The science and technology enterprise is a source of discovery and inspiration and is key to the future of our Nation. The United States

must sustain world leadership in science, mathematics, and engineering if we are to meet the challenges of today and tomorrow.

I commend *Science and Engineering Indicators—1996* to the attention of the Congress and those in the scientific and technology communities.

WILLIAM J. CLINTON

The White House,
May 15, 1996.

Remarks During Panel I of the White House Conference on Corporate
Citizenship
May 16, 1996

The President. Thank you very much, Father O'Donovan, for giving those assembled here in 5 minutes the essence of what I got in the 4 years in my Georgetown education. [Laughter] When I was a student, I came to this magnificent old hall many times to hear other people say things I thought were very wise. I never imagined I would be here so many times myself in this position, but I am delighted to be back.

This is a peculiarly American event we're about to have today. And I'm glad that the business students from Georgetown are here, the law students, the undergraduate students. I understand this is the day after finals; that shows the level of devotion to this topic—[laughter]—that I hope the rest of us can match.

I also want to thank the business leaders who are here and the labor leaders who are here. There's a remarkable collection of people here from large, medium, and small companies, men and women, different racial and ethnic backgrounds, people who represent different kinds of unions and different work organizations, all

committed to discussing this very important topic today of citizenship in the workplace.

As the nature of work and the nature of the workplace changes dramatically and we move so rapidly into the 21st century, what do we owe each other in the workplace? What do employers owe employees? What do employees owe employers? What, if anything, should the Government do to help to deal with the new challenges that we face?

We are here today for two reasons: First of all, because there are some very profound changes taking place, and if we respond to them properly, we get very good results. But even in the good results we see some paradox: our economy in the last 3½ years, a deficit that's less than half of what it was when I became President, low inflation, 8½ million new jobs, a 15-year high in homeownership, all-time highs in exports and small business formation. But still, according to studies done by both the Business Roundtable and the AFL-CIO, high levels of uncertainty in our work force, people uncer-

tain about their job security, whether they can get an increase in income even if they work harder, whether they can maintain access to health care and retirement for their families, and people wanting more genuine participation in their jobs, in their work force, in building their own future.

The Government plainly has some big roles to play in reducing the deficit, having good trade policies, promoting our economic interest around the world, investing in technology and research in areas that it's obviously important for a public investment as well as the private investment. There are certain tax incentives the Government has provided traditionally and that I hope will provide again—the incentives for research and experimentation, the incentives for companies to help to finance the education of their own employees, indeed, I would like to see expanded to give a little extra help to small businesses in that regard.

There are certain regulatory changes the Government ought to make. The Vice President's worked very hard to work with our agencies in getting rid of 16,000 of the 80,000 pages of Federal regulations and changing the way we work with the private sector to make the workplace safe and the environment clean. There are some things we have to do to help people become more employable even if they don't have specific job security, in terms of improving access to educational benefits and creating greater portability for health care and retirement.

And we know that Government should do these things, but we also know that most of the action has to be in the private sector. Just as I always say when discussing education, the great magic of education will never be in Washington or any State capital. It's what goes on in the classroom between the teacher and the child. The great magic of the American system of free enterprise is what goes on in the private sector. Indeed, one of the things that I like best about the job figures of the last 3½ years is that the percentage of new jobs being provided by Government is the smallest it's been in 20 years or more. And the Federal Government is almost a quarter of a million people smaller than it was when I became President, and overall, we are relying more and more on private sector job growth. And that, I think, is a good sign. But what that means is that the mutual responsibility that employers and

employees feel toward one another and toward the larger society is becoming even more important.

I would just like to mention a couple of things that I do not think we will discuss today, because I think they are illustrative of the way that we can deal with these issues. I have been very, very impressed with the work that the private sector has done with our administration and especially with the Vice President in trying to find new and economically efficient ways to protect the environment: the auto companies working with us to develop a new generation of cars that can get triple the car mileage that we take for granted as the ceiling today; all the companies that have worked with us to—in the Project XL where we say you agree to meet certain high environmental standards, take the thick EPA rulebook and throw it away. And we've got a long line of people that want to get into that particular project.

But it's working. This is exciting. The companies that have worked with the Occupational Safety and Health Administration say, if we involve our workers and ourselves in a joint effort to make the workplace safer, we ought to get to decide how to do it if we can do it more efficiently and get better results. These are achieving good social ends as well as good ends within the workplace.

I want to say a special word of thanks to the entertainment companies that worked with us and that are now hard at work in developing their own rating systems for television programs, for violence and other contents that may be inappropriate for children—no Government involvement at all except our agreement to work with them in the passage of the law that requires the V-chip to go in to the television.

These are very encouraging things. We got some indication yesterday that we may even wind up with an agreement with the private sector in this effort that we've been so intensely involved in to try to curb the teenage smoking, when Philip Morris and the U.S. Tobacco Company indicated that they would agree to legislation to limit sales of tobacco to children and to reduce advertising of tobacco that affects the Nation's children. And I want to thank them for that.

I have to say, in all candor, I believe we should do more because, under the proposal, kids in this country would still be confronted with Joe Camel and the Marlboro Man on bill-

boards and stores and all the magazines. And we know 3,000 children start smoking every day and 1,000 of them are going to die early because of it. So I don't think it's enough. But I do believe that it's an indication that there may be some way that we can agree on legislation to do this. If all of the tobacco companies will voluntarily accept legislation containing the limits that will be as effective as what we're proposed—I will say again, we believe it's better to have the companies come forward and ask for legislation. And the FDA has made perfectly clear that they will stop their efforts to impose regulation if we can have a joint agreement on a legislative solution.

These are the kinds of things that I want to do more of in dealing with the larger problems of society.

But to come back to the main point, the workplace itself has to produce a profit, has to produce a vibrant free enterprise system for America, and what the relationships are in this new economy between employers and employees will have a great deal to do with that. The business leaders who came from all over this country today to be a part of this received a letter from me in which I suggested that there were at least five elements of corporate citizenship that we ought to consider as we move through this period of dynamic change.

First of all, since almost all families have all the adults—whether there are two or one in the family—working, workplaces should be more family-friendly. We shouldn't ask our working people in America to choose between being productive workers and being good parents.

Secondly, health and retirement security are profoundly important. And the nature of benefits, health and retirement benefits tied to the job, has been changing rather dramatically in the last several years. How are we going to continue to ensure health and retirement security?

Thirdly, safe and secure workplaces.

Fourthly, employees that know that they are invested in. How can we continue to develop the capacity of the employees of this country? One business executive, unrelated to this meeting, wrote me a letter saying that he had gone out of his way to invest more in the education and training of his employees once he realized they were less likely to be with him for a lifetime. He said, "I felt that I owed even more than I ever had before to them to make them

employable if for some reason they had to leave our company."

And finally, the issue of partnership in the work force. One of our participants said today, in a very moving statement, that he had talked to a man who worked in a factory—one of his company's factories—who had been elected head of his local PTA and was prominent in the society in every other way. But he said it was only recently that his company had decided to let him participate from the neck up. For years and years and years, at work, he'd only participated from the neck down. Everybody else in his community wanted him from the neck up, just his company didn't. That was a profound statement, I thought. And more and more of our companies are looking for ways to let people participate from the neck up. When people feel that they're on the same team, it's a lot easier to take the bad news along with the good.

So these are the things that I hope will be discussed today. The companies that we will hear from up here are being showcased for one reason: They have done all of these things in ways that I believe prove that you can do the right thing and make money, that you can be successful in the American free enterprise system by having better and stronger relationships and ties with your employees. Every company represented out here in this audience today has another story like that to tell.

I hope that—I'm going to do my best just to stay out of the way and let them talk and then let all of you talk, hoping that some good ideas will come out of this because I believe the power of example to change the behavior of Americans is enormous. We have seen it in case after case after case. And I think that the coverage of these issues, on the whole, has been concentrated in negative examples when something bad happens to people, which then may be translated as a general rule. What I want to see us do is to elevate the good practices that are going on, show how they are consistent with making money and succeeding in the free enterprise system, and hope that we can reinforce that kind of conduct that so many of you have brought to bear in your own companies and with your own employees.

Let me say that I know that this is not an issue that can be solved in a day or a year, and that this is not a question of finding an answer. What we have to do is to join together

in a great journey as Americans, to continue to deal with these issues as we go through this dynamic economy. And I have given a lot of thought to what we could do to sort of signal that we're going to do this over the long run.

And today I have an announcement to make that I think reflects the spirit of what we are doing and will help us to continue to do it year-in and year-out forever. I asked a number of business leaders, led by John Bryan, the CEO of Sara Lee, and Larry Bossidy, CEO of Allied Signal, to come together to develop an award, totally financed and operated out of the private sector, not a Government award, to honor every year outstanding corporate citizenship. It would operate something like the Malcolm Baldrige Award does, that recognizes businesses for the quality of their products or services. This award will celebrate business for the quality of their relationship to their workers and their communities.

The award, as I said, will be created and managed entirely by the private sector, and its criteria will be based upon the five principles of corporate citizenship I mentioned earlier. These leaders will seek the advice of members of the business community, workers and their representatives, and others, including educators. It will be presented every year by the President of the United States, and it will be called the Ron Brown Corporate Citizenship Award.

We are honored to be joined here by Alma Brown. Thank you for coming today. Bless you, my friend. Stand up. *[Applause]* If there ever was a person who thought you could do well and do good at the same time, it was Ron Brown. And I can't think of a better way for us to honor him by continuing this work.

Let me end by saying now, we're going to spend the rest of this day listening to you, trying to come to grips with these issues. We know that a lot of them are very difficult, that the facts will be different from industry to industry, sector to sector, company to company. But we also know that this country cannot become what it ought to be, we cannot make this transition into the 21st century unless we create opportunity, unless we all go forward with a sense of personal responsibility, as Father O'Donovan said, and unless the end result is the community of America is stronger.

We have always believed that free markets and free enterprise made our whole country stronger, and we have always believed as Ameri-

cans that we can find a way to correct the problems of the system so that it could thrive. That really is the whole story of the United States in the 20th century, and I suppose the conversation we're having today will help to tell the story of the United States in the 21st century. We need to give the right answers, and I think we will.

Thank you very much.

Our first panel will deal with the questions of family-friendly workplaces, safe and healthy workplaces, and health and retirement security. We'll start with the question of families, and I'd like to begin by calling on Kenneth Lehman, the co-CEO of Fel-Pro, Incorporated, a third generation, family-owned automotive supply manufacturer in Skokie, Illinois. I'd like to ask him to tell the Fel-Pro story and why such a small company provides such extensive family benefits to its workers and whether this undermines or contributes to its success in the marketplace.

Mr. Lehman.

[Mr. Lehman stated his company's philosophy that a work force which was treated fairly and decently would be loyal, diligent, quality- and cost-conscious, and customer driven. He gave examples of Fel-Pro's family-responsive programs and cited a university study linking such programs to increased employee productivity and company profitability.]

The President. Thank you very much.

I would like to illustrate—this is all something all of you know, but I think it's worth just putting the facts out there. These family-oriented policies are much more important today than ever before because 60 percent of the mothers in this country with children under 6 are in the work force—60 percent; 76 percent of all the mothers with school-age children are in the work force; and 12 million families in America are exclusively maintained by working mothers. So these numbers require—give a little greater resonance, perhaps, and meaning to the presentation that's just been made.

I'd like to now call on Fran Rogers to talk a little bit about her company and what she's done with Work/Family Directions.

[Ms. Rogers, chief executive officer, Work/Family Directions, Inc., cited her personal experience as a working mother who was not considered a serious employee due to accommodations she

made for her asthmatic child. She described her efforts to manage her own small company and support her employees, and praised the benefits of flexible management policies for larger businesses as well.]

The President. Thank you.

I'd like to make two brief points. First of all, I think the odd concept of all these things as tools that other people use to make the most of their own lives and their family lives is a very helpful way of looking at this, because most people just want you to make it possible for them to make the most of their own lives.

I also should point out that, since Fran didn't explicitly say this for fear that at this meeting she'd look like she was hawking business, this company, Work/Family Directions, is based in Boston, they employ about 250 people, and they provide work and family referral services to larger companies, including child and elder care referrals, adoption referrals, and a number of other services. So she's seen this from the perspective, as she said, of both smaller companies and larger companies.

We should say the size of each of these companies, because I think that's important. Fel-Pro has about 1,700 employees, I think. Is that right?

Mr. Lehman. With 2,000 in the Chicago area and 800 in other places.

The President. Yes, but in the Chicago area, it's about 2,000.

Mr. Lehman. Yes, we have about 2,000.

The President. Now, our next panelist is famous to all of us who have children who love the environment and some of us who like to get out and around ourselves. Yvon Chouinard is the founder of Patagonia. And among other things, Patagonia devotes one percent of its sales to environmental projects and initiatives, something which, when Chelsea and I go Christmas shopping every year, she always reminds me when we decide what to do. [Laughter] So I'd like to ask Mr. Chouinard to tell the story about his work-family benefits program and how it's worked into Patagonia's history.

Mr. Chouinard. Thank you, Mr. President. I'd feel a lot more comfortable on top of a mountain than here right now. [Laughter]

The President. Pretend that's where you are. [Laughter]

[Mr. Chouinard stated that quality products and quality customer service were linked to a quality

workplace, quality of life for employees, and quality of life on the planet. He described the benefits offered by his company and cited its resulting low employee turnover rate of 4.5 percent.]

The President. Thank you. Let me ask you, how many employees do you have?

Mr. Chouinard. We have 750 worldwide.

The President. And that includes the people that actually work in all the stores where Patagonia is sold?

Mr. Chouinard. That's right.

The President. One of the things that strikes me about—I don't know how many of you have ever been in one of their stores, but every time I go into one I feel like I'm in an evangelical mission because all the young people there—you can't get out of the store; it doesn't matter if you don't even buy anything—you get the line, you know, that the company is really sort of environmentally responsible and you should be too. And they always give you something. Do you do any work on that? I mean, do you actually work on getting these kids to learn how to speak that way or do they do it just because you set a good example? [Laughter]

Mr. Chouinard. Well, I think this type of thing can't be done from a desk somewhere in the part of the company that's called the environmental desk. It has to be driven all the way down to every single employee. It's part of everybody's job. So they were doing their job.

The President. Very impressive. Let me also say one other thing that—some of you, if you saw the State of the Union Address, you know that I mentioned what is now the very famous story of Malden Mills, the Massachusetts-based company that had a tragic fire and afterward the gentleman who owned the company told the workers he was going to keep supporting them until they got up and going again. His name is Aaron Feuerstein, and he's here today, too, right out there. Stand up, sir.

The reason I brought it up now is that Patagonia had a 15-year relationship with them, and when he made that announcement, Patagonia announced that they would not have any layoffs as a result of the loss of the customer and that they would continue to support each other until Malden Mills got up and going again. And I think that is also a very credible thing.

I'd like to ask the Vice President now, before we go on to the next topic, to talk about some of the things that are being done in the Federal Government to provide our public workers with access to family-friendly benefits. I must say that this is an area in which the Government has lagged behind at least the most forward-leaning private sector companies. And we've tried to do some things in this regard. I'd like for the Vice President to talk about it.

[The Vice President discussed the National Performance Review's emphasis on flexible management approaches in the Federal Government and gave examples of the impact of family-friendly initiatives both on military personnel and public housing residents.]

The President. Thank you very much, Mr. Vice President. Let me just make one comment here. I'll just invite your best ideas. The military now has about—I think about 60 percent of our personnel are married, and as we have downsized in the aftermath of the cold war we've had to think a lot more about what we need to do to support families. And a lot of times, you read something and you think, boy, this sounds great. For example, if we reduce the number of planned aircraft carrier battle groups—great, no cold war problem, we're going to save a lot of money.

One bottom-line consequence is that we have to extend the average tour of duty of Navy personnel from 6 months to 9 months. That's a 50 percent increase in the time those Navy people will be away from their children, and we have to figure out how to deal with that. The Bosnia deployment—the Vice President said it's a year—we try to make sure we could get everybody at least one break and sometimes two if they have family situations and need it; that's still a long time to be away from home. And this is in, you know, a time of peace, when it's hard to create this sense of national emergency for your children. They wonder, where is Daddy, and in some cases, where is Mom?

So this is a big challenge for us, and if any of you have any other constructive ideas about other things we can do, I'd personally be glad to have them because we're always looking for new ways to try to support an institution that really tries to live by family values but has been strained just by their duty to the rest of us as they exercise it.

I'd like to move on now to the second topic, which is maintaining a safe and healthy workplace, and start with Ralph Larsen, the chairman and CEO of Johnson & Johnson, the largest company so far represented here. They have something over 28,000 employees, anyway—maybe more, including two great plants in my home State. I should say that Johnson & Johnson has been repeatedly recognized for its innovative, family-friendly practices. But we want to ask today Mr. Larsen to discuss the safety program and the efforts that they've promoted in employee wellness and what a safe and healthy workplace has done in terms of the costs to the company and in terms of the benefits.

Mr. Larsen.

[Mr. Larsen described the safety and health program for Johnson & Johnson employees which had improved their safety performance by 80 percent since 1981.]

The President. Thank you. Now I'd like to introduce Roger Ackerman, the chairman and CEO of Corning, and Larry Benkowski, who is the president of the American Flint Glass Workers Union, which represents the workers at Corning, to talk about their common experience. In October of 1995, Corning was awarded the Malcolm Baldrige National Quality Award. It's been recognized in many, many other ways. The company has, I believe, over 42,000 employees and has a unique perspective on safety and health and a very strong partnership with its workers. And so I'd like to call on Mr. Ackerman and Mr. Benkowski to discuss their experience.

[Mr. Ackerman described the safety program adopted by Corning which was instrumental in decreasing the company's accident rate by 50 percent. Mr. Benkowski described the goal-sharing plan and a program to evaluate medical facilities used by Corning to prevent safety and health problems and to ensure high quality health care for their employees.]

The President. Thank you very much.

Mr. Ackerman. You know, I didn't pay him to say any of that, by the way. *[Laughter]*

The President. You wrote each other's speeches. *[Laughter]*

Let me thank you and thank Ralph and Johnson & Johnson for your example and your words today. We have given a lot of thought to what we might be able to do in a positive way, rather

than in a kind of a negative way, through the Occupational Safety and Health Administration, to make it possible for there to be more stories like the two you just heard.

And I'd like to ask the Vice President to take just a brief minute and explain what we tried to do with our experiment and with OSHA and what the results have been.

[The Vice President stated that companies taking the kind of approach described by Mr. Ackerman and Mr. Larson should not be adversely affected by the safety and health system designed by the Government for companies that were not providing such programs. He then gave an example of the new approach that the President asked OSHA to adopt.]

The President. Thank you very much. I'd like to go on now to the final topic of the first panel, and that's health and retirement security. And just to note what is obvious, that is, that over the last 10 years there has been a steady decline in the percentage of people in the work force who have been covered with employer-based health insurance; that the decline has been most pronounced among employees with the lowest levels of education and skills, probably in companies with the smallest profit margins; that there has been a similar change in retirement, although very often it was a change in the form of retirement from defined benefit to defined contribution plans, but there have been other changes and also some loss of coverage.

In 1995, it was the first year in more than a decade that the percentage of people in the work force with health insurance tied to the job did not decline, and that could be in part a result of the fact that the inflation rate in 1995 in health care insurance plans was below the general rate of inflation for the first time in a decade.

But at any rate, this is something that is an issue and a greater issue if you believe that people will change jobs more frequently over the course of the work life than they have in the past. So I wanted to call on, first, Howard Schultz, the chairman and CEO of Starbucks Coffee, a remarkable Seattle-based company that, doubtless, many, perhaps most of you, have frequented in some city or another in this country, and I think they have—they're growing so fast, I don't know how many employees they

have, but I know they have 9,000, maybe there are more. How many do you have now?

Mr. Schultz. Fifteen thousand.

The President. Fifteen thousand? This was put together last week. They're growing pretty fast. *[Laughter]* At any rate, Starbucks has been recognized for its rather extensive benefit program for the work force, including the scope of its health care plan. So I'd like for Mr. Schultz to talk about that.

[Mr. Schultz stated that Starbucks was the first privately owned company to provide a comprehensive medical-dental, 401(k), and vision plan to all of its employees, including part-time employees, and to offer equity to all employees. He attributed the company's low attrition rate to the health care plan.]

The President. I'd like to now call on David Guiliani, who is the chairman and CEO of Optiva Corporation, actually a fascinating company that was started less than a decade ago with a team of University of Washington scientists who developed a new electronic toothbrush that uses high frequency vibrations to remove plaque, something I care more and more about as I get older. *[Laughter]*

Mr. Guiliani.

[Mr. Guiliani stated that productivity could be gained by choosing, motivating, and rewarding the best employees. He described the health care, retirement, English language education, and free computer loan programs that Optiva provided to its employees.]

The President. You were pretty modest, but tell us how fast you are growing.

Mr. Guiliani. We have been tripling each year, and we're now the number two brand in America in powered brushes, and we're a major exporter into Europe and Japan, where our product is marvelously popular.

The President. And how many employees do you have?

Mr. Guiliani. Three hundred.

The President. We don't need to discuss this here, but one of the things that I would like to know from you—I sent a package of proposed pension reforms to Capitol Hill, basically designed to make it easier for even smaller companies than yours to access the 401(k) program. If you or any of the others out here, particularly from smaller businesses, have any suggestions about what else we can do to make this a more

user-friendly option for companies, I would very much like to have it, because I think it's important. And there are things you can do that we have asked for Congress to support, and I believe that it has almost unanimous support, it's just a matter of time working it through. And one of the top three priorities of the White House Conference on Small Business—that will make these things much more user-friendly for self-employed people, small businesses, and then also help people when they move from business to business to maintain the fund, even if they're unemployed for a period of time. So if you or any of the others here have any suggestions about what further improvements we can make in that, I would certainly like to have it.

Mr. Guiliani. I'm sure the SBA could do very well with some conferences and seminars with small businesses participating, because everybody sees the value of starting 401(k)'s early in the worker's life as well as the company's life.

The President. That's the next question I—you answered the next question. Do you believe—then I just want to make it explicit—do you think that the program is a little more accessible than some people know, and that more people would use it if they knew more about it? Do you agree with that?

Participant. Absolutely.

Participant. We had no particular issues in setting it up quite early, I think when we were about 100 people, probably.

Participant. Most of it is teaching people how to use it, understanding it.

Participant. Yes, it's the education process, I think.

Participant. Part of it is the name. Anything that has a 401(k) sounds like it's bad. *[Laughter]*

Participant. It's very bureaucratic.

The President. I wonder, before we take a brief break—we're going to take about a—I'm going to shorten the break, because we started a little late—about a 20-minute break. Before we take a break, before we start the next panel, I wonder if anyone else in the audience would like to make a comment about any of the three topics that were discussed here. And if you would, would you please just identify yourself and say whatever is on your mind.

Participant. *[Inaudible]*

The President. Let me ask before you sit down, why don't we just—we'll take about 10 minutes here. There are at least two other com-

panies whose representatives I see out here who have no-layoff policies. If you can say in a minute or two, I'd like for anybody who's here who can say in a minute or two, if you have a no-layoff policy, how you've been able to maintain it, besides making a bunch of money.

And there is at least another company here that has had wide variations in their orders and has come up with some innovations in managing that problem to reduce layoffs. If you could just describe in a minute or two how you manage this problem, I'd—we'll just start with you, sir, and then we'll go with anyone else who wants to talk for a minute.

Participant. *[Inaudible]*

The President. Who would like to go next? Yes, sir. Go ahead.

Participant. *[Inaudible]*

The President. So as things go down, they share the work that's available with the same number of workers?

Participant. That's right. And nobody gets laid off. Could I just add one thing about 401(k)'s? They're great, but couldn't we raise the limit a little bit? People could invest a little more.

The President. Thank you. You want to raise the limit. That's what you said? Okay. I'm told we're going to address some of this in the next panel, but I'll call on another person or two and then we'll break.

Mr. Correnti.

And answer this question right: You can only talk about—you've got to talk about what you do in the down times as well as the up times, everybody. It's not fair to only talk about finding more business.

Go ahead.

[John Correnti, chief executive officer, Nucor Corp., stated that the philosophy of his company in tough financial times was that employees and managers would share in the pain of pay cuts or shortened work weeks together. He noted that the resulting employee trust and loyalty made turnover so minimal that workers practically had to be willed a job in one of the plants.]

The President. I can personally vouch for the truth of that last assertion. *[Laughter]*

I think what we should do now is take a little break. I think the panelists were terrific, and I think that this is a very good panel. I can't wait for the next one. So I'm going to start—it's now 1:15 p.m.—I'm going to start at

1:35 p.m., in 20 minutes. We're adjourned briefly.

Give them all a hand. [Applause]

NOTE: The President spoke at approximately 11:30 a.m. in Gaston Hall at Georgetown University.

In his remarks, he referred to Rev. Leo J. O'Donovan, president, Georgetown University, and Alma Brown, widow of former Commerce Secretary Ronald H. Brown.

Remarks During Panel II of the White House Conference on Corporate Citizenship May 16, 1996

The President. Thank you very much, Dean.

The last panel will cover the last two elements in corporate citizenship, training and investment in employees and partnerships with employees. And so I'd like to begin here discussing training and investment in employees. And the first company and the first presenter will be Mike Plumley, the chairman and CEO of the Plumley Companies.

[Mr. Plumley explained that foreign competition inspired the beginning of a major educational effort among employees, including General Equivalency Diploma (GED) instruction.]

The President. Thank you very much. Let me ask you one question. When you brought the teachers onto the premises of your factory to teach the GED programs, did the workers, did they take those classes either before or after their shift started? Is that when they did it?

Mr. Plumley. The GED program was after the shift. And it's a voluntary.

The President. And did you have to pay for that or did the State provide the service?

Mr. Plumley. No, we paid the instructors ourselves, the teachers from the local high school.

The President. When I was—back when I had another life, when I was Governor, we started a program where we actually sent GED instructors to any work site with more than 100 employees. And I was stunned by the number of people who wanted it, still needed it, and it seemed to work very well. But I applaud you for doing that.

Our next presenter is the chairman and CEO of Cummins Engine Company, Mr. Jim Henderson.

[Mr. Henderson said the company committed itself to establishing a good relationship with

all employees based on trust and open communications and giving them responsibility for planning their work and for improving results for their customers.]

The President. Thank you. Thank you very, very much.

Our third company dealing with this issue of training and investment in employees is Cin-Made Company, and Bob Frey, the president, is here. I'd like to call on him now to speak.

[Mr. Frey commented that corporate citizenship is good for companies, the country, the economy, and the family.]

The President. Thank you. I believe you could sell that position. [Laughter] Good for you.

Now, moving along in our story of partnerships with employees, we have a particularly unique example in Republic Engineered Steels. I want to call on Russ Maier, the chairman and CEO, and then he'll be followed by Dick Davis, vice president of United Steel Workers. And they'll tell you the story of Republic Engineered. It's a good story.

[Mr. Maier and Mr. Davis described how the company became employee-owned through an employee stock ownership plan (ESOP).]

The President. Thank you. I can't let you go—both of you—without asking you what is clearly the obvious question which is, do you believe that what you have done and how you have done it could be made to work just as well in a setting in which the company is not employee-owned? And if so, would there have to be some other kinds of incentives for the employees? Would there have to be some other kind of compensation scheme or something that would help to kind of re-create the conditions