

REFLECTIONS OF A LONG-TIME CED TRUSTEE

My sincere thanks to Dan Rose and Mike Petro – and to Co-Chairs Don Peterson and Roger Ferguson – for including me among the distinguished honorees this evening. Serving as a CED Trustee for these many decades has been a labor of love. It has been a privilege to work with such dedicated and thoughtful business and academic executives on some of the toughest and most important policy issues facing America. And it has been a source of great personal satisfaction to believe as strongly as I do that CED's positions and advocacy – from fiscal responsibility, to health care, to social security, to campaign finance reform – truly represent “the best of business thinking”, as our letterhead proclaims.

It's no accident, I think, that CED tackles issues and takes positions that are often different from those of other business organizations. Our Trustees are recruited and serve **as individuals** concerned about America's economic welfare. Whereas we **do** claim to bring “a business perspective” to the issues we tackle, we are **not** an advocacy group on behalf of business *per se*. And that important distinction is both a blessing and a curse. On the one hand, CED is able – sometimes with difficulty – to reach consensus on critical issues like tax reform and

health care that would splinter other business groups. On the other hand, we don't begin to have the political clout that organizations such as the Business Roundtable or the Chamber of Commerce can muster.

CED is not unique in facing this kind of tradeoff. Last week's Economist (Nov. 3) carried two very unflattering articles about corporate governance in Japan. The issue was whether major Japanese corporations should be encouraged or required to include unaffiliated outside directors among their board members. Keidanren, the organization representing large corporations, strongly opposes any change, according to the article. By contrast, CED's counterpart organization in Japan, the Japan Association of Corporate Executives (Keizei Doyukai) – on which executives serve as individuals – recently published a two-year study that called for a revolution in Japan's boardrooms – so far to no avail.

I have to tell you - given what I've just described, I was surprised and greatly encouraged to read the **lead** headline in the October 25th Wall Street Journal: "CEO's Call for Deficit Action: Executives to Press Congress to Embrace Spending Cuts and Higher Tax Revenue." David Wessel's article went on to say that eighty big-name corporations, from Aetna to Weyerhaeuser, intend to pressure Congress to reduce the federal deficit with tax-revenue increases as well as spending cuts –

calling the Simpson-Bowles Commission approach “an effective framework.” CED had been promoting this point of view for a long time. But perhaps significantly, this welcome action by CEO’s was sponsored not by any of the usual business organizations, but by an *ad hoc* “Fix the Debt” campaign, a bipartisan effort largely inspired by Simpson and Bowles themselves.

Who gets credit at this point is far less important than that **some** action be taken soon to address the multiplicity of pressing problems that our country is facing. Political **gridlock** – the step-child of contending interests narrowly defined – is a luxury we can no longer afford. CED does not have all the answers, but it has put forward reasoned suggestions in some of the most critical areas.

I am proud to have had a role in developing some of these positions. And I am deeply honored to have had this opportunity not only to thank my colleagues, but to welcome Steve Odland as CED’s incoming CEO, and to reaffirm my belief that **reasoned positions**, anchored in reality and advancing the public interest, will – like democracy itself – prove their worth - if only after every other approach has been tried.

Bruce MacLaury

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