

TALKING POINTS FOR SPEECH TO BOSTON CHAMBER OF COMMERCE LUNCHEON
"THE ROLE OF THE PRIVATE SECTOR IN AN ERA OF DIMINISHED RESOURCES"

- * ANY BUSINESSMAN IN THE ROOM WHO HAS HEARD YOU SPEAK IN THE PAST SEVEN YEARS KNOWS THAT YOU FEEL THE KEY TO SUCCESS IN THE AMERICAN CITY IS THE PARTNERSHIP BETWEEN GOVERNMENT AND THE PRIVATE SECTOR.
 - * IN THE LAST ADMINISTRATION THIS FORMED THE BASIS FOR THE FIRST ^{THAT} NATIONAL URBAN POLICY. ITS TENETS WERE SIMPLE AND CLEAR, AND ~~THEY~~ POLICY, (REAGAN ENERGY POLICY) WILL PROBABLY ASSURE CARTER A PLACE IN HISTORY DESPITE THE CURRENT VIEW OF HIS JOB PERFORMANCE.
 - * IN MASSACHUSETTS, THE PUBLIC PRIVATE PARTNERSHIP HAS WORKED TIME AND TIME AGAIN, WITH GREAT SUCCESS. WHETHER IT IS BANKING LOAN POOLS IN SPRINGFIELD AND LOWELL, OR LOCAL DEVELOPMENT CORPORATIONS IN BOSTON AND MALDEN, THE EXPERIENCE HAS CLEARLY BEEN THAT WHEN THE PRIVATE SIDE GETS TOGETHER WITH THE PUBLIC SIDE: BOTH CONTRIBUTING THEIR RECOURSES, SKILLS, STRENGTHS AND FUNDS THE END RESULT IS NEW JOBS, NEW INVESTMENT, NEW LIFE FOR THE CITIES.
 - * IT TOOK THE FEDERAL GOVERNMENT ABOUT 35 YEARS TO DEVELOP AN URBAN POLICY THAT TOOK NOTICE OF THE PRIVATE SECTOR: SINCE WORLD WAR II WE HAVE SPENT MORE MONEY ON THE AMERICAN CITY THAN WE DID TO REBUILD ALL OF EUROPE UNDER THE MARSHALL PLAN AFTER WORLD WAR II, BUT WE MISSPENT A LOT OF IT UNTIL WE STARTED TO INVOLVE THE PRIVATE SECTOR. IN THE SIXTIES AND EVEN IN THE EARLY SEVENTIES, THERE WAS A MUTUAL DISDAIN BETWEEN THE PUBLIC AND PRIVATE SECTOR. THE BUSINESS AND BANKING COMMUNITY OWNED THE REAL ESTATE IN DOWNTOWN AMERICA BUT HAD LITTLE FAITH THAT LOCAL GOVERNMENT COULD KEEP THAT REAL ESTATE VIABLE. THE INSTINCT WAS TOWARD FLIGHT. GOVERNMENT SAW BUSINESS AND THE BANKS AS THE BAD GUYS-- OFTEN WITH JUSTIFICATION-- REFUSING TO REINVEST IN THE VERY NEIGHBORHOODS AND COMMUNITIES WHICH HAD MADE THEM WEALTHY.
 - * IN A REMARKABLY SHORT TIME THE PUBLIC PRIVATE PARTNERSHIP HAS TRANSFORMED OUR EFFORTS TO REVITALIZE CITIES-- HAS GIVEN A CLEAR SENSE OF PURPOSE AND DIRECTION AND PRIORITIES TO WHAT WERE FORMERLY DISJOINTED AND POORLY PLANNED EFFORTS. PROGRAMS LIKE URBAN DEVELOPMENT ACTION GRANTS-- WHICH HAS BEEN DISPENSING "GLUE MONEY" TO MAKE PRIVATE SECTOR INVESTMENT PROJECTS IN DISTRESSED CITIES FEASIBLE FOR UNDER FOUR YEARS-- HAVE PROVEN WITHOUT DOUBT THAT PUBLIC AND PRIVATE CAN WORK TOGETHER FOR MUTUAL BENEFIT AND PROFIT.
- *ENTER REAGAN.
- *REAGAN IS FOND OF TALKING ABOUT VOLUNTEERISM, AND IF YOU DON'T KNOW WHAT'S GOING ON BEHIND THE SCENES, YOU ARE LEFT WITH THE IMPRESSION THAT THE PRIVATE SECTOR IS GOING TO STEP IN AND SOLVE ALL OF OUR ECONOMIC PROBLEMS AND MAKE GOVERNMENT SUPERFLUOUS BEYOND PROVIDING GUNS AND POSTAGE STAMPS.

*REAGAN MAKES IT SOUND LIKE THE UNITED WAY AND THE JUNIOR LEAGUE CAN STEP IN AND REPLACE THE DEPARTMENTS OF HEALTH, HUMAN SERVICES, HUD AND EDUCATION, AND NO ONE WILL NOTICE THE DIFFERENCE.

*WHAT REAGAN HAS DONE IS TO DISTORT THE PUBLIC PRIVATE PARTNERSHIP INTO SOMETHING THAT BEGINS TO LOOK TRULY GROTESQUE. FIVE YEARS AGO WE WERE BEATING IN THE HEADS OF OUR BANKS AND BUSINESS COMMUNITY TO GET THEM TO DO THEIR SHARE. NOW IN PLACES LIKE LOWELL, WHERE THE PRIVATE LEVERAGE IS SOMETHING LIKE 20:1, WE DON'T KNOW IF WE CAN GET THE "ONE" FROM THE GOVERNMENT ANY MORE-- WHICH IS MONEY THAT MAKES THE " TWENTY " POSSIBLE.

*EVERYONE IN THIS ROOM KNOWS THAT THE PRIVATE SECTOR CAN'T DO IT ALONE.

*THERE IS SOMETHING THAT IS EVEN MORE IMPORTANT. YOU KNOW WHAT FEDERAL PROGRAMS WORK TO MAKE THAT PARTNERSHIP A SUCCESS--- PROGRAMS LIKE ACTION GRANTS, HOUSING, COMMUNITY DEVELOPMENT BLOCK GRANTS, INDUSTRIAL DEVELOPMENT BONDS--- HAVE WORKED TO PRODUCE JOBS AND INVESTMENTS AND NEW LIFE FOR THIS COMMUNITY --- AND THEY ARE ALL ON THE EXECUTIONER'S BLOCK.

*THE LATEST ADMINISTRATION PLAN IS TO KEEP THE UDAG AND CDBG PROGRAMS GOING ANOTHER YEAR, WITH ABOUT 35% LESS FUNDS. I SAY THE LATEST PLAN BECAUSE IT HAS CHANGED A DOZEN TIMES SINCE LAST JANUARY. CLEARLY THIS ADMINISTRATION IS NOT COMMITTED TO THIS PROGRAM, AND IT'S DEATH WILL BE A CERTAINTY IF THE PRIVATE SECTOR DOESN'T CONTINUE TO FIGHT FOR IT.

IN MASSACHUSETTS IN LESS THAN FOUR YEARS UDAG GRANTS FOR 69 PROJECTS TOTALLING \$160 MILLION HAVE GENERATED \$1.5 BILLION IN NEW INVESTMENTS THOUSANDS ON NEW PERMANENT JOBS, AND GENERATED OVER \$30 MILLION IN NEW ANNUAL TAXES FOR LOCAL GOVERNMENTS.

ALSO IN MASSACHUSETTS, IN THE PAST THREE YEARS THE MASS INDUSTRIAL FINANCE AGENCY HAS HELPED 800 COMPANIES($\frac{1}{2}$ WITH SALES UNDER \$5 MILLION AND $\frac{3}{4}$ WITH SALES UNDER \$20 MILLION) CREATED 40,000 NEW JOBS AND ADDED 10 MILLION NEW SQUARE FEET OF INDUSTRIAL SPACE.

*PROBABLY THE MOST IMPORTANT THING YOU CAN DO AS MEMBERS OF THE BUSINESS COMMUNITY-- PEOPLE WITH A STAKE IN MASSACHUSETTS AND BOSTON-- IS TO SPEAK OUT STRONGLY AND CLEARLY IN FAVOR OF RETAINING PROGRAMS LIKE THESE-- TO ELIMINATE PROGRAMS THAT WORK IN FAVOR OF NEW PRIVATE SECTOR INVESTMENTS AND JOBS -- THE VERY INGREDIENTS REQUIRED FOR OUR GREVIOUSLY TROUBLED ECONOMY -- IS SIMPLY MADNESS.

*THE PRIVATE SECTOR HAS SAVED THESE PROGRAMS BEFORE AND THEY CAN SAVE THEM AGAIN. YOU ARE THE PEOPLE TO DO IT.

ABIDE FROM SAVING WHAT WORKS, LET ME SUGGEST A FEW OTHER POINTS ABOUT THE ROLE OF THE PRIVATE SECTOR:

--OFFER YOUR SERVICES TO LOCAL GOVERNMENT: THEY NEED YOU NOW MORE THAN EVER, AND THEIR SURVIVAL IS YOUR SURVIVAL. THE PARTNERSHIP CONCEPT HAS NEVER BEEN MORE IMPORTANT, AND WILL NEVER GO THROUGH SUCH TROUBLED TIMES. DON'T GIVE IN TO THE TEMPTATION TO SAY "THE GOVERNMENT DOESN'T KNOW WHAT IT'S DOING. THEY ARE DOING SOME THINGS WELL, AND CAN DO THEM

BETTER WITH YOUR HELP: NOT JUST TECHNICAL ASSISTANCE, BUT IDEAS AND SUPPORT FOR THE PRIVATE SECTOR INITIATIVES THAT MAY BE STRUGGLING ALONG DUE TO REDUCED FUNDS. LET PEOPLE KNOW THAT YOU DON'T WANT THOSE PROGRAMS DISCONTINUED.

--ADVOCATE FOR BUSINESS NEEDS WITH LOCAL GOVERNMENT. TELL THEM WHAT YOU NEED AND WANT TO MAKE THIS A BETTER PLACE TO DO BUSINESS. DON'T WAIT UNTIL THINGS GET SO BAD YOU PULL OUT. THERE ARE THINGS THAT CAN BE DONE ON BOTH SIDES. YOU HAVE YOUR RESPONSIBILITIES BUT THE CITY CLEARLY HAS THEIRS.