

2003 CED Annual Meeting – Awards Dinner

Honoring The Best In Business Thinking In The Nation's Interest

The 2003 CED Annual Meetings were capped by the Gala Awards Dinner held at the Waldorf-Astoria Hotel in New York City, which drew more than 200 guests.

In addition to the gala awards dinner, the May meetings featured an orientation seminar for 40 new CED Trustees. The seminar focused on ways that Trustees can benefit from involvement with CED projects and how Trustees can use their unique skills to advance CED's policy agenda.



CED's Corporate Citizenship award was presented to **Herbert M. Allison, Jr.**, the Chairman, President, and CEO of TIAA-CREF. TIAA-CREF and Allison were recognized for their high corporate standards, leadership in providing financial services to a wide range of Americans, and for their strong community support. Past recipients of the Corporate Citizenship Award include Guardmark Inc.; Automatic Data Processing, Inc.; The Chase Manhattan Bank; First Chicago NBD Corp.; Merck & Co., Inc.; Nortel Networks; and Pfizer.



Former North Carolina Governor **James B. Hunt, Jr.** accepted CED's 2003 Excellence in Public Policy Award and spoke about the importance of investing in early education. Gov. Hunt continues to work with CED on promoting pre-K education and finding ways for states and communities to fund this vital service. University of Miami (Florida) President and CED Trustee Donna E. Shalala presented the award to Gov. Hunt.



The November CED Trustee meetings in Washington focused on the 2004 CED agenda and featured an address by **Matt Miller**, award-winning author and syndicated columnist. Miller outlined the recommendations of his new book, *The Two-Percent Solution: Fixing America's Problems in Ways Liberals and Conservatives Can Love*, and took questions on the fiscal challenges facing decision-makers in Washington. *The Two-Percent Solution* proposes that for two cents on the national dollar we can have a country that offers universal health care, better schools and a living wage for all Americans.



CED honored Trustee **Roderick M. Hills**, Partner, Hills & Stern (shown here with his wife, **Carla Hills**, Chairman & CEO, Hills & Co.) by presenting him with CED's Trustee Leadership Award. Rod Hills has had a distinguished career in the private sector and in public service. He has served as Chairman of the Securities Exchange Commission, Counsel to President Ford, and has taught at several prominent universities. Hills was recognized for his outstanding leadership at CED of four important projects on regulatory reform, legal reform, judicial selection, and corporate governance.

CED Promotes Progressive Trade Policy

With CED Trustee **James Robinson**, Co-Founder & General Partner of RRE Ventures, taking the lead, CED has continued to urge the United States to adopt bold steps to improve world trade. In November, Robinson, who chaired CED's Subcommittee on Expanding World Trade, joined three former U.S. Trade Representatives at a CED-sponsored briefing for the trade press. The three USTRs – **Carla Hills, Mickey Kantor, and Clayton Yeutter** – discussed in detail the collapse of the World Trade Organization's Cancun talks and up-coming opportunities for the U.S. to help get the current "Doha Round" of WTO talks back on track. The three former USTRs have also endorsed the goals of CED's policy statement, *Promoting U.S. Economic Growth and Security Through Expanding World Trade: A Call for Bold American Leadership*. The statement was released in September 2003 and calls on the U.S. to "go first" in eliminating trade barriers as the best route to a truly open global trading system. The statement specifically calls for:



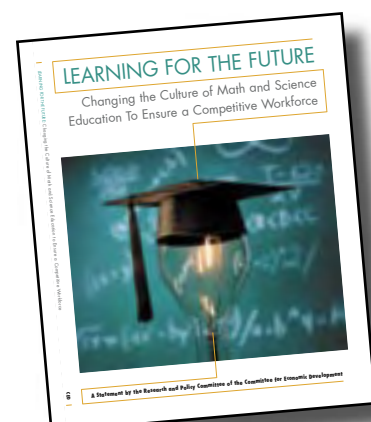
Three former USTRs take part in CED's briefing for the trade press. Left to Right: CED President **Charles Kolb**, **Mickey Kantor**, **Carla Hills**, **Clayton Yeutter**, and CED Trustee **James Robinson**.

- reforming agriculture and expanding market access,
- eliminating tariffs and non-tariff barriers in manufacturing,
- lowering barriers and expanding trade in services, and
- maintaining an open trading system.

Promoting U.S. Economic Growth and Security Through Expanding World Trade: A Call for Bold American Leadership, as well as an editorial letter, "Only U.S. Leadership Can Replace Culture of Small Steps and Take Trade Talks to a Higher Plane" written by James Robinson and published by the *Financial Times*, can be found on the CED web site at www.ced.org.



Math And Science Education Receive Boost From CED



On May 7th, 2003, CED released *Learning for the Future: Changing the Culture of Math and Science Education to Ensure a Competitive Workforce*. CED argues that improving the math and science skills of our nation's youth is an important step in ensuring and promoting innovation-led economic growth in the coming decades. *Learning for the Future* calls for implementing a strategic plan that will increase student "demand" for and achievement in mathematics and science.

Rep. **Rush Holt** (D-NJ), a member of the House Education and the Workforce Committee, a physicist by profession, and one of the leading voices in Congress on education and science issues, was the keynote speaker at the Washington, D.C., luncheon event. CED has also been an active participant in the Math-Science Initiative group directed by the U.S. Department of Education and part of the Administration's "No Child Left Behind" program to improve American education. A math summit was held in 2003, and a science summit is slated for spring of 2004.

CED And Hewlett Foundation Spark National Globalization Debate

As part of the William and Flora Hewlett Foundation's "Americans in the World" initiative, CED co-hosted globalization events with partners across the country to educate and involve Americans in a national dialogue on globalization and to build a broader understanding of the world outside our borders. Three major Globalization Forums were held in 2003: in August in Dallas, TX, with XTO Energy, Inc., and the Dallas and Fort Worth Chambers of Commerce; in September in Nashville, TN, with Vanderbilt University; and in November in Durham, NC, with Duke University and the Durham Chamber of Commerce.

CED released two updates to *A Shared Future: Reducing Global Poverty* at the Dallas forum. *Engaging the Global Enterprise* recommends that U.S.-based enterprises strive to maintain the same high standards of corporate engagement in all countries in which they operate, making no distinction between operations in the United States and abroad. *The Role of Women in Development* recommends that businesses based in the U.S. support the equal status of women in all their practices. Newsletters covering the individual globalization events can be found at www.ced.org.



(left to right) **Dr. Elizabeth Kiss**, Director of Duke University's Kenan Institute for Ethics; **Rex Adams**, Professor of Business Administration at the Fuqua School of Business, Duke University, and CED Trustee; **Nancy Wysenski**, President/CEO of EMD Pharmaceuticals speak at the Durham Globalization Forum. The three discussed the ethical challenges of globalization and ways to promote American job growth while encouraging high standards of corporate engagement.



Steffen Palko, CED Trustee and Vice Chairman and President of XTO Energy, Inc., speaks at the Dallas Globalization Forum. Palko noted, "globalization has raised incomes worldwide and has, in fact, reduced poverty."

Along with several of its International Counterparts—a group of private business organizations throughout the world that share the objective of economic and social policies that champion growth and opportunity—CED also released *Addressing Global Poverty: Perspectives of the World Business Community*. The publication includes recommendations by individual Counterpart Organizations regarding policy areas that have the potential to alleviate global poverty. Key recommendations include removing trade barriers worldwide, improving working conditions for women, and responsible corporate social policies. The full *Addressing Global Poverty* report can be found on the CED web site at: www.ced.org.



CED Trustee and Vanderbilt University Chancellor **Gordon Gee** leads the Nashville Globalization Forum. Chancellor Gee, in his keynote address, said, "we can use the ideas a university forges at such a great rate to promote health and well-being all over the world."

CED FORUM

Spring 2004

Published by the Committee for Economic Development

CED's Early Childhood Education Effort Expands

With the generous support of The Pew Charitable Trusts, CED continues its highly effective outreach efforts surrounding its policy statement **Preschool for All: Investing in a Productive and Just Society**. The report recommends that preschool be made available through a variety of providers for all children age three and up whose parents want them to participate.

In 2003, CED and numerous partners hosted early education events in New York State, Pennsylvania, and Illinois, among other states and cities. CED Trustees were active participants in pre-K debates. CED Chairman **Roy Bostock** took part in several early education forums and is now a "go-to" resource for reporters covering the issue and for organizations and individuals who want to get involved. The outreach campaign is being conducted at both the federal level and in selected states to educate and mobilize business leaders on the importance of supporting universal access to preschool education.

CED can point to a high-visibility success on early education in New York State in 2003. As legislators considered restoring the state's pre-K program (with an override of Governor Pataki's veto), CED leadership lobbied key elected officials and members of Governor Pataki's administration. Many legislators commented that a business group supporting early education had never approached them in the past. When the legislature overrode the Governor's veto and pre-K funding was fully restored, many pointed to CED's involvement as a key ingredient to success.

In Illinois, CED worked closely with Chicago Metropolis 2020 to co-host numerous meetings and events with key representatives from the business and policy communities in support of the state's Early Childhood Block Grant Program. Despite the tight budget climate, the Illinois Legislature was able to ensure that funding was not only maintained, but also increased by \$30 million.

The early education project serves as a tangible reminder that CED is an organization of business leaders who take a long-term perspective on doing what is right for this country.



Joel Klein, Chancellor, New York City Department of Education, addresses business leaders and education professionals at an early education forum held at the New York City offices of TIAA-CREF Life Insurance Company. CED Trustee Bertram Scott, President, TIAA-CREF Life Insurance Company, hosted the event.



CED Chairman **Roy Bostock** (right) joined (from left to right) **Elaine Zimmerman**, Executive Director, Connecticut Commission on Children, **Robert Mantilia**, Vice President, JP Morgan Chase Bank, and **Laura Lee Simon**, Former Chair, Connecticut Commission on Children at the May 29th 2003 Hartford early education breakfast.

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many references to CED during the budget debate. CED's Senior Research Fellow, **Dr. Van Doorn Ooms**, the project director for **Exploding Deficits**, briefed Senate staff members in mid-March on Capitol Hill and several U.S. Senators referred to sections of the CED report during the Senate budget debate.

During CED's May 2003 annual meeting, another important economic report was released. **How Economies Grow: The CED Perspective on Raising the Long-Term Standard of Living** reaffirms CED's long-standing support of better and more comprehensive long-term growth policies for America. CED's Senior Vice President and Director of Research, **Dr. Everett Ehrlich**, the principal author of **How Economies Grow**, outlined key sections of the report at the CED annual meeting luncheon in New York City on May 15th. **How Economies Grow** has been distributed to major policy makers in Washington, D.C., and around the country and to universities and business schools.

Both **Exploding Deficits, Declining Growth: The Federal Budget and the Aging of America** and **How Economies Grow: The CED Perspective on Raising the Long-Term Standard of Living** are available on the CED web site at www.ced.org.



The luncheon also featured a lively panel discussion on the topic, "Economic Recovery: When?" by a panel of leading economists (pictures left to right): **Stephen Roach**, Chief Economist, Morgan Stanley; **John Lipsky**, Economist, JPMorgan Chase; **Gail Fosler**, Chief Economist, Conference Board; and **James Glassman**, American Enterprise Institute.

Looking Forward: CED's 2004 Agenda

CED is pursuing an aggressive agenda in 2004. We are continuing to be a leading voice for sound policies that benefit American businesses and workers. Presidential election years are a time when average Americans take a keener interest in public policy, and 2004 is likely to see important debates on many key issues that have been the focus of CED projects. Foremost among the top political issues will be the federal budget deficit and tax policy. Financial scandals and abuse by a few high-profile corporate leaders have pushed corporate governance reform and greater shareholder accountability to the forefront. CED will continue to work on judicial selection and campaign finance reform, and will focus on topics such as the presidential election funding system, Federal Election Commission reform, and the role of political action committees in the wake of the Supreme Court's ruling in **McConnell v. FEC**. Early childhood education, better public school financing, health care reform, and progressive trade policy will also be priorities. CED's Digital Connections Council will issue a major report on copyright issues in the digital arena in early 2004. Under the leadership of Chairman **Roy Bostock** and President **Charles Kolb**, the Committee for Economic Development will remain a leading policy voice in this country.

CED 2004 ANNUAL MEETING: MAY 19TH AND 20TH New York City

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Trustee Profile

Edward J. Zore, President and Chief Executive Officer of Northwestern Mutual

Edward Zore has been a CED Trustee since late 2002. Ed leads Northwestern Mutual, the nation's largest direct provider of individual life insurance. His company has more than \$700 billion of individual life insurance in force and assets of more than \$100 billion. Northwestern Mutual has been a long-standing CED Trustee company, as was the Frank Russell Company, now a subsidiary of Northwestern Mutual. Northwestern Mutual is based in Milwaukee, Wisconsin, and Ed has been a driving force for the company since he joined the Investment Department in 1969. After a steady rise through the executive ranks, Ed was elected to the board of trustees in 2000 and named president that same year. On June 1, 2001, Ed became CEO of Northwestern Mutual. Ed also serves as director for several Northwestern Mutual-related business operations and subsidiaries. He is also a member of the board of directors of Manpower, Inc.

In addition to his leadership in the insurance industry, Ed Zore is active in many organizations in the Milwaukee area. He is a member of the board of directors of the Children's Hospital of Wisconsin, Inc., Competitive Wisconsin, Medical College of Wisconsin, and the United Way, among others. Northwestern Mutual and Ed Zore have a long history of involvement in education, health care, and globalization, issues that CED has stressed as we seek to establish policies that benefit all Americans.

CED is proud to have a long association with Northwestern Mutual; every Northwestern Mutual CEO since **Edmund Fitzgerald** in 1947 has been a CED Trustee. The complete list includes; **Donald Slichter**, **Robert Dineen**, **Francis Ferguson**, **Donald Schuenke**, **James Ericsson**, and now **Ed Zore**. Northwestern Mutual has long championed corporate practices that improve corporate governance. In 1907 Northwestern Mutual created the Examining Committee, a group of policyholders who have unrestricted access to the company's operations and directly report to the Board of Trustees. In the 1950s, CEO Edmund Fitzgerald stated the Northwest Mutual philosophy when he said, "Everything we do, or don't do, must be measured by a major test: is it in the best interests of our policyholders?"

CED Takes Lead On Major Economic and Budget Issues

Throughout 2003, CED was deeply involved in several highly visible public policy issues. Foremost among these issues were the federal budget and deficit spending. On March 5, 2003, CED released **Exploding Deficits, Declining Growth: The Federal Budget and the Aging of America**, a report that helped focus the debate over the federal budget deficit. That same day CED and the Concord Coalition issued a warning about the long-term effects of a sustained, structural budget deficit. **Peter G. Peterson**, President of the Concord Coalition, a former U.S. Secretary of Commerce, and a CED Trustee, was joined by CED Trustee **Josh S. Weston**, former CEO of Automatic Data Processing, Inc., at the release luncheon for the CED report. Both Peterson and Weston urged a more responsible budget policy and stressed the dangers growing deficits pose for future economic growth.



CED Trustee **Josh Weston** presents the highlights of **Exploding Deficits, Declining Growth: The Federal Budget and the Aging of America**, at the National Press Club.

On September 29th, CED and the Concord Coalition, joined by the Center on Budget and Policy Priorities, issued an update of CED's March 2003 deficit report. CED Trustee **William W. Lewis**, Director Emeritus, McKinsey Global Institute, represented CED and outlined the fiscal problems the nation faces as millions of baby boomers prepare for retirement. Lewis was joined by an impressive panel of experts; **Robert E. Rubin**, former Treasury Secretary and now a Director and Chairman of the Executive Committee of Citigroup, Inc.; **Warren Rudman**, former Republican Senator from New Hampshire and Founding Co-Chairman of the Concord Coalition; **Robert D. Reischauer**, former director of the Congressional Budget Office and the current President of the Urban Institute; and **Pete Peterson**, also representing the Concord Coalition and CED.

Both the initial March release of **Exploding Deficits, Declining Growth: The Federal Budget and the Aging of America** and the September update received extensive media coverage. The report immediately became an important factor in the federal budget debate for 2003. *Washington Post* reporter David Broder featured the CED report in his column (syndicated in over 300 newspapers) on March 5th (and again on October 5th) and hundreds of news stories have cited CED on the budget issue since early March. Additionally, more than half of the top 100 U.S. newspapers (by circulation) have mentioned CED's deficit warning in editorials written since March 2003. A March 6, 2003, *Financial Times* story referred to CED as "a highly regarded group of business and university leaders." That citation was typical of the

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Trustees Elected to the Board in 2003

- Herbert M. Allison, Jr.**
Chairman, President and CEO, TIAA-CREF
- Merrill Bateman**
President, Brigham Young University
- Lee Bollinger**
President, Columbia University
- Robert H. Bruininks**
President, University of Minnesota
- David Caputo**
President, Pace University
- Paul Danos**
Dean, The Amos Tuck School of Business Administration
Dartmouth
- John J. DeGioia**
President, Georgetown University
- Samuel DiPiazza**
Global Chief Executive, PricewaterhouseCoopers
- Robert H. Dugger**
Managing Director, Tudor Investment Corporation
- Ray Durkee**
Vice President, Sales and Marketing
Kaiser Foundation Health Plan
- Pamela B. Gann**
President, Claremont McKenna University
- Richard Hersh**
President, Trinity College
- Mark Joiner**
Senior Vice President and Director, Boston Consulting Group
- Robert Joss**
Dean, Stanford School of Business
- William E. Kirwan**
Chancellor, University System of Maryland
- Benjamin Ladner**
President, American University
- Rev. Edward A. Malloy**
President, University of Notre Dame
- Alan Merten**
President, George Mason University
- Nobuharu Ono**
President and CEO, NTT DoCoMo USA, Inc.
- George Ranney, Jr.**
President and CEO, Chicago Metropolis 20/20
- Judith Shapiro**
President, Barnard College
- Jerry Weast**
Superintendent, Montgomery County Public Schools
- Ronald L. Zarrella**
Chairman and CEO, Bausch & Lomb
- Steve Zarkin**
Senior Vice President, Government Relations
Kaiser Foundation Health Plan