

HOSTILE TAKEOVERS

NEXT LET ME REVIEW HOSTILE TAKEOVERS, WHICH ARE A MAJOR DETRACTOR FROM COMPETITIVENESS, ^{One reason is the} ~~AND THE SOURCE OF~~ EXTENSIVE SOCIAL INJUSTICE CAUSED MAINLY BY EMPLOYEE TRAUMA FROM JOB LOSSES AND CAREER DISRUPTIONS.

IN SPITE OF THE URGENT NEED FOR MORE INDUSTRIAL INNOVATION, HOSTILE TAKEOVERS AND THE THREAT OF HOSTILE TAKEOVERS ONLY IMPEDE SUCH EFFORTS. THEY CAUSE DISSIPATION OF THE MOST IMPORTANT PART OF THE INNOVATION RESOURCES IN TARGET COMPANIES -- SKILLED PERSONNEL AND UNDERMINE TEAMWORK. *to improve competition*

EXPERIENCE SHOWS THAT A HIGH PERCENTAGE OF SENIOR EXECUTIVES LEAVE AFTER A TAKEOVER. FOR EXAMPLE, A SURVEY MADE IN 1984 BY LAMALLIE ASSOCIATES, AN EXECUTIVE SEARCH COMPANY, CONCLUDED THAT APPROXIMATELY FIFTY PERCENT OF SENIOR MANAGERS LEAVE WITHIN A YEAR AFTER THEIR COMPANIES ARE TAKEN OVER, AND 75% WILL PROBABLY LEAVE WITHIN THREE YEARS.

INCREASED TURNOVER IS NOT CONFINED TO MEMBERS OF SENIOR MANAGEMENT, BUT OCCURS AT ALL LEVELS OF MANAGEMENT AND IN OTHER AREAS. THIS IS CAUSED BY THE EXCESSIVE TRAUMA THAT IS INFLICTED, STARTING WITH FEAR OF JOB LOSS AND/OR CAREER PATH BEING IN JEOPARDY.

THE INITIAL PHASE OF A HOSTILE TAKEOVER IS UNNECESSARILY NERVE-WRACKING BECAUSE OF LACK OF INFORMATION OR CREDIBILITY OF ASSURANCES ABOUT THE AGGRESSOR'S PLANS. THERE ARE ALWAYS COMPANY COMMITMENTS TO EMPLOYEES, BOTH IMPLIED AND STATED, RELATING TO JOB RESPONSIBILITIES AND CAREER PATHS. EMPLOYEES EXPECT THEM TO BE FULFILLED, YET THEY UNDERSTAND THAT DUE TO COMPETITION, ADVERSE ECONOMIC CONDITIONS AND OTHER FACTORS NOT UNDER THE COMPLETE CONTROL OF MANAGEMENT, SOME MAY NOT BE FULLY MET. HOWEVER, WHEN A RAIDER ENGAGES IN AN UNNECESSARY AND UNILATERAL TAKEOVER, IT CAUSES ABROGATION OF MANY COMMITMENTS IN THE TARGET COMPANY THAT INFLICT COLD-BLOODED AND UNJUST HUMAN INJURY -- COLD BLOODED, BECAUSE THE AGGRESSOR KNOWS THAT EMPLOYEE INJURIES WILL BE CAUSED; AND UNJUST, BECAUSE IT COULD HAVE BEEN AVOIDED EITHER BY ACHIEVING THE TAKEOVER OBJECTIVES IN ANOTHER WAY OR BY RECOGNIZING THAT THE OBJECTIVE OF "I WANT IT AND THEREFORE I SHALL HAVE IT" IS NOT NECESSARILY A LEGITIMATE ONE.

FOR MANY EMPLOYEES, FEAR OF JOB LOSS IS REPLACED BY FORCED DEPARTURE DUE TO CHANGED PLANS, OVERLAP IN POSITIONS BETWEEN THE TARGET AND ACQUIRING COMPANY, OR BECAUSE OF THE ELIMINATION OF JOBS TO ACHIEVE SAVINGS TO HELP PAY FOR THE COST OF THE TAKEOVER.

FOR THOSE EMPLOYEES WHO HAVE THE OPTION OF CONTINUING EMPLOYMENT, THERE IS A WIDESPREAD FEELING OF DISGUST AND RESENTMENT OVER BEING VICTIMIZED. A DIVISIVE US VS. THEM ATTITUDE OFTEN DEVELOPS AS WELL. AS A CONSEQUENCE, THOSE EMPLOYEES WHO CAN FIND OTHER ACCEPTABLE EMPLOYMENT LEAVE. MANY OF THOSE WHO STAY ARE DISILLUSIONED. ~~THEY NOT ONLY~~ ^{AND} HAVE LESS COMMITMENT AND LOYALTY TO THEIR COMPANIES. FOR EXAMPLE, A RECENT SURVEY BY INDUSTRY WEEK MAGAZINE SHOWED THAT NEARLY 60% ARE LESS LOYAL TO THEIR EMPLOYERS THAN FIVE YEARS AGO, AND THE MAJOR CAUSE IS TAKEOVER MANIA.

LACK OF COMMITMENT AND LOYALTY, ALONG WITH DISTRUST, CREATES AN ADVERSE CLIMATE FOR TEAMWORK WHICH IS ESSENTIAL FOR TIMELY AND EFFICIENT RESULTS IN INNOVATION. SUCH TEAMWORK IS NOT ONLY REQUIRED AMONG EXECUTIVES AND R&D TECHNOLOGISTS TO DESIGN THE BEST PRODUCTS, BUT TEAMWORK ON THE FACTORY FLOOR IS NECESSARY FOR ~~RELAYING~~ THE LOWEST COST, HIGHEST QUALITY OUTPUT.

IN SHARP CONTRAST TO EMPLOYEE DISRUPTIONS IN THIS COUNTRY, IS JAPAN, WHERE HOSTILE TAKEOVER ATTEMPTS RARELY SUCCEED. COMPANIES ARE LOOKED UPON MORE AS PERMANENT INSTITUTIONS THERE, AND A STRONG CONSENSUS PREVAILS THAT ONE COMPANY DOES NOT HAVE THE UNILATERAL RIGHT TO BUY ANOTHER ONE. AS A RESULT, HOSTILE TAKEOVER ATTEMPTS ARE VIEWED WITH PUBLIC

CONTEMPT. SUCH REACTIONS, ALONG WITH THE FOCUS OF LIFETIME EMPLOYMENT BY LARGE JAPANESE COMPANIES AND OTHER FACTORS CONTRIBUTE TO AN ENVIRONMENT OF HARMONY AND COOPERATION IN JAPANESE COMPANIES. THE ADVERSE IMPLICATIONS ON COMPETITIVENESS OF THE CONTRASTING TURMOIL OF FEAR, DISTRUST AND DISGUST IN U.S. COMPANIES STIRRED UP BY TAKEOVERS IS EASY TO GRASP BY ANYONE WHO HAS A SENSE OF OBJECTIVITY.

ANOTHER DETRACTOR FROM OUR ABILITY TO COMPETE IS THE DECREASED AVAILABILITY OF FUNDS FOR R&D AFTER A HOSTILE TAKEOVER OCCURS. BECAUSE OF THE SUBSTANTIAL DEBT INCREASES TO FINANCE TAKEOVERS, INCREASED INTEREST COSTS UNDERCUT INVESTMENT IN R&D AS WELL AS OTHER PARTS OF THE INNOVATION CYCLE.

ADDITIONALLY, THE THREAT OF HOSTILE TAKEOVERS DETRACTS FROM INNOVATION, ESPECIALLY THE LONGER TERM R&D COMPONENT, AS CORPORATIONS TEND TO FAVOR SHORT-TERM INNOVATION INVESTMENTS AT THE EXPENSE OF THE LONGER TERM IN ORDER TO MAINTAIN QUARTER-TO-QUARTER EARNINGS GROWTH THAT IS NEEDED TO MAXIMIZE COMPANY STOCK PRICES TO MAKE THE COMPANY LESS ATTRACTIVE AS A TARGET FOR A RAIDER.

THE ADVERSE IMPACTS OF HOSTILE TAKEOVERS ARE NOT LIMITED TO TARGET COMPANIES AND THEIR EMPLOYEES. COMMUNITIES AND STATES IN WHICH THESE COMPANIES ARE LOCATED INVARIABLY EXPERIENCE ECONOMIC DAMAGE. JOBS ARE LOST, TAX REVENUES ARE LOST, UNEMPLOYMENT COSTS RISE AND, WHEN UNEMPLOYMENT COMPENSATION RUNS OUT, WELFARE COST INCREASES BEGIN.

NOR DOES IT STOP THERE. LIKE A PEBBLE DROPPED IN A POND, THE RIPPLES EXTEND. WHEN JOBS ARE LOST OR TRANSFERRED, THE MERCHANTS, PROFESSIONALS AND BUSINESSES DEPENDENT UPON EMPLOYEE SPENDING EXPERIENCE THE LOSS AS WELL. REAL ESTATE VALUES FALL; CONSTRUCTIONS FALLS OFF. THERE OCCURS, IN ESSENCE, A "REVERSE ECONOMIC MULTIPLIER EFFECT."

EXPERIENCE SHOWS THAT CHARITIES AND CIVIC ORGANIZATIONS ALSO SUFFER. RAIDERS HAVE YET TO DEMONSTRATE A COMMITMENT TO CHARITABLE GIVING. BUT IT IS NOT JUST CORPORATE FINANCIAL SUPPORT -- THE LOSS OF AN INDEPENDENT FIRM TRANSLATES INTO A LOSS OF PERSONAL TIME CONTRIBUTIONS AND LEADERSHIP PROVIDED BY THE COMPANY'S EMPLOYEES.

FOR TOO LONG, THE DEBATE OVER HOSTILE TAKEOVERS HAS FOCUSED ON TRADITIONAL NOTIONS ABOUT THE "RIGHTS" OF SHAREHOLDERS, BIDDERS AND THE EFFICIENT OPERATION OF MARKETS -- AS THOUGH

ALL THAT WAS INVOLVED WAS THE ROUTINE SALE OF A CHATTEL OR PIECE OF LAND. BUT MUCH MORE IS INVOLVED AND SOCIAL JUSTICE IS BEING TRAMPLED, WHICH HAS HELPED CREATE THE ENVIRONMENT THAT SPAWNED IVAN BOSEKY AND OTHERS OF THE SAME ILK. IN ADDITION TO THESE CROOKS, THERE IS A MUCH LARGER NUMBER OF UNSCRUPULOUS CHARACTERS, BOTH WITHIN AND ON THE FRINGES OF INVESTMENT BANKING, WHO ARE OPERATING SHORT OF ILLEGALITY BUT IN SHADY WAYS.

THERE IS GROWING SUPPORT FOR FEDERAL LEGISLATION TO CONSTRAIN HOSTILE TAKEOVERS. I'VE BEEN AN ADVOCATE OF IT FOR 20 YEARS -- NOT THAT I BELIEVED IT TO BE THE BEST SOLUTION, BECAUSE IT IS UNLIKELY THAT LEGISLATION WILL BE ENACTED WHICH WILL SUFFICIENTLY CURTAIL HOSTILE TAKEOVERS. THE BEST ANSWER IS PUBLIC DISGUST WHICH WOULD MAKE HOSTILE TAKEOVERS SO SOCIALLY UNACCEPTABLE THAT THEY WOULDN'T OCCUR. HOWEVER, U.S. SOCIETY WILL CONTINUE TO SUFFER FURTHER WIDESPREAD INJUSTICE FROM HOSTILE TAKEOVERS UNTIL BUSINESS, LABOR, ACADEMIA, GOVERNMENT AND CHURCH ORGANIZATIONS DO MUCH MORE TO ARTICULATE THEIR ADVERSE CONSEQUENCES WHICH WOULD BUILD A STRONG PUBLIC ANTIPATHY.

I WON'T TAKE THE TIME TO PROVIDE MY VIEWS ON LEGISLATION TO CONSTRAIN HOSTILE TAKEOVERS, EXCEPT TO NOTE THAT THE MOST IMPORTANT PROVISION WOULD BE THE REQUIREMENT FOR A SOCIAL

IMPACT ANALYSIS IN ANY CONTEMPLATED TAKEOVER. I'LL ELABORATE ON IT IN A MINUTE.

FRIENDLY MERGERS

MY STRONG BELIEFS ABOUT THE DESTRUCTIVE ASPECTS OF HOSTILE TAKEOVERS DOES NOT INFER THAT I AM AGAINST ALL MERGERS. QUITE THE CONTRARY, FRIENDLY MERGERS ARE AN ESSENTIAL PART OF OUR AMERICAN SYSTEM. HOWEVER, THEY, TOO, CAN CAUSE SERIOUS SOCIAL INJUSTICE UNLESS A CONCERTED EFFORT IS MADE TO ADDRESS IT.

IN ORDER TO MINIMIZE EMPLOYEE TRAUMA AND OTHER ADVERSE EFFECTS, EVERY COMPANY SHOULD ADOPT A POLICY THAT REQUIRES A SOCIAL IMPACT ANALYSIS TO BE MADE AT THE EARLIEST STAGE IN ANY CONTEMPLATED ACQUISITION. SERIOUS SOCIAL INJURY THAT CANNOT BE ELIMINATED IS CAUSE FOR REJECTION.

CONTROL DATA HAS SUCH A POLICY. BRIEFLY, THE SOCIAL IMPACT ANALYSIS REQUIRES A STATEMENT OF THE REASONS FOR THE ACQUISITION, 5 YEAR BUSINESS PLANS UNDER WHICH THE RESULTING BUSINESS COMBINATION WOULD BE OPERATED, AND AN ANALYSIS OF THE EFFECT ON ALL CONSTITUENTS, INCLUDING EMPLOYEES, THE COMMUNITIES IN WHICH PLANTS ARE LOCATED, SUPPLIERS AND CUSTOMERS. IN ADDITION, AN ASSESSMENT IS

MADE OF THE EFFECTS ON THE INNOVATION CAPABILITIES OF THE ACQUIRED COMPANY.

THIS POLICY WAS ADOPTED BY CONTROL DATA TEN YEARS AGO AND HAS SERVED THE COMPANY WELL. SINCE GOOD BUSINESS PRACTICE MANDATES THAT THOROUGH PLANNING TAKE PLACE BEFORE AN ACQUISITION IS MADE, VIRTUALLY NO COST IS ADDED BY CONSIDERING SOCIAL EFFECTS. FURTHERMORE, EXPERIENCE SHOWS THAT SEVERE ADVERSE SOCIAL IMPACTS AS A RESULT OF AN ACQUISITION CAN BE VERY COSTLY IN DOLLARS OR TARNISHED PUBLIC IMAGE OR BOTH.

HENCE, A POLICY REQUIRING SOCIAL IMPACT ANALYSES IS GOOD BUSINESS IN THE BROADEST SENSE, BEING BOTH PROFIT AND SOCIALLY ORIENTED. EXECUTIVES WELCOME SUCH A POLICY AS A MEANS OF RESPONDING TO THEIR SOCIAL CONSCIENCE WITHOUT BEING EXPOSED TO THE CRITICISM OF BEING SOFTHEADED BY THOSE WHO EITHER FAIL TO SEE OR DON'T WANT TO SEE THE MERITS OF TAKING INTO REASONABLE ACCOUNT SOCIAL FACTORS IN BUSINESS DECISIONS.

PLANT CLOSINGS

THE LAST CATEGORY OF ORGANIZATIONAL TRANSFORMATION TO REVIEW IS PLANT CLOSINGS AND PLANT RELOCATIONS. OF COURSE, THEY WILL OFTEN RESULT FROM A HOSTILE TAKEOVER OR EVEN A

FRIENDLY MERGER, IF INADEQUATE ADVANCE PLANNING IS CARRIED OUT. ON THE OTHER HAND, A CLOSING, RELOCATION OR DRASTIC REDUCTION IN EMPLOYMENT MAY BE UNAVOIDABLE, EVEN IN CAREFULLY CONSIDERED PLANS FOR AN ACQUISITION, CONSOLIDATION OR DIVESTITURE THAT IS NECESSARY TO IMPROVE PRODUCTIVITY, MARKET ACCESS OR FOR SOME OTHER COMPELLING ECONOMIC REASON. IN THAT EVENT, I BELIEVE THAT IN THE INTEREST OF GOOD BUSINESS AND SOCIAL JUSTICE, THE CORPORATE OWNER HAS THREE MAJOR ACTIONS TO TAKE:

- (1) PROVIDE AS MUCH ADVANCE NOTICE AS POSSIBLE TO THE EMPLOYEES AND COMMUNITY;
- (2) PROVIDE EMPLOYEES WHO WILL LOSE THEIR JOBS WITH REASONABLE SEVERANCE COMPENSATION AND ASSISTANCE TO FIND ALTERNATIVE EMPLOYMENT;
- (3) ASSIST THE COMMUNITY IN DEVELOPING ALTERNATIVE SOURCES OF JOBS.

I BELIEVE THAT AS A GENERAL RULE, COMPANIES SHOULD PROVIDE SIX MONTHS NOTICE IN THE EVENT OF A PLANT CLOSING OR RELOCATION. MY EXPERIENCE SHOWS THIS TO BE A REASONABLE AMOUNT OF NOTICE FOR BOTH THE COMPANY AND COMMUNITY. THERE

MAY BE INSTANCES WHERE THIS IS NOT PRACTICABLE, BUT IT IS A DESIRABLE GOAL.

THE AMOUNT OF SEVERANCE PAY IS THE SAME AS PAID UNDER OTHER CIRCUMSTANCES OF WORKFORCE REDUCTION.

A PREFERRED APPROACH TO ASSISTANCE FOR DEVELOPING ALTERNATE SOURCES OF EMPLOYMENT, IS THE INNOVATION NETWORK AND THE CAPABILITY IT PROVIDES A COMMUNITY TO DIVERSIFY ITS BUSINESS BASE. THE POINT IS SIMPLY THAT IF A COMMUNITY DOESN'T HAVE A NETWORK, THEN A COMPANY MAKING A DRASTIC REDUCTION IN EMPLOYMENT OR CLOSING OR MOVING THE PLANT SHOULD ENCOURAGE THE COMMUNITY TO ESTABLISH ONE AND PROVIDE ASSISTANCE. THIS CAN BE DONE IN A NUMBER OF WAYS, SUCH AS INVESTING IN THE SEED CAPITAL FUND AND MAKING THE PLANT, OR PART OF THE PLANT, AVAILABLE AS A BUSINESS AND TECHNOLOGY CENTER AT THE LOWEST REASONABLE COST.

A BETTER APPROACH IS FOR COMPANIES WITH BRANCH PLANTS TO ENCOURAGE AND ASSIST COMMUNITIES TO ESTABLISH INNOVATION NETWORKS BEFORE A SERIOUS EMPLOYMENT REDUCTION PROBLEM ARISES. AS NOTED EARLIER, PARTICIPATION IN INNOVATION NETWORK ACTIVITIES ARE PROFITABLE, LONG-TERM INVESTMENTS. AT THE SAME TIME, THERE IS THE OPPORTUNITY TO MAKE CLEAR TO THE COMMUNITY THAT:

- (1) THE PRESENCE OF THE PLANT PROVIDES GREAT ECONOMIC BENEFITS. E.G., ONE MEASURE IS THAT EVERY YEAR, EACH JOB IS WORTH AROUND \$20,000 BECAUSE OF TAXES PAID, SUSTAINED ECONOMIC ACTIVITY RESULTING FROM THE PAYROLL DOLLARS FLOWING INTO THE COMMUNITY, ETC.
- (2) THE COMPANY MAY NOT BE ABLE TO OPERATE THE PLANT INDEFINITELY DUE TO CHANGING MARKETS, ADVANCING TECHNOLOGIES, ETC., THEREFORE,
- (3) THE COMMUNITY SHOULD ANTICIPATE THE POSSIBILITY OF THAT EVENT AND PREPARE FOR IT BY ESTABLISHING AN INNOVATION NETWORK.

WITH THAT APPROACH, A COMPANY CAN BE IN THE POSITION OF BEING THANKED FOR THE GREAT CONTRIBUTION IT MADE DURING THE YEARS IT OPERATED THE PLANT AS OPPOSED TO BEING CASTIGATED FOR A DRASTIC REDUCTION IN EMPLOYMENT. OR WORSE, SUBJECT TO PLANT CLOSING LEGISLATION, WITH THE INFERENCE THAT THEY MUST BE FORCED TO DO WHAT IS RIGHT AND POSSIBLY IMPOSING ONEROUS COSTS. HOW IRONIC IN VIEW OF THE TREMENDOUS BENEFITS ENJOYED BY COMMUNITIES FROM THE JOBS. NO ONE IS MORE TO BLAME FOR THIS MISCONCEPTION THAN BUSINESS ITSELF.

CONCLUSION

MUCH MORE CAN BE SAID ABOUT PLANT CLOSINGS; HOWEVER, IT IS

TIME TO END THIS TALK. IN CONCLUDING, I WANT TO EMPHASIZE THAT BECOMING "LEAN AND MEAN COMPETITORS" THROUGH RESTRUCTURING IS NOT ENOUGH. PROGRESS IN EXPANDING INNOVATION IS THE KEY TO MEETING THE ASPIRATIONS OF OUR SOCIETY. ACHIEVING EFFICIENCY IN INNOVATION REQUIRES TEAMWORK -- AMONG EXECUTIVES, RESEARCHERS, PRODUCT ENGINEERS AND THOSE ON THE FACTORY FLOOR. ON THE OTHER HAND, TEAMWORK IS UNDERMINED WHEN LOYALTY BONDS BETWEEN COMPANIES AND THEIR EMPLOYEES ARE DESTROYED AND REPLACED BY DISTRUST AS A RESULT OF INJUSTICES INFLICTED BY RESTRUCTURING.

CONSEQUENTLY, COMPANIES SHOULD THINK AND ACT IN TERMS OF SOCIAL JUSTICE THAT FOSTERS INNOVATION. THIS WOULD REMOVE IMPEDIMENTS TO TEAMWORK. AT THE SAME TIME, SUCH A POLICY WOULD CREATE A CORPORATE CULTURE WHICH WOULD STRONGLY INSPIRE ETHICAL BEHAVIOR IN OTHER WAYS. I BELIEVE THAT MOST EXECUTIVES HAVE A CONSCIENCE; HOWEVER, WITHOUT SOME ENCOURAGEMENT AND A STRUCTURE TO MAKE COMPLIANCE AS FREE AS POSSIBLE FROM INTERNAL AND EXTERNAL COUNTERPRESSURES, MOST WILL NOT RESPOND IN ACCORDANCE WITH ITS DICTATES.

FINALLY, AS I LOOK ABOUT AND SEE THE GROWING GAP BETWEEN THE RICH AND THE POOR, THAT BLACK PEOPLE ARE GENERALLY WORSE OFF THAN TEN YEARS AGO, AND THE EMERGENCE OF AN UNDERCLASS, I'M REMINDED OF THE ARSON AND RIOTS WHICH SWEEP

THROUGH MY HOME TOWN OF MINNEAPOLIS AND 68 OTHER CITIES IN AMERICA IN 1967. BEFORE THAT TRAGIC OCCURRENCE, IT WAS WIDELY BELIEVED THAT SUCH AN EVENT WOULDN'T HAPPEN IN OUR BEAUTIFUL CITY, BUT IT DID, IN A DEPRESSED AREA ON THE NORTH SIDE. THE CAUSE WAS MAINLY LACK OF DECENT JOBS AND THE OPPORTUNITY TO PARTICIPATE IN THE GOOD LIFE THAT THE VAST MAJORITY IN THE CITY ENJOYED.

AT THAT TIME, I SAID "YOU CAN'T DO BUSINESS IN A SOCIETY THAT IS BURNING, AND THAT CONTROL DATA SHOULD DO ITS PART TO HELP ELIMINATE THE ROOT CAUSE BY PUTTING JOBS THERE." THE COMPANY DID THAT IN NORTH MINNEAPOLIS AND IN SIX OTHER POVERTY STRICKEN AREAS. THIS WAS DONE COOPERATIVELY WITH THE FEDERAL GOVERNMENT, CITIES AND COMMUNITIES. IT WAS A REWARDING PROGRAM FOR BOTH THE COMMUNITIES AND CONTROL DATA. THE COMMUNITIES BENEFITED FROM THE JOBS, THE PLANTS WERE PROFITABLE AND COMPETITIVE. ALSO, CONTROL DATA EMPLOYEES, WORDWIDE, WERE ENORMOUSLY PROUD OF THE PROGRAM AND OUR CUSTOMERS APPLAUDED OUR EFFORTS, ESPECIALLY THOSE OVERSEAS.

TODAY, BECAUSE OF ADVANCING TECHNOLOGY AND CHANGING MARKETS, ONLY TWO OF THOSE PLANTS ARE STILL OPERATED BY CONTROL DATA. HOWEVER, THE COMPANY WAS ABLE TO FIND BUYERS FOR THE OTHER FIVE, AND EMPLOYMENT LEVELS HAVE BEEN MAINTAINED. IN ADDITION, JOB CREATION NETWORKS ARE BEING

ESTABLISHED IN THREE OF THE COMMUNITIES WITH SOME ASSISTANCE BY CONTROL DATA.

THE POVERTY PLANT PROGRAM IS FURTHER EVIDENCE THAT BUSINESS CAN ASSUME RESPONSIBILITY FOR JOBS WITHOUT COMFLICTING WITH ITS FIRST PRIORITY OF MAKING A PROFIT. IN FACT, IT'S CLEAR THAT UNLESS BUSINESS, THAT SECTOR OF SOCIETY WHICH PROVIDES MOST OF THE JOBS AND HAS MOST OF THE RESOURCES TO CREATE THEM, ASSUMES A GREATER INITIATIVE FOR PROVIDING JOBS, OUR QUALITY OF LIVING WILL CONTINUE TO DETERIORATE. AT THE SAME TIME, THERE IS THE RISK OF A REPEAT OF THE ARSON AND RIOTS THAT SWEEPED THROUGH OUR CITIES ONLY A DECADE AGO, OR SOMETHING WORSE.

EXTENSIVE COOPERATION TO VASTLY EXPAND INNOVATION, ALONG WITH OTHER ACTIONS TO PROMOTE SOCIAL JUSTICE, PROVIDES THE MOST HOPE FOR AMERICA'S FUTURE.

THANK YOU.