



Demanding Corporate Responsibility

Excerpts from recent speeches by Governor Bill Clinton

The most irresponsible people in the 1980s were those in business who abused their position at the top of the totem pole. This is my message to the business community: As President, I'm going to do everything I can to make it easier for your company to compete in the world, with a better trained workforce, cooperation between labor and management, fair and strong trade policies, and incentives to invest in America's economic growth. But I want the jetsetters and the feather bedders of corporate America to know that if you sell your companies and your workers and your country down the river, you'll get called on the carpet. That's what the President's bully pulpit is for.

Business is a noble endeavor. It is the thing that makes this country run. The private sector creates jobs, not the public sector. But the people with the responsibility in the private sector should think it's simply not enough to obey the letter of the law and make as much money as you can. It's wrong for executives to do what so many did in the '80s. The biggest companies raised their pay by four times the percentage their workers' pay went up and three times the percentage their profits went up. It's wrong to drive a company into the ground and have the chief executive bail out with a golden parachute to a cushy life.

The average CEO at a major American corporation is paid about 100 times as much as the average worker -- compare that to two countries doing much better than we are in the world economy. In Germany it's 23 to 1, and in Japan, which just completed 58 months of untrammled economic growth, it's 17 to 1. And our government today rewards that excess with a tax break for executive pay, no matter how high it is. That's wrong. If a company wants to overpay its executives and under invest in the future, it shouldn't get any special treatment from Uncle Sam. If a company wants to transfer jobs abroad and cut the security of working people, it shouldn't get special treatment from the Treasury. In the 1980s, we didn't do enough to help our companies to compete and win in a global economy. We did too much to transfer wealth away from hard-working middle-class people to the rich without good reason. That's got to stop. There should be no more deductibility for irresponsibility.