

Washington Economic Club
Opening Remarks by Caterpillar Chairman Doug Oberhelman
February 9, 2017

Thank you, David, and good evening everyone. I hope you enjoyed that video – it's a pretty good introduction to Caterpillar – which is a great company with a long and rich history.

There's a model of our D8 dozer on every table. The scale is fifty to one, and that's not even our biggest dozer! But I want you to imagine that D8 – an 87,000 pound machine that costs about \$700,000, operating at more than 300 horsepower, building and supporting infrastructure around the world.

Thank you for the opportunity to be your first speaker this year, and to welcome a new administration and a new Congress.

I've spoken to the Detroit and Chicago economic clubs in the past and it's an honor to speak to the influential Washington Economic Club tonight.

I like talking with economic clubs because, in my view, a strong national economy is the foundation for almost everything we are provided in life. Think about it - to meet our most basic needs requires economic survival, at a minimum. And the more economic growth the better living standards for all, no matter where you are on the spectrum.

A country with a solid economic footing, a sound education system, with opportunity for income growth, where investment and innovation flourish – is always more stable and secure.

It's a country where everyone has freedom to gain new skills, change jobs, make more money, and believe in a better future.

But the U.S. economy hasn't been growing fast enough to bring that freedom. Why is that?

Yes, we can point to specific policies and regulations. I also think, as a nation, we're still feeling a malaise that dates back to 2000, even before the terrorist attacks of 9/11 and the great recession only seven years later.

Today, we are politically divided and antagonistic toward those who don't share our views. Many have accepted slow growth with fewer opportunities as the new normal, because that's the way it's been for quite a while.

The source of this is more than policies. We've lost our national optimism, our belief that "it can be done." We just can't seem to get moving together as a government and a country.

I'm retiring after 41 years at Caterpillar – during my career, I've lived in Asia, South America and North America, and travelled all over the world – to about 70 countries. I've seen my share of broken governments and broken countries, and I'm always grateful to come home.

The United States is not broken, not at all. Of course we can do better! We always can, and we should always try. But I said our current period of discontent started in 2000.

Remember that the Twin Towers fell only nine months after the wrenching Bush-Gore recount, and the divisions from that election probably never completely healed. And if they had, this last election ripped them wide open again.

So what do we need? My solution isn't revolutionary: I think we start coming together again through economic strength.

At the risk of showing my age, I remember President Kennedy said – and Ronald Reagan also said – the rising tide lifts all boats. A strong economy lifts red boats and blue boats; progressive, conservative and independent boats. An economy growing by more than two to three percent consistently can lift people and families all across the United States.

I am a child of the protests and discord of the Vietnam era. I remember it only too well. By the amount of gray hair in the room, I would say I'm not the only one! I remember many saying that our country would never be the same, and we would never recover. But we did.

It's a lesson for today. We've come together before and, with some help, we can do it again.

Robust economic growth seems to me a practical step toward solving our national discontent. So, I want to offer a few ideas to get there.

Not only am I retiring from Caterpillar, I retired from my position as Chairman of the Business Roundtable. BRT chose a more than worthy successor, Jamie Dimon. He will represent business in D.C. and everywhere else very, very well.

The Roundtable is unique among Washington trade associations in that our members are the CEOs, and only the CEOs, of our nation's leading, mature, global and publicly traded companies. We have a combined six trillion dollars in annual revenues and nearly fifteen million employees.

All of this is to say that when BRT advocates for specific policies, we're not a narrow interest group. We're supporting multiple industries, and millions and millions of employees and their families. We're not even bipartisan – actually – we're non-partisan.

What we want is broad-based economic growth and we'll work with President Trump, just as we worked with President Obama, and President Bush and President Clinton before that, to help get it done.

You won't be surprised that BRT wants to see tax reform, with more competitive rates and international tax rules to promote growth and investment.

We'd like to see smart, more effective regulations. We believe regulation is necessary and that we can safeguard people and the environment without also sacrificing competitive advantage. BRT's argument against oppressive regulation is not new. The fact that people seem to be listening to it, is.

BRT members also support opening and expanding markets through trade. Because of our location, the United States is like an island here, albeit a powerful one, and we need foreign markets for our exports. We have to find a way to engage, and ensure there are more winners than losers when it comes to trade.

There are many more things we can do to bring growth back to the long run historical average of 2.7 percent, at least. But there's no magic formula. It will take a lot of hard work, a lot of political compromise, a lot of government re-structuring, and a whole lot of optimism.

To adapt a phrase we hear a lot these days – Let's make America optimistic again!

If we pull together, our potential is unlimited. And we can create an economy where every boat really is lifted on the rising tide of economic growth.

Thank you.