

## So Much Needs to Be Done

An Interview with The Honorable Donald W. Riegle Jr.,  
Chairman-Government Relations Team, APCO Worldwide



The Hon. Donald W. Riegle Jr.

**EDITORS' NOTE** Former U.S. Senator Donald Riegle has acquired 28 years of Congressional service, 18 in the United States Senate and 10 in the United States House of Representatives. During his three terms in the Senate, Riegle served six years as Chairman of the Senate Banking Committee, as well as on the Finance, Commerce, Labor and Human Resources, and Budget Committees. He also chaired subcommittees including Health Care, Securities, and Science and Space. Riegle serves on the Board of Directors of a New York Stock Exchange listed company. He obtained his B.A. from the University of Michigan in Business and Economics, and his M.B.A in Marketing and Finance from Michigan State University while also working as a financial analyst for IBM. Riegle spent two years completing his Doctoral requirements in Business/Government Relations at Harvard Business School before foregoing his thesis to successfully run for his first term in Congress.

**COMPANY BRIEF** Headquartered in Washington, D.C. and founded in 1984, APCO Worldwide ([www.apcoworldwide.com](http://www.apcoworldwide.com)), is an independent, employee-owned global communication consultancy with 29 offices in cities throughout the Americas, Europe, the Middle East, Africa, and Asia. Clients include corporations and governments; industry associations and nonprofit organizations; and seven of the top 10 companies on Fortune's Global 500. APCO offers services related to business, industry and finance; media, public opinion and society; and government and public policy. The firm is also a majority women-owned business.

**Were you surprised at how deep the economic crisis has been and do you believe we are well on the road to recovery?**

I sensed there were big problems building up, but the scale of the meltdown exceeded anything I thought would likely happen in that short span of time.

The related question is, have enough things been done in the aftermath of that to protect us against it happening again in the future? The answer is no. The responses to date have been helpful to a degree, but I don't think we've fixed the underlying problems, and unfortunately, even this financial reform bill that is sitting before the Senate is not going to get that job done. Much more is needed, but I'm not sure there is the political appetite either in the White House or in Congress to take the steps I'd like to see us take.

**There are those who say that while the stimulus was needed, true recovery has to come from the private sector. Do you agree? Where does the remedy lie?**

We have a global economy and there is no way to disconnect from that. But if we want to talk about U.S. recovery and forward economic strength, we need a new national economic strategy for America, and you have to have the public and private sector working together on that. You can't rely on free market economics in its purest form in a global economy because that, in itself, will not build a strong America. Money and technology will migrate around the world in the blink of an eye. So if you're taking a long-term national interest perspective, you have to have a strategy where the private sector kicks in full strength, and you have to have good, smart public sector decisions, as well as targeted spending in investment. It comes down to national spending priorities, and how the federal government is going to put to work the resources in the broad national interest for the people of America. We're not debating that issue today the way we need to. Unfortunately, since the chance to frame these economic issues for the country so that the public becomes more engaged in thinking about some of the choices we have to make as a nation, comes only once every four years, we fail to come up with good, smart national strategies.

The grinding down of the middle class, which is going on, is a real danger to our future. Unfortunately, the academic economists who have great sway in our country and in this

administration don't see the nature of that threat the way I see it.

**There is much discussion about the U.S. losing its competitiveness to emerging markets, like the BRIC countries. Do you worry about the U.S. leadership position in the world, and is it losing some of its power?**

It is. Some of that is a natural occurrence in the world population where we're four percent of the total. But as technology, money, knowledge, and information is moved around virtually everywhere on the globe in real time, economies like BRIC and others are coming forward very rapidly because they now have access to the things they need to develop themselves. China is a stunning example. They go 24/7, and right now, we're not keeping pace with our own internal development in the United States to the degree that we need to in today's global economy. It undercuts our ability to project leadership around the world, because people will follow our example based on how well we're performing at home. In that regard, the fact that we were able to elect an African American President was a powerful signal to the rest of the world that our society is more open.

On the other hand, the United States, with what we've done in Iraq, undercut a lot of our ability to be seen around the world as effective leaders. Our influence has gone down, partly too because we haven't managed our economic affairs; if we're running a monstrous trade deficit, as we are, and we're borrowing money from anybody around the world who will lend it to us as we go deeper into debt, that's not a show of strength.

One interesting comparison is the economic performance of America today versus Germany, for instance, which is a country much more like ourselves in terms of level of advancement and societal structure. They don't have a trade deficit – they have a trade surplus. Why is that? I don't think we have good public knowledge as to what the answers are because we're not asking those questions. But it's very risky to our future to not understand why it is we have this enormous and growing trade deficit and, in turn, this enormous foreign debt we're accruing by having to borrow from abroad.

**In light of the controversy over health care reform, do you believe real reform is possible and are the issues that really need to be reformed even being addressed?**

No, they're not. It's a very complex issue. To get real reform is now even harder than when I was in the Senate because you have entrenched interests. Their view of reform is, reform every other part of the system but don't reform my part. The Obama Administration decided to cut some deals with some of the key health care constituencies, and it was very easy for them to target the health insurance industry, although it's just a part of the process, and a smaller part in terms of the aggregate amount of the money that is being spent.

So I'm afraid the plan that has been enacted is destined to not work very well because it doesn't deal with the cost drivers. There are two sides to that: it's what we spend the money on for the health services that we expect as a society, and it's what we are doing with respect to our own health profile. The reason we have an obesity and diabetes problem is because we don't have very good health habits in terms of trying to keep ourselves well. But when you get sick, everybody wants to get well, and it can cost a lot of money in a hurry. So we have to redo the health care bill at a later point and, hopefully, as it gets modified, it will get better. But I don't think any objective person who studied this would say that the plan that has just passed is what we really need to effect broad scale reform in the health care system.

**When in office, you were known for trying to reach across the aisle to work with those in the other political party. Many today feel that constructive dialogue has vanished. Is that changing, or will this continue to be the landscape going forward?**

It has become much more partisan in recent years, and more mean-spirited. And it is hurting the ability of government to get good outcomes. The two parties are not working well enough together and there are problems even working within each party.

How we change is the question. According to polls, the public is not very satisfied with the direction of the country. A lot of that has to do with our economic circumstance, and how we view our economic future as a nation. But we've got to get a better performance out of our public leaders, both in government and in the private sector. Our leaders have to find the language and the path forward that gives people confidence that we can get to higher ground. We have to demonstrate both in the public and private sector, working together across party lines, that we can get the economy growing at a vigorous rate. You have to have a broad middle class to hold a society like ours sprawled across 50 states together. But our middle class is shrinking. I hope that every thoughtful person looks at that and says to our leaders, we can't settle for that, and if you're not going to work to try to get America on a growth track, then you don't deserve a leadership position and should step aside and let somebody else with better ideas have a shot at it.

**Since leaving office, you've spent your time at APCO Worldwide, leading the government relations practice. What excited you about that opportunity, and can you give an overview of the strength APCO offers?**

We're an employee-owned company started by Margery Kraus, who was a visionary then and is still one now. I have been on recent business trips to Russia and China, as well as in the U.S., working with companies that are cutting edge and operating on a global scale. To have an opportunity to work on complex business problems in a rapidly integrating global economic system is interesting, challenging, and rewarding. I want the world to do well and I want America as strong as it can possibly be to maintain a good living standard and a solid way of life and also be a positive influence around the world to try to help other people achieve those same goals.

I enjoy helping companies figure out how they can be successful at the same time they're aligning with the public interest. The great opportunity for an executive position, whether in the private or public sector, is to be successful in what you do but in a way that is providing broad benefit that lifts everybody. That is much harder than finding a short cut to making money. Our purpose has to be to try to figure out how we can make sure that life is getting better for people we don't know.

**There has always been media scrutiny of public figures, but the spotlight is very hot and piercing today. When you first ran, could you ever have imagined it being in this type of environment?**

Running for public office has changed and for the worse, not the better. There are the political attack ads and, oftentimes, the press is adversarial.

The main problem is it costs such a large amount of money to run for office. For instance, to run for the United States Senate in California, you have to spend \$80 million.

I got a chance to run in the mid-'60s for the first time when I was 28 as the local Republican candidate in my home area of Flint, Michigan. We spent around \$80,000 on that campaign to defeat the incumbent.

So that is part of what is strangling the system. As a result, you're seeing more people running for office who are very well to do. For those who don't have that kind of money, private interests or special interests who want to have a major impact on policy outcomes will provide the money to candidates, but there is an understanding that if they're going to bankroll your campaign, then they expect you to be with them on their issues after you're elected. So more people get into office without the freedom to make independent judgments, and we don't want that. Ideally, we would have public financing of campaigns and we'd probably get an infusion of new talent across the spectrum of our society. It would be beneficial and reinvigorate the system. The barrier to entry now is because of the amount of money it takes or the control of special interest groups, including the parties themselves, because the parties can strangle independent thinkers who might want to come forward. They want people who are going to sign up and accept the party orthodoxy rather than think for themselves.

Hopefully, we'll work our way through that and get to a point where we can feel better about how the process is working, who is running, and who is being elected.

**Is it difficult sometimes to see the debates and wish you were still in the fray?**

There are days like that. For example, I think our trade deficit that has gone up again is a clear and present danger to the future of America, and we need to fix that. But you can't fix it if you can't sit down and take it apart. If I had access to the Senate floor again, I'd be there every day talking about that problem, partly to educate my colleagues but also as a way of educating the press who is always watching and the American people that might be watching. There are days I'd love to have my voice and vote back in the sense that I could fight for what I think the public interest requires.

**Do you ever take the time to reflect on some of your accomplishments?**

If you get to the United States Senate and you're representing a big complicated state, the issues never stop. So when you're in the job, you have very little time to think about what you did yesterday, because you're always dealing with things coming through the door. In addition, since leaving the Senate, the number of challenges I have found myself dealing with going forward don't provide much time to think back and reflect.

I wrote a book in 1971 and 1972, which is a diary of a year of my life in Congress. I have been asked about writing a book about life in the Senate, but I don't know where I would find the time to do that. The CEOs I meet are so busy trying to look ahead as well as deal with today's problems that the opportunity to be reflective about what you did six months ago is a luxury most people don't have. So I don't spend a lot of time thinking about the past, although I do sometimes have the opportunity to see my former colleagues from the Senate, and reflect with them.

**Those who know you say it's hard to imagine you ever slowing down. Will that day come?**

We all slow down. But there is so much that needs to be done, and there is an important role for intellectual leadership, and for leaders to be thinking about these major problems that affect everybody. We need their best thinking, not just on behalf of their company or sectoral interests; we need them helping us determine how to make America's national performance stronger. I don't know that you can count on having a civil and orderly society in the U.S. forever if more and more people are on the economic outside looking in, rather than enjoying good living standards on the inside. I don't want America to descend into *A Clockwork Orange* society where you have problems with an underclass that is growing and can't get in the game. It's everybody's responsibility to make sure that doesn't happen.

We have a massive underemployment and unemployment problem that we're not solving right now. Government and the private sector have to get together and figure out how we can permit people to work so they can support themselves and provide the income they need and for the nation. We all need to work on that one because all of our futures depend on how well our nation does. ●