

Announcer: Ladies and gentlemen please welcome back to the stage Chairman Fred P. Hochberg.

Fred Hochberg: You may notice that my glasses are a little dark, I was outside meeting the Secretary and I forgot I had this glasses that turn dark, so I'm not trying to look cool or anything like that I'm just trying to be able to read what I jotted down. I feel... in a city with a lot of distinct honors I feel particularly honored that I have the opportunity to introduce our key note speaker today. Secretary Kerry is a man I've known for more than 20 years. I first met him when he was... in the mid to early 90s and I admired him as a fierce and forward advocate for equality. And of course everybody here knows Secretary John Kerry by his distinguished public career. A recipient of the Bronze and Silver Star, five terms Senator, Presidential nominee, 68th Secretary of State but I bet you not many of you know he was also a successful entrepreneur. Because before Secretary Kerry became Secretary Kerry, he was Chef Kerry and he was the head, he was Proprietor and Head baker of a bake shop that sold, made cookies in Faneuil Hall called Kilvert & Forbes. So I bet a few of you thought that the only baker to become Secretary of State was the name James and now you know you're wrong. He sold the store a few years later which is a shame because Mr. Secretary for all of your accomplishments you missed out on one and that was to become our Small Business Exporter of the year. Now you might not have won automatically because actually, Susan Axelrod of Love & Quiches also a dessert company is the winner of that award this year, so there was stiff competition. But from what I can tell and I have known you for 20 years you would have given Susan a run for her money. I also had the chance to work with the Secretary when he chaired the Small Business Committee when I served as Deputy and then Acting Administrator of the SBA under President Clinton. And so he's been a vigorous advocate not only at baking but of business people Small Business Entrepreneur. He knows what it takes for companies to succeed on the global stage and he knows that when I go around the country and speak to American entrepreneurs, they know that the US government stands firmly behind them because Secretary Kerry has been a fierce advocate in our country and around the world advocating for the commercial interest, the business interest of American companies, so we can support more exports and more jobs here at home. And he knows that it's important to have a level playing field so that those companies can compete globally. So he's a small business owner, former small business owner, he knows a thing or two about dough and I'm honored to call him my friend, our Secretary of State and our key note speaker, let me introduce Secretary John Kerry (applause)

John Kerry: Thank you very much. Thank you very much thank you. Thank you. Thank you very, very much, thank you. Thanks a lot. Thank you very much, thank you Fred... thank you all very much, thank you very, very much, thank you. Thank you for a standing ovation. Winston Churchill said the only reason that people stand and give a standing ovation is "They desperately need an excuse to shift their underwear." So I know you all had a much more noble thought in mind. Anyway I'm happy to be here. I'm very happy I didn't nose out Susan Axelrod at any point in time because if I had I never would have become Secretary of State, so congratulations to her for winning the Small Business Entrepreneur. I'm a little embarrassed Fred thank you very much for a generous introduction, I appreciate it very much. I more appreciate our friendship and I thank you for your support through my political life and now through my non-political life. As Secretary I greatly appreciate it and then I'm delighted to have an opportunity to share some thoughts will all of you here today. Fred's ability to find out about my foray into the cooking business gives you some sense of EXIM's deep expertise in matters of business and personal affairs. I have to make sure that is as far as it goes. Fred was actually very diplomatic in not telling you more about that escapade because he didn't really mention that it was a triumph of hope and late night wine that gave me this notion that I was going to open this business in Faneuil Hall Marketplace. I actually was having a wonderful dinner at one of the establishments in Faneuil Hall. I hope many of you have been there. And the friends I were with and we did enjoy one bottle too many and we came out and I don't know if you've ever had that late night chocolate chip cookie craving for the right reasons. (laughter) But at any rate I came out of there and I was somewhat bored as a private sector attorney for a few years and I really had this notion I wanted to do something in retail business. And there was this vacant space in Faneuil Hall and I looked at it and said God it would be really interesting if I opened this Gourmet Food Store there. So literally the next morning as a young lawyer I found myself in Jim Rouse's Baltimore's office, the Rouse Company, who were the developers and I negotiated this lease. And I wanted to have this sort of really great emporium of cookies that was then going to become you know a national effort and flag store or whatever. And I roundly brought to ground by the Rouse Company who said "Well we don't anymore fast food things here, we really just want a real Gourmet Food Place" and I said "well that's exactly what I want to do." And I gave them this explanation of what I was going to do and then low and behold we had the lease and we started laying it out and had these wonderful ovens that you could see the cookies progressing through them and dropping out at the other side. And everything was moving swimmingly. I had my Hobart mixer and my things. I'd never done anything like this before. As you'll all know in a moment when I tell you that we were one week from opening and I suddenly realized

"God you know I need a cookie recipe." So I went home and I took my... I'd been a toll house cookie baker since I was a kid, I love them anybody who's travelled with me will tell you. And so I started baking, and baking, and baking, and I learned the chemistry of food. It's the hardest thing in the world because as you get bigger of course it changes. It's not an automatic progression I learned that the hard way, many batches and hours later, days later but we did it. We put together these incredible cookies with pure Lindt chocolate and honey and amazing all natural ingredients, everything was all natural. And within one year I'm proud to tell you we won the Best of Boston for our cookies for our macaroons, for our brownies, for our everything, and I only sold it when I had the idiotic notion of going into public life and running for Lieutenant Governor. And I didn't want anybody accusing me of having sweetheart relationships which I didn't or anything but that doesn't stop anybody in American politics from telling you "you do." And so I sold it to my manager and I'm proud to tell you that 20 whatever number of years later it is still there and thriving in Faneuil Hall. And my dream I had been to take it you know I actually visited Herods in London and I had a place picked out and I was going to put it there and I was going to take it, you know the old notion. You know you get 40 stores, 50 stores and sell it for 10 times earnings and that was the story. And of course I didn't and here I am now a public servant and I'm not making anything so what can I tell you. But it's a long way of telling you all. And this really helped me, I have to tell you. It really helped me in the United States Senate and where I did become Chairman of the Small Business Committee. And I was on the Small Business Committee for 20 plus years. It taught me an enormous amount about the difficulties of being a small business. It's about having 35 or 40 part time employees, getting your tax forms filled out, working on your withholding dealing with the Health Department, getting your license, dealing with inspectors, getting... I mean it's... you know it better than I do but it really taught me about entrepreneurship and risk taking. And if any of us you know need a reminder of how critical leadership and vision are to the success of any leadership effort, you can ask anybody at any one of these tables here. Every single one of you are living examples of that, you know how to do it, as does Fred Hochberg and I'm delighted that Fred is leading the EXIM effort. He himself is a very skilled capable business person, not so long ago Fred's father gave him a tie bar, not the tie bar here but the tie bar where you hang all your ties. And he listed on it the following letters, YCDBSOYA and it was supposed to be an acronym, I don't know how you say that, the YCDBSOYA or something like that. But he lives by it and here is what it means, You Can't Do Business Sitting On Your Ass. It is a maxim that has driven him to take his family catalogue company global. It's what made him an exceptional leader of the small business administration where I knew him and we were friendly, and at his own company and today it is driving him to work to try to tie the world together with American exports. Now I think every single one of you here would agree that this man has been anything but an idol executive. In five years on the job he has helped to finance over 188 billion dollars in US exports and supported 1.2 million American jobs in the process. The EXIM Bank has been a driver of economic growth for much of the past century especially during difficult times. And that's been true, frankly since EXIMs beginning when it was founded during the height of the great depression, it's been true again in our recovery recently from our own great recession. The EXIM Bank has played an absolutely vital role in driving president Obama's national export initiative forward. And I want you just to think about it, only a few years ago, a few years removed from the greatest financial crisis in our lifetime, and believe me, I will never forget the treasury secretary Hank Paulson coming up, literary quaking in front of us in a Senate room in the LBJ room in the capital pale and clearly vexed as he explained to us what was going to happen Lehman Brothers and what was going to happen to the financial world if the United States Congress didn't pass what was then called a bail out, not a bail out in the end but a bail out, paid by the American tax payer, I might add. And there was an irony and a member of one party coming to the members of another party to ask them to save them from themselves and it happened. The reality is that since then, since that great recession which really put the financial system of this country and the world on the precipice. Since then we have come back, people have forgotten what president Obama had to begin to do even before he was sworn in, as we tried to navigate through that late Fall of 2008. Since then US exports have hit all time high, a record 2.2 trillion dollars, today those exports support 11.3 million jobs and they account for 14% of the entire economy of the United States of America. I'm happy to tell you that America is selling more goods and services abroad than at any time in our history, that's a remarkable accomplishment. But let me make clear, that kind of recovery was by no means inevitable; it was the result of specific economic choices that we made at the federal level of our government. It was the result of strong partnerships between everyone at EXIM and with so many of you out there and others who aren't here today. I want to thank the many business leaders in this room who have done so much to gain a bigger foothold for American companies overseas and to create opportunities for our workers here at home. And every American needs to understand, none of this money is a giveaway. It's not a gift program; it's not a charity it's in our interest. We are not just promoting American businesses here at home, we are promoting American values where they reach abroad and we are helping to strengthen countries that are on the brink in some cases of maybe being a failed or failing state. I didn't come here to talk about the road that we have traveled, it's important, because you got to know where you've

been to know where you're going. But I want to talk to you about something that's more powerful in the past five years or even the past 80 years of EXIMs existence. Everywhere I travel, everywhere I am privileged to travel as a secretary of state of this great nation of ours. Everywhere that I travel I see the aspirations that make America great are moving global. I see how people around the world want the same kind of opportunities that have defined our country's success. And the success I might add of many of our partners. When I was in Kiev, walking the street down towards the Maidan recently where the snipers had killed all of those protestors. I was struck by one man who came up to me a Ukrainian, who said to me in pretty good English, he said you know I just came back from Australia and I was motivated by what I saw there. I want people here in Ukraine to be able to live the way they are living in Australia. It was a personal witness to the possibilities of how life can be because of jobs and business and the ability to create a larger and larger middle class, wherever I go, whether it's the Middle East or Asia or Africa where I will be next week. I am engaged in efforts to ensure that the rise of the global middle class helps advance opportunity here at home, that's what it is about. As I said at my confirmation hearing, last year and as I tell our team that the state department every single day, economic policy is foreign policy and foreign policy is economic policy. What we do to invest abroad, to build businesses, to help people be able to export and import, all of that is the way you tap into the potential of people in the world. And that has never mattered more to our strength than it does right now. When more than half of the world's population is under the age of 30, when hundreds of millions of young people, all over the world will enter the job market in the next decade, we honestly don't have a moment to waste. From San Paolo to Sona all across the world young people are more connected than ever before. All they need to do is flip on their mobile device and they are in touch instantaneously with everybody everywhere all the time. They can see the kind of opportunities that are emerging across the world. They know the challenge of one country and they share those challenges in another country, they understand particularly the disparities in wealth and the disparities and opportunity. And they see that their just as real and they experience them believe me every single day. What's worse they fear that it's those disparities and not the opportunities that are going to define their future. Remember folks, Tunisia's revolution was not born out of religious extremism or ideology, it was a fruit vendor who was frustrated with corruption and the inability to be able to sell his wares and being slapped around by a policeman out of total frustration, out of not being able to touch that sense of independence and possibility, went and self immolated in front of a police station. And that is what ignited a revolution that saw a 30 year dictator disappear and a country begin to kick off what we came to know as the Arab awakening. In Tahrir Square in Egypt, it was not the Muslim Brotherhood, it was no religion, it wasn't Soliifas, it wasn't Sunni and Shia. It was young people in touch with each other, texting each other, googling, working their phones, that brought millions of people out there to throw off the yoke of corruption and open up a sense of possibility for the future. And then it happened again, they took another one because the government wasn't responsive to their aspirations and their needs. In Syria where people are so upset and desperate about what is happening, that didn't begin, that wasn't again not a revolution in terms of religious backing or sectarianism, it's young people, the same thing that happened elsewhere, they went out in the streets and said, we want jobs, we want an education, we want a future. And when their parents went with them after they were arrested the first time around, they were met with bullets and explosions and the rest is history. I am telling you, as sure as I am standing here, that this connectedness is not capable of being put back in the bottle by any politician anywhere. And in the end everybody is going to be affected by these hopes and aspirations, it's both a challenge but it's a huge, huge opportunity for business. When you look at the different markets that are out there, the half the world's population living on \$2 a day or less almost a huge proportion living on \$1 a day or less, these are people who need schools, they need jobs, they need opportunity. We want these people to be able to reach for the brass ring and to be able to have their opportunity to be able to tap into that possibility. You know, just consider the opportunities on one continent, just look at Africa, home to eight of the 10 fastest growing economies in the world and the home to 1.1 billion people. I think they have to educate something like 150 million kids in the next 10 years just to keep up, unbelievable challenge. But think about the size of the opportunity, it's more than twice as large as the European market and that's the largest market in the world. And, you know, you look at what Exim and your companies have helped to do for Europe and in other developed places, but we now see these possibilities exponentially in various parts of the world. And whether it's in agriculture or infrastructure or energy, particularly I might say in energy, you know the market place that created the great wealth of the United States of America in the 1990s, which incidentally was the greatest wealth creating period of American history, a lot of people aren't aware of that. We created more wealth in America in the 1990s and every single quintile of American income earner saw their income go up, why? Because it was a period of extraordinary growth as a result of the technology boom. The technology boom represented a market place of \$1 trillion and there were 1 billion users. The energy market that I just mentioned is a \$6 trillion market with four to five billion users today and it will reach, perhaps 9 billion users, within the next few years, just think about that, that's the mother of all markets. And the opportunity to be able to move on alternative renewable and different kinds of transportation, energy saving, efficiency, building materials,

run the list, is gigantic and I want to see American businesses being the leading innovators and the leading providers in order to be able to capture that market. So, I'll tell you something, whether it in Africa or the Americas or in Asia, I see this enormous hunger out there, not just for American products but for ideas and ideals that are uniquely American. Young people I met, I was in Kuala Lumpur last year in Malaysia at this incredible global entrepreneurship summit, 15,000 young people, and I heard them screaming and yelling and chanting and I said, "What is it, I am in a rock concert or something!", it's not a rock concert, this was their energy and enthusiasm for entrepreneurship. They were excited and every single one of them, they weren't interested in becoming pop stars, they were interested in becoming the next Bill Gates or the next Steve Jobs, believe me. They were thirsty for opportunity. And they know, they know what everybody else is doing. Everywhere else in the world, they are talking to them. So, we could help create the climate for these young people to take an idea and make it into a business by harnessing their energy and ingenuity. And this frankly matters to us deeply, because I firmly believe that the places where citizens have the freedom to be able to develop an idea and take it out there and even to...try make it a reality and perhaps even fail, to be their own boss and have that option, these are the societies that are most successful. They are the most cohesive, the least conflicted, the most peaceful. That's why, not...you know, not one of the political problems that we are working so hard to resolve today is...and not one of the solutions that we are working hard to achieve is going to endure without greater economic exchange and development. I think it's something we've seen over and over again world over; prosperity is a vital foundation for any kind of lasting durable peace to take root. And it happens to be one of the principle lessons that we have learnt from Asia's incredible rise. It's a story that America proudly helped to write with our enduring commitment to security and economic exchange across the Pacific. Even as I speak right now, it's a story that we are building on. The President of the United States, President Obama, is hard at work in Asia right now, leaving Japan, heading to the next stop, strengthening these ties for the future. And he is driving forward negotiations on a high standard trade agreement that could be the foundation for greater economic opportunity for decades to come, the Trans Pacific Partnership, TPP. It's a trade pact between the United States and 12 of our Pacific partners and it will be the largest free trade agreement of its kind in the world. And what would it do, it would set high standards for trade and competition for 40% of the global economy. That matters to us my friends. It matters to us that there are rules of the road and that everybody is playing by them particularly for a nation that lives by and is proud of something like the Foreign Corrupt Practices Act. We are competing in a voracious world, market wise, competitive, and you know that. So, the chance for an agreement like this, where we raise the standards for everybody, where we create transparency and accountability and rules by which everybody lives, evens out the competitive market place and provides opportunity because I don't need to remind you this kind of opportunity doesn't come often. And I have been part of these debates and it doesn't come easily. I remember the battle for free trade in the Senate, I fought that for 29 years. I am proud to say that almost every single trade agreement I voted for and it's clear that these voices are going to be determining where we go as we go forward. The voices of opposition are going to grow louder obviously but the clamor for those rules of the road is precisely what President Obama is determined to try to achieve. He wants to break down the barriers, to trade, open up the possibilities of opportunities and that's what he's been setting out to do since the day he came into office from the free trade agreements that the president sealed with the Republic of Korea, Columbia and Panama during the first term. The president, I think, has been very clear about the need to tame the worst forces of globalization and harness the best possibilities of globalization. He is continuing to lead the charge on the Trans Pacific Partnership as well as our negotiations with the Europeans where we are negotiating the Trans Atlantic Trade and Investment Partnership, a free trade agreement that will comprise another 40% of the global economy. So, as you gather here to think about EXIM and its future and the global market place, you don't have to be a big company to do any of this, there are huge opportunities staring all of us in the face and there is a lot at stake for us, both in these negotiations and in this moment of history. It really boils down to this, will the global economy be defined by a race to the bottom by the search for cheaper and cheaper labor, the lowest quality products and the most lax, if any, regulations? Or will globalization be defined by a race to the top; will the high standards that we set become the standard of the world? Today, as the largest market on earth, we have the power to determine what course the global economy is going to take. Because these agreements are so important for our economic future, I have made certain that we elevate the capacity of our economic team within the State Department. That's why I have brought leaders with a proven track record of private sector experience, private sector accomplishment to the table. Leaders like Ambassador David Thorn, who is here, like Ambassador Charlie Rifkin, who was our ambassador in France until a few months ago, our new undersecretary for economic affairs Cathy Novellie, who I stole from Apple. Former fund manager, Scott Nathan from Boston, they've all come to the table because they believe in helping to tame these worst forces in the market place and try to open up the best opportunities. It's why I've challenged every Foreign Service officer, every one, to be an economic officer and make our prosperity agenda what I call an all hands on deck job at the State Department. That's why we partnered now with the Department of Commerce, to bring foreign

investment and private sector experience to our shores through Select USA to encourage people to come and invest in the United States. And that's why we are using the direct line program to connect American companies with opportunities to expand overseas by connecting them to economic insights of more than 15,000 ambassadors and diplomats around the world, that's what we are doing. We need you to tap into that, that's why together, we are not only committed to leveling the playing field through the TTIP and the TPP, we are fighting corruption by advancing the anti bribery convention. That's why we are working with the EXIM bank, to expand the president's NEI agenda into the NEI next phase, promoting American exports based on their quality and potential for innovation rather than basing it on just how much they cost. That's why we're using public private partnerships like the Palestinian Economic Initiative and the Partnership for New Beginnings to try to open up new possibilities for changing life on the ground for people who have seen little improvement in those lives over decades. And that's why the president started the Presidential Ambassadors for Global Entrepreneurship Program to bring the most... the insights of our most successful business people to entrepreneurs across the world. We are doing all of this because in the world we live in today there are far fewer borders to trade in talent and that means... and you know this better than anybody... our companies have much more competition. In the cold war, when I grew up, the United States could actually make bad business decisions or a bad policy decision. We were the sole economic power after World War II; everybody else was just crushed or undeveloped. And now, today, it's totally different. We are not alone, there are other powerful economic entities on the planet, many of whom we helped make powerful through the Marshall plan and other efforts of our values and ideals. But the result is, there is more competition, we welcome that, I know you welcome that. Because American companies are the most innovative in the world, our workers are the most productive and we can compete against anyone, we understand that and particularly if we have a fair playing field where there is an absence of corruption and a plethora of opportunities. When American companies are the most innovative in the world and when our workers are the most productive, we can welcome competition. But when other governments are out there aggressively backing their own business, aggressively under the table in some cases and above the table in others, we need to be out there too, pushing back. And we need to be partners with you and your businesses every step of the way in order to make sure that we are able to win in a battle that is fair and square. We need to be fighting for rules based system that levels the playing field and when 95% of the world's consumers, 95% of the world's consumers, live outside of our market. That's exactly what our companies and our people need us to do. I have directed all ambassadors to promote American values, but also be powerful advocates for our economic interests. We are going to make certain that each of our posts and missions around the world have both a political and an economic mission and they are joined at the hip. We need all the gears that drive economic growth driving in the same direction. The first part of that effort is going to be to tell our economic story, our incredible economic story. And that's the story that every one of you ought to be proud to go out and tell wherever we go. I know that wherever I touch down, whether it's in Tunis or Tokyo or...you know, anywhere in the world, the words Made in America still mean something, they mean a lot. And that's because our economy is envied as the most innovative economy in the world. It is also the most resilient economy in the world as we have seen in the aftermath of the great recession. And that is because it continues to adapt and change to meet new challenges and because we have a greater free allocation of capital and movement of capital to ideas and more people willing to take a risk and possibly fail in order to find an idea that works. So, let's make certain that we, going forward, improve on that formula. Let's make certain that we build the partnerships that we need to create a shared prosperity in our country and around the world. The world as you all know, keeps on turning but if we refuse to stand still, which is in the American DNA, I am confident together with EXIM, with USAID, with World Bank, with IMF, with US State Department, with all of the tools at our disposal, we are going to have an extraordinary impact and have extraordinary results here at home as a consequence of our economic engagement in this world and most importantly as a consequence of American leadership with respect to the rules of the road. Thank you and keep on working. Thank you. (applause)

Fred Hochberg: That was some luncheon speech! The secretary is on his way, he's... he has a pretty busy docket these days, so I was very appreciative he could share that point and I think underscore the importance of, as he said, foreign policies, economic policy and economic policy is foreign policy and the link between the two.