

**January 16, 1999, Saturday Business/Financial Desk**  
**Reporter's Notebook; Jackson Challenges 'Capital of Capital'**  
**By JOSEPH KAHN**

The Rev. Jesse Jackson's push to get minority-owned companies a bigger slice of America's economic pie has shown early results. But to judge by the reaction of the hundreds of mostly black executives who attended his second annual Wall Street Project conference in lower Manhattan the last two days, a main attraction is still Mr. Jackson himself.

In seminars above the snow clouds at the top of the World Trade Center, on the podium above the neon tickers of the New York Stock Exchange, introducing President Clinton or hobnobbing with Wall Street tycoons at a black-tie soiree, Mr. Jackson teased, inspired and generally enthralled the crowd. His rolling-thunder speaking style, his witty asides, sprawling metaphors and full-flower alliteration had this button-down collection of businessmen and businesswomen laughing, clapping, chanting approval and spewing scorn.

Mr. Jackson said his Rainbow/PUSH Coalition had come to Wall Street -- what he calls "the capital of capital" -- to find new ways for African-Americans, Hispanic-Americans and other minorities to make money. And money was the constant refrain. "We have invited President Clinton to this place to talk about money, not about Monica," Mr. Jackson told one gathering. Government and business must learn to invest in minority areas, he said. "Money does grow on trees if it's planted in the money mud," he added.

He encouraged supporters to embrace corporate America -- sometimes with a bear hug. "Sharecroppers are becoming shareholders," he said. "We have taken our battle from the picket line to the board room."

By Mr. Jackson's estimate, 68 percent of Fortune 500 companies have no minorities on their boards, and he promises new scrutiny. He announced that the Wall Street Project had bought stock in more than 100 American multinationals, and he planned to use that status to urge companies to increase the jobs and contracts won by minorities.

"We will now ask, he said, "who is on our board of directors? Who are our top 100 employees. What are our community reinvestment commitments? Who are our vendors. Our attorneys. Our accountants?"

Mr. Jackson regaled one seminar with an anecdote of his visit to the Boeing Company in Seattle, where he spent time with Philip M. Condit, the chief executive. Boeing is facing a discrimination suit by black employees who complain that opportunities are limited there. Mr. Condit introduced him to some employees who are members of minorities, including a pilot. But Mr. Jackson said he was more interested in the statistic that every Boeing 747 has four million parts.

"At this stage of our struggle, we need to measure progress not just by pilots and flight attendants but also by contracts to supply rivets, pistons, carpets and, yes, peanuts," Mr. Jackson said. "By legal firms retained and advertising agencies hired." His name for this strategy: Revenue Return Relative. For the nearly \$600 billion that blacks spend in America each year, he explained, they should get a corresponding share of the service and manufacturing contracts companies award.

### **Building Closer Encounters**

Sipping a cocktail on the floor of the stock exchange, Kevin E. Davis, president of the New York-based investment banking firm May Davis Group, is having a friendly chat with a stranger. The stranger does not offer his name, but says he works for Morgan Stanley Dean Witter, the Wall Street bank.

Mr. Davis, who is black, quickly shifts to salesman mode. How many black-owned fund management firms does Morgan Stanley use? Has he heard of May Davis's convertible equity product? The Morgan Stanley executive, who is white, demurs, fails to find a business card in his bulging wallet, and politely escapes.

"I find it hard to believe that he doesn't have a card," Mr. Davis scoffs after the encounter. He warned that Wall Street firms could not ignore investment services provided by blacks and other minorities for long. Governments and companies that have funds to invest, he said, want to see more diversity among their fund managers.

"He will lose business unless he opens up the process," Mr. Davis said.

That was one of a thousand encounters at the conference, where Mr. Jackson pushed executives to get to know one another in designated "networking sessions." But while there were businessmen of all races taking advantage of the opportunity, many also ruminated on the obstacles that remain for black-owned companies that are trying to get contracts from the Fortune 500.

"Rev. Jackson can bring people to the table, but then you have to sell yourself," said Bennie L. Hadnott, managing partner of Watson Rice LLP, a New York accounting firm. "It is all about developing personal contacts, not just opening the door." Watson Rice is one of a few large black-owned accounting firms in the United States, and it has some marquee clients, Mr. Hadnott said. But winning new business is a struggle.

"When you are working with people's gold, it's an exclusive club," he said. "I call it the green ceiling."

Likewise, Julius Alston Jr. of Alston Insurance Services of New Jersey said big business had grown accustomed to buying some parts made by black-owned companies, but not using services they provide.

"The water gets muddy in services," he said. "People only think of goods. The architects, the engineers get locked out." He added, "This is not about widgets anymore."

#### A Year of Progress

The Wall Street Project had a shaky start last year, some attendees say. The turnout was good, but the message was muddled and the results were few. This year, the message was clear, the turnout was impressive despite dismal weather, and Mr. Jackson's press people were busy tallying a laundry list of corporate and government programs that help minorities.

Among the results: President Clinton said he would ask Congress to set aside \$1 billion over five years to provide enticement for private investment in economically distressed urban and rural areas. But Mr. Jackson said he was proud of efforts by big corporations to delegate for minority-owned companies a portion of the services that they contract out to minority-owned companies.