

BUSINESSWOMEN'S CONFERENCE

WASHINGTON, D.C.

MAY 2, 1980

AS ONE WHO HAS SPENT A GOOD DEAL OF HER PROFESSIONAL LIFE DEALING WITH THE PROBLEMS OF BUSINESS IN A MIXED ECONOMY, SEEKING A HISTORIC MIDDLE GROUND BETWEEN RESPONSIBLE GOVERNMENT REGULATION AND MAXIMUM INDIVIDUAL FREEDOM TO PRODUCE, I FEEL VERY MUCH AT HOME ADDRESSING THIS ORGANIZATION, AND IN REPRESENTING GOVERNOR REAGAN AS A MAN WHO HAS TOUCHED A DEEP AND RESPONSIVE CHORD AMONG THE AMERICAN PEOPLE, AND WHO HOLDS OUT HOPE FOR AN ECONOMY THAT IS ONCE AGAIN BASED ON INCENTIVE AND PROFIT.

THAT'S RIGHT ... INCENTIVE AND PROFIT. THOSE WORDS HAVEN'T BEEN ADMITTED TO MANY POLITE WASHINGTON CONVERSATIONS IN RECENT YEARS. TOO OFTEN, THERE'S BEEN AN ATTITUDE THAT PEOPLE AND PROFITS WERE SOMEHOW MUTUALLY COMBATIVE. THE PRICE OF SUCH AN ATTITUDE SHOWS UP IN DOUBLE DIGIT INFLATION, AN ERODED DOLLAR, RISING UNEMPLOYMENT AND AN AMERICAN PRIVATE SECTOR THAT IN MANY WAYS HAS LOST ITS CUTTING EDGE AT HOME AND ABROAD.

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NONE OF THIS HAS HAPPENED IN A VACUUM. ALL OF IT HAS OCCURED IN A POLITICAL ESTABLISHMENT THAT EQUATES THE FEDERAL PRINTING PRESS WITH A SOUND DOLLAR, AND TOO OFTEN REGARDS THE PRIVATE SECTOR AS A PLAY THING OF BUREAUCRACY. NOW AS A FORMER MEMBER OF THE FEDERAL TRADE COMMISSION, I KNOW A LITTLE SOMETHING ABOUT GOVERNMENT'S SOCIAL CONSCIENCE. I KNOW TOO ABOUT THE VERY REAL NEED WE HAVE IN THIS COUNTRY FOR GOVERNMENT TO POLICE THE PRIVATE SECTOR WHEN A RIPOFF ARTIST GIVES A BAD NAME TO HIS MORE HONEST AND CONSUMER-ORIENTED COLLEAGUES.

BUT REGULATION OUT OF HAND CAN BE AN ADVERSE FACTOR IN ECONOMIC GROWTH. AND ECONOMIC GROWTH, ONCE HALTED, MEANS THAT THOUSANDS OF PEOPLE SUFFER. IT IS ESPECIALLY IRONIC THAT A GOVERNMENT THAT CLAIMS TO CARE MOST FOR THOSE AT THE BOTTOM OF THE ECONOMIC LADDER PURSUES ECONOMIC POLICIES THAT HIT HARDEST AT PRECISELY THOSE PEOPLE - THE POOR, THE MINORITY, THE ELDERLY ON A FIXED INCOME, THE ASPIRING SMALL BUSINESSMAN OR WOMAN. I REFER TO FEDERALLY CAUSED INFLATION, AND THE DISINCENTIVES TO CAPITAL FORMATION AND SAVINGS THAT HAVE COMBINED IN RECENT YEARS TO UNDERMINE OUR COMPETITIVE SITUATION AND OUR NATIONAL PRODUCTIVITY.

GOVERNOR REAGAN HAS RECOGNIZED THE LINK BETWEEN FEDERAL SPENDING AND INFLATION. HE HAS ALSO RECOGNIZED THAT OUR ECONOMY WILL CONTINUE TO STAGNATE, CONTINUE TO FRUSTRATE MILLIONS WHO WANT NOTHING MORE THAN A CHANCE TO EARN THEIR OWN WAY, UNTIL AND UNLESS WE PROVIDE A DRAMATIC SHOT IN THE ARM TO PRIVATE INVESTORS.

AS A RESULT, HE HAS CALLED FOR A CONSTITUTIONAL AMENDMENT TO BALANCE THE FEDERAL BUDGET, ESTABLISHING ONCE AND FOR ALL A NATIONAL POLICY OF FINANCIAL SELF-CONTROL. WE WILL NO LONGER MORTGAGE THE FUTURE OF OUR CHILDREN AND OUR CHILDREN'S CHILDREN BECAUSE THIS GENERATION, AS EXEMPLIFIED BY WASHINGTON'S BIG SPENDERS, CANNOT LIVE WITHOUT THEIR \$600 BILLION DOLLAR MEANS.

THE GOVERNOR HAS CALLED FOR REGULATORY REFORM AND FOR NEW TAX INCENTIVES TO REVERSE THE CURRENT BUSINESS SLOW DOWN, AND STIMULATE LAGGING RESEARCH AND DEVELOPMENT.

HE SUPPORTS INDEXING FEDERAL INCOME TAXES SO THAT WHEN YOU GET A RAISE YOU KEEP THAT RAISE, AND YOU DON'T LOSE IT IN THE BIGGEST WINDFALL TAX OF ALL - THE INFLATIONARY PHENOMENON CALLED "BRACKET CREEP".

PERHAPS MOST IMPORTANT OF ALL, GOVERNOR REAGAN IS AN ENTHUSIASTIC ADVOCATE OF THE KEMP-ROTH ACROSS THE BOARD TAX CUT, WHICH COULD FREE UP BILLIONS OF DOLLARS FOR INVESTMENT AND ECONOMIC REALIZATION. HE HAS AN IMPRESSIVE RECORD IN FAVOR OF CARRYOVER BASIS REPEAL, AND HAS SUGGESTED THAT WE NEED TO TAKE A FRESH LOOK AT THE WHOLE CONCEPT OF INHERITANCE AND GIFT TAXES.

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GOVERNOR REAGAN HAS SUPPORTED REDUCTIONS IN CAPITAL GAINS TAXES, AND IS A STRONG ADVOCATE OF THE 10-5-3 DEPRECIATION PROPOSAL ... A TEN YEAR WRITE-OFF FOR INDUSTRIAL BUILDINGS AND STRUCTURES, A 5 YEAR WRITE-OFF FOR EQUIPMENT, AND A 3 YEAR WRITE-OFF FOR AUTOMOBILES AND LIGHT TRUCKS.

HE HAS ALSO CALLED FOR A RE-EXAMINATION OF CORPORATE TAX RATES IN THIS COUNTRY, WHILE IN THE FIELD OF ENERGY HE HAS ASKED THAT WE GET GOVERNMENT OUT OF THE ENERGY PRODUCING BUSINESS - AS IF GOVERNMENT COULD BY ITSELF, DRILL A WELL OR SCRUB COAL - AND TURN THE TASK OVER TO THE PEOPLE WHO KNOW HOW TO DO IT ... THE TECHNOLOGICAL AND GEOLOGICAL EXPERTS WHOSE GENIUS COMBINED CAN SOLVE THE CURRENT SHORTAGE AND GET THIS NATION OFF ITS KNEES BEFORE THE WARLORDS OF OPEC.

WE HAVE THE RESOURCES. WE HAVE THE CAPABILITIES. WE HAVE THE STAMINA AND THE DETERMINATION OF THE AMERICAN PEOPLE. THERE ARE BILLIONS OF BARRELS OF OIL AND GAS BENEATH OUR FEET, JUST AS THERE ARE UNTOLD RESOURCES OF INDIVIDUAL TALENT YET TO BE TAPPED. WE REQUIRE ONLY A PRESIDENT AND A GOVERNMENT THAT BELIEVES IN TAPPING THOSE RESOURCES, INSTEAD OF PURSUING AN ILL-DEFINED VISION OF UNIVERSAL SECURITY, WHICH SADLY TRANSLATES INTO AN EQUAL SHARE OF SCARCITY.

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THAT'S NOT THE SPIRIT THAT BUILD AMERICA. THAT'S NOT HOW WE TAMED A TEEMING CONTINENT, AND CONSTRUCTED AN ECONOMY THE ENVY OF THE WORLD. WE'VE NEVER BEEN AFRAID TO COMPETE, BECAUSE WE'VE NEVER DOUBTED OUR ABILITIES. NOT UNTIL THE LAST FEW YEARS, AT LEAST. ONLY THEN HAVE WE BEGUN TO PUT OUR FAITH IN GOVERNMENT, INSTEAD OF ASKING GOVERNMENT TO PUT ITS FAITH IN US. ONLY THEN HAVE WE PERSUADED OURSELVES THAT GOVERNMENT COULD SPEND ITS WAY TO SOCIAL JUSTICE, INSTEAD OF REALIZING THAT THE ULTIMATE SOCIAL JUSTICE IS A JOB, IN THE PRIVATE SECTOR, AND THE DIGNITY THAT ACCOMPANIES A WEEKLY PAYCHECK.

ONLY THEN DID WE MISTAKE GOOD INTENTIONS FOR POLITICAL LEADERSHIP. BUT FOR ALL THE SETBACKS OF RECENT YEARS, YOU AND I REMAIN THE FREEST, MOST ADVANCED, MOST CAPABLE PEOPLE ON THE FACE OF THE EARTH. WE OUGHT TO LOOK AT OUR CURRENT PROBLEMS, NOT AS A CRISIS OF PERMANENT DURATION, BUT AS SPURS TO RENEWAL, COMMENSURATE WITH OUR PROUD TRADITIONS.

LET'S ACKNOWLEDGE OUR ERRORS AND LEARN FROM OUR MISTAKES. LET'S RETURN TO THE IDEA THAT MADE US GREAT: THE IDEA THAT FREE ENTERPRISE INTELLIGENTLY OVERSEEN AND STRONGLY ENCOURAGED CAN SOLVE FAR MORE PROBLEMS THAN THE BIGGEST-HEARTED GOVERNMENT BUREAUCRACY. LET'S SEND FEWER DOLLARS TO WASHINGTON, AND MORE INTO NEW INVESTMENTS, NEW BUSINESSES, NEW JOBS. ONLY THEN CAN WE OPEN UP THE BOUNTIES OF FREE ENTERPRISE. ONLY THEN CAN WE TAKE MILLIONS OF PEOPLE OFF THE TREADMILL OF DEPENDENCY.

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THIS IS WHAT RONALD REAGAN ADVOCATES FOR THE EIGHTIES. THIS IS, I BELIEVE, WHAT THE AMERICAN PEOPLE ARE CLAMORING FOR. AND TOGETHER, THE MAN AND THE HOUR WILL MAKE AMERICA WHAT SHE WAS INTENDED TO BE AT HER BIRTH MORE THAN 200 YEARS AGO ... THE LAST BEST HOPE OF FREEDOM ON EARTH.