



Ronald
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Ed Meese

June 2, 1980

Dear :

The United States is faced with many important issues that concern the viability, growth, and competitiveness of business.

Among them are the nation's efforts to create additional investment incentives, renew plant and equipment, encourage capital formation, create additional jobs, and develop policies which can strengthen the ability of this country to compete in world markets.

So that I can adequately address these and other issues, which are beyond partisan concerns, I want the advice of leading business people like you who are familiar with the intricacies of the problems and can help create possible solutions.

Thus, my staff and I are seeking to establish an apolitical Business Advisory Panel. This Panel will review the subjects which I have mentioned and provide input to me and to my issues division for policy statements that will be developed. The Panel will serve as a sounding board for ideas that my other advisory groups or I might generate. The Panel is to be composed of individuals who represent various points of view and diverse business backgrounds. As I said, it will complement the other issues advisory groups we are forming on energy, foreign and defense policy, agriculture, health care, and other topics.



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So that it may be fully effective, the Panel's size will be limited, and its members may decide to establish subgroups to deal in more detail with various issues. Each subgroup would give its ideas and recommendations to the Panel staff. Summary reports would be developed for comment and "sign-off," and the resulting papers would be forwarded to Dr. Martin Anderson, my Director of Research and Policy Development, as input for policy development.

Enclosed is a charter statement for this Business Panel and an initial list of questions which the Panel may want to consider. I hope you will join with John Whitehead, Co-Chairman, Goldman, Sachs & Co.; Mil Batten, Chairman, New York Stock Exchange; Bill Agee, Chairman & Chief Executive Officer, The Bendix Corp.; Fletcher Byrom, Chairman, Koppers Company, Inc.; Don Regan, Chairman, Merrill Lynch & Co., and others on the Business Panel to contribute your thoughts and ideas. In the next few years, we are going to need the best thinking we can obtain on these and other issues.

I am planning to meet with the Panel on Tuesday afternoon, June 17. If you have any questions about the Panel or its operation, please call James W. Fuller at 212/623-3051.

I look forward to your participation and to speaking with you personally at the Panel meeting.

Sincerely,

RONALD REAGAN



NAMES IN LETTER TO BE DELETED IN PARAGRAPH

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New York, NY 10005

✓ Mr. Donald T. Regan
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✓ Mr. John C. Whitehead
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55 Broad Street
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✓ Mr. William M. Agee (Bill)
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✓ Mr. Fletcher L. Byrom
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James W. Fuller

BUSINESS ADVISORY PANEL

Charter Statement

OVERVIEW

Many important issues will face a new administration assuming office in 1981. Among the most important are issues which impact the nation's efforts to create additional investment incentives, renew plant and equipment, encourage capital formation, and create additional jobs within the economy. In addition, the U.S. faces particular difficulty in the international business environment because of current policies which tend to inhibit effective U.S. competition in world markets. This, while other countries (especially Japan and now Western Europe) are initiating efforts to ensure that their business entities can effectively compete in world markets.

It is the feeling of Governor Reagan that the advice of leading business leaders would be particularly useful in helping him address major national issues which directly affect the business community. This advice would also be useful to ensure that a smooth transition be accomplished in the new administration and that the policies necessary to redirect the nation's efforts in these areas be clearly delineated.

OBJECTIVES

Among the overall objectives which a Reagan administration would like to accomplish are to:

- . Provide sufficient capital to ensure vigorous economic growth for the U.S. economy.
- . Create and maintain an improved risk-taking environment in the U.S.
- . Eliminate or reduce obstacles in terms of laws, regulations or policies which are not clearly in the public interest to attainment of the twin goals of capital formation and risk-taking (benefits exceed costs, short and long term).
- . Develop policies and regulations (or lack thereof) which contribute to and promote the competitiveness of U.S. industry in a world market.
- . Develop policies and incentives which contribute to the formation of jobs and reduce unemployment.



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Governor Reagan wishes to reach out and get the advice of concerned citizens who wish to contribute their expertise to the solutions of the nation's basic problems. Consequently, the Business Advisory Panel has been created.

Participation in this panel is designed to be informal in nature. The group is limited so as to provide an effective sounding board for the Governor to test ideas, as well as receive input for staff development of policy positions. This panel is designed to complement other informal groups in the economic, energy and foreign policy areas which are or will be established.

Attached is an initial list of questions the group may wish to consider in their deliberations. All participants are requested to add additional questions which they feel should be addressed.



Potential Questions for Business Panel

1. What can the government do, if anything, to increase productivity, increase real personal incomes of all workers and improve the quality of life arising from the business context?
2. Given the diversity of the U.S. economy, which is partially manufacturing, partially service, what group of tax incentives can be developed to accomplish maximum growth in all these sectors?
 - . What specific actions should the government take to encourage additional capital formation?
 - . Should the government reduce taxes on business and, if so, how?
 - Increase depreciation allowances?
 - Increase investment tax credits?
 - Reduce corporate tax rates?
 - Eliminate double taxation of dividends?
3. What policies or incentives should be taken by the government to encourage job creation and reduce unemployment?
4. What, if anything, needs to be done to promote the cooperation of government, business and labor to increase the effectiveness of U.S. competition in world markets?
5. What specific types of regulation should be proposed to assist business in becoming more competitive?
 - . Cost benefit analysis?
 - . Reduction of tariffs, quotas, entitlements?
6. What can the government do to promote advances in technological innovation?
 - . Expand investment credits for new investments in plant and training of people?
 - . Promote, through relaxation of antitrust laws and other impediments, joint research among companies and with the academic world?
 - . Use governmental procurement programs to stimulate process, product, and service innovations?



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7. What domestic tax policy changes are needed to create a more favorable climate for investment in the U.S?
 - . Should taxes on personal incomes be reduced and, if so, how?
 - Reduce steep gradation of tax rates?
 - Reduce personal income tax rates?
 - Reduce capital gains taxes?
 - Some combination?
8. What changes are needed in government regulation or tax policies to encourage productivity increases in the U.S.?
9. Given our export problems, what particular areas might be the objects of increased emphasis through federal and state policies?
 - . Exports of goods where the U.S. has comparative advantage?
 - . Exports of services where the U.S. has comparative advantage?
 - . Federal state programs to assist smaller businesses to export?
10. What special incentives, if any, might government provide to smaller businesses to allow them to continue to compete with larger enterprises, export more abroad, increase productivity?