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## CONGRESS OF THE UNITED STATES

HOUSE OF REPRESENTATIVES WASHINGTON, D.C. 20515

February 23, 1981

Dear Colleague:

If the U.S. auto industry had advanced technologically as much as the American electronics industry in the last 10 years, the marketplace today would be producing cars that get 1,596 miles to the gallon and cost ninty dollars!

No one would seriously argue that the technological breakthroughs in one industry can be paralleled by another, but these statistics make a point. And that is: industrial innovation can significantly answer many of the structural problems of the American economy.

We are writing to invite you to become a member of the one group in the House that is dealing comprehensively with this promising field - the House Task Force on Industrial Innovation.

We hear the public demand new approaches to solve our economic problems. We also hope you will agree that stopping inflation and other economic ills demands much more than simply balancing the federal budget, as important as that may be. In particular, it calls for dramatically improved productivity and technological breakthroughs, so that goods and services can be produced better. quicker and at less cost to the consumer.

The purpose of our Task Force is to push for legislation which encourages the best and most efficient use of the nation's vast economic and human potential, and also helps to step up the pace of development of new products and new technologies. Industrial innovation can provide the basis for expanding productivity, stabilizing prices and increasing the competitiveness of U.S. products - both at home and abroad.

There are many possible ways to increase innovation. The Task Force has discovered that changes are needed in tax laws, export policies, patent procedures, research and development programs - a lengthy agenda by almost any standard. The Task Force is working to accomplish some of these changes by working to raise the visibility of this issue, by acting as a "whip service" of sorts for innovation issues, and bridging the gap between committees having jurisdiction over innovation issues.

Our first task in the 97th Congress will be to help push for enactment of tax legislation which will stimulate innovation and increase productivity. To lay the foundation for that effort, the Task Force sponsored a business innovation survey to find out what changes in tax policy businesses viewed as key to increased investment and innovation. The results of that survey will be released early in this session.

We hope you will join us in bipartisan efforts to bring about meaningful, positive legislation. If you have questions, or are interested in joining the Task Force, please talk with us, or have your staff contact Michael Call at x5-0855.

Sincerely,

AMES M. SHANNON

lember of Congress

W. HENSON MOORE

Member of Congress

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Member of Congress