

Enterprise Zones on the Right Track

INTEREST seems to be picking up in Washington again for the Urban Jobs and Enterprise Zone Act. This proposal would create a climate in designated areas to give businesses a better chance to succeed.

This would be accomplished, backers say, by providing tax incentives, reducing regulations, making it easier to obtain licenses, and minimizing paperwork.

These are among things that businesses in general have been requesting. Creation of a favorable business climate might logically be regarded as a normal and proper function of government. It seems to be in accord with President Reagan's plans for government and business.

The enterprise zone plan would be a concentrated application of traditional American principles.

Spokesmen for AFL-CIO object that principal beneficiaries would be businesses which become profitable, while those with little or no tax liability would not be well subsidized.

Perhaps the greatest weakness in the bill is that it tends to provide special benefits to any business, rather than just to remove government handicaps to allow all businesses to compete.

In a commencement address at Texas A&M University, Arthur Levitt Jr., chairman of the American Stock Exchange, declared:

"The knowledge that no one in this country will be allowed to sink all the way to the bottom, that there will always be a helping hand, or even an entire arm, has . . . taken away one of our most precious rights — the right to fail as well as to succeed. Too many of us have lost the spirit of adventure, of risking all we have in order to have more."

The ability of free enterprise and open competition to make business lively should be well known. The petroleum industry provides a most impressive example.

While the Synthetic Fuels Corp., created by Congress to help solve our energy problem, floundered in politics and subsidy applications so that nothing was accomplished at

great cost, the petroleum industry has shown the way with free enterprise and private capital.

When government restrictions and price controls were eased, a new oil boom began. Nearly 5,000 new oil and gas wells were drilled in Oklahoma the first half of this year. Exploration zoomed and test holes were punched in other states.

The secretary of energy announced that one billion acres of federal land will be opened for drilling during the next five years. Gasoline supplies became plentiful and prices dropped some, especially after Mexico cut the oil price \$4 per barrel.

Supply and demand replaced the government as a market regulator. Competition motivated some filling stations to take on aspects of service stations again, to the benefit of consumers.

"Enterprise zones" are a good thing. When government helps business instead of handicapping it, trade blossoms and jobs multiply.

The whole country ought to be made into an "enterprise zone!"