

Ronald Reagan:

Tough-minded and optimistic growth leadership

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imagination at work

I want to thank Mrs. Reagan for her kind hospitality in hosting us here this evening. I am going to speak tonight about your husband, but it is no secret to anyone that his accomplishments would not have been possible without your support and service as First Lady. So, thank you, Mrs. Reagan.

I also want to thank George Shultz, who joined me earlier today in Long Beach to discuss the legacy and leadership of the man we pay tribute to tonight. And thank you all for joining us.

On February 6, 2011, the nation will celebrate the centennial of the birth of one of my personal heroes, President Ronald Reagan.

As John said, I'm proud to have announced today that GE, in partnership with The Reagan Presidential Foundation, will serve as the presenting sponsor of the centennial, leading toward a national celebration of our 40th president in 2011.

Mrs. Reagan, we are honored and our team is excited to play a role in this celebration.

When people ask me to describe GE, I say we "are an optimistic, confident and tough-minded growth company; one that is dedicated to solving the world's toughest problems." In many ways we could have learned that from Ronald Reagan.

In the summer of 1954, Ronald Reagan — broadcasting and film star and renowned head of the Screen Actors Guild — started a new phase in his career.

He started working at GE.

From 1954 until 1962, Ronald Reagan served as the host of *General Electric Theater*, a drama series that aired Sunday nights on CBS. Soon, when the renovation of this museum is complete, visitors will be able to appear on the set at the "GE Theater" here at the library. NBC Universal is refurbishing all 208 episodes of *GE Theater*, and we think they will be a great draw for the library.

Back in 1954, GE was having a hard time deciding on who would best serve as the "public face" of the company. Earl Dunckel, the GE communicator in charge of the search, said they weren't just looking for someone people knew, who had the skills of a good salesman and showman. They were looking for someone who could do more than entertain people, but inspire them; someone who possessed that quality of character called "moral fiber."

They found that person in Ronald Reagan.

His platform — *General Electric Theater* — was interesting. It featured Hollywood's biggest stars, but in a made-for-TV format. Its allure was its original design as a program that would allow these stars to play any role they liked. The programming — the course of the project — flowed from there.

It was great television, and a great match for GE and Ronald Reagan. Mrs. Reagan, you might remember the very modern, well-equipped kitchen, with GE appliances that came with the job.

More important, of course, is the history that started to be made in those years, when Ronald Reagan began his political and professional transformation; from Democrat to Republican; from an entertainer to a champion of freedom and eventually leader of the free world.

Our slogan in the 1950's was "progress is our most important product" — and it was a time of great progress and possibilities for the country, which Mr. Reagan experienced in his second role with GE at the time: as an "employee ambassador."

He traveled the breadth of the country, riding trains to visit GE plants, speaking hundreds of times to tens of thousands of workers. He started at dawn and would get to his hotel after midnight. And then he'd do it all over again the next day.

My father, Joe Immelt, worked for GE from 1948 to 1988, in Cincinnati, Ohio. Mr. Reagan visited this facility several times during his tours. This made a great impression on all of our workers, including my father.

Mr. Reagan walked every assembly line at GE. Every single one. He had lunch with employees in the cafeteria. He listened. He wowed managers and impressed our customers. He hit the Rotary, the local Chamber of Commerce, the Kiwanis, and the Elks.

Our CEO at the time, Ralph Cordiner, told Mr. Reagan: "I am not ever going to censor anything you say. You are speaking for yourself. Say what you believe."

And so he did, writing and delivering the message that would become known as “The Speech,” his testament of faith in the virtues and abilities of free people and the great country they had built. In 1964, he gave a famous version of that speech before a national audience on behalf of presidential candidate Barry Goldwater, and began one of the most successful American political careers of the 20th century.

GE saw his roving ambassadorship as a way to engage with its workforce. Mr. Reagan saw it as an education.

He said later that “the GE tours became almost a post-graduate course in political science.” “By 1960,” he added, “I had completed the process of self-conversion.”

It was a political conversion, of course. In the early 1950’s, Ronald Reagan was still a registered Democrat! But it was also a conversion to a life of public service, the beginning of a journey that would culminate in his presidency; in a chapter of American history that will always be remembered as the Reagan era.

In 1980, America was experiencing something Ronald Reagan knew was not natural to the American character: a crisis of self-doubt; shrouded in the lingering shadows of Vietnam and Watergate; suffering from stagflation, an energy crisis, the outrage of U.S. hostages in Iran; and worried as our Cold War enemies went on the offensive.

The election of Ronald Reagan changed all that. His many accomplishments at home and abroad made his presidency one of the most successful of our time. But his most important presidential achievement cannot be attributed to the effect of his policies alone; but to the strength of his faith in his country and its ideals, the faith in which his policies were conceived; the faith which he communicated to his fellow Americans by word and deed and inspiration. Ronald Reagan’s greatest achievement was to encourage Americans to believe in ourselves again.

When he worked with GE, and talked with thousands of our employees, he heard from them their stories how bright and hard working people can create success. Those lessons, too, became articles of faith for the man who didn’t believe in walls, economic or political.

He believed in the genius and industry of Americans. He knew the freer Americans were to make their own decisions, to act in their own interest, to pursue their dreams, the greater would be their contributions to the country’s progress.

In January 1980, the U.S. economy entered one of the deepest recessions in the nation’s history. Inflation had grown and interest rates and unemployment were soaring. In his February address before Congress, President Reagan laid out a plan to prevent “inflation and the growing tax burden from putting an end to everything we believe in and our dreams for the future.”

His plan produced real change, and the results were profound. By the end of Reagan’s first term, inflation had fallen by more than two-thirds, unemployment had eased, productivity had expanded and our economy was growing again.

As a young man, I watched each move and saw the positive effect they had on business. I was attracted to his optimism and determination. This was something that a 24-year-old with \$60,000 in student loans could identify with!

I joined GE in 1982, at the same time President Reagan was rejuvenating our economy. Over the last three decades, GE has followed the path of optimism and growth. We’ve earned \$265 billion in profit and generated about \$300 billion of cash. We became one of the world’s most competitive companies, and we have come through the recent crisis very confident in our future.

But, the world has changed dramatically since the 1980’s. Again, we find ourselves at a turning point. There are new global economic forces in China and India. We are confronting new terrorist threats around the world. High and volatile energy prices threaten our national security. Our country is grappling with large social problems like affordable healthcare. Wall Street, long a global symbol of successful capitalism, has been blamed for the largest economic crisis since the depression. And our future competitiveness is threatened by problems in our public education system and a rapidly growing national debt.

Over the years, I have given several commencement addresses. I always remind students that, in America, the next generation must be the “Greatest Generation.” The future must be better than the past.

What has never changed, in this country, is the resilience of the people, and their ability to overcome adversity, learn from their mistakes, and build from their opportunities more prosperous lives and a better country.

This is the kind of leadership that is timeless and its essence is captured in the words that I think describe our 40th president: optimistic, confident, tough minded, growth oriented ... a leader.

Our times demand of us in government and business that kind of leadership that takes inspiration from the values and achievements of Americans. Having just navigated through this terrible economic turmoil, it would be crazy for any leader to “hunker down,” and refuse to make tough decisions, and run from the future. Rather, let’s follow the example set by President Reagan.

First, optimism. Only optimists invest and create jobs. With 10% unemployment, we need more optimism. It is important that we make technology, innovation and entrepreneurship the cornerstone of a 21st century America. Companies, big and small, need to invest more in R&D and our leadership in the emerging sciences must be re-established.

To support this effort, we need a new generation of “American engineers.” The wealth of a country is dependent on science. To achieve this, education in this country must be strengthened to allow our children to compete.

GE wants to help lead this effort. We are investing 5 percent of our revenue back into R&D, more than at any time in our history. We have more than 40,000 engineers and scientists who filed 20,000 patents in the last decade. In addition, to our innovative efforts, we remain committed to partnering with suppliers — thousands of small businesses — working to make them successful as well.

This year, we will launch a new jet engine, the most energy efficient in the world. We have invested \$1 billion to launch this high-tech engine and we will sell it to customers all over the world—from Saudi Arabia to China. We sustained this long-term investment through two recessions, because we remained optimistic in our future. Now we will be rewarded with billions of dollars of growth.

Built on this foundation of optimism, President Reagan had a sense of confidence that American free enterprise can compete in every corner of the world. In the 1980’s, America was the world’s largest exporter by far; now we are fourth. Within the next few years, China could pass us in total manufacturing output. We can only reverse this trend by investing in great products and selling them competitively in every corner of the world.

Customers and governments around the world like doing business with U.S. companies. They respect our innovation and our values. There will be one billion new middle class consumers in the emerging markets over the next 10 years ... one billion! An American renewal can be fueled by entrepreneurship that is growing around the world.

I grew up in Ohio and had never left the U.S. until I went to work at GE. Recently, I have spent a lot of time in Africa, where we will sell more than \$5 billion of products this year. Global capitalism is a great way to spread prosperity. It is important that American companies are leading in places like Africa; developing countries that will grow and where people want to experience personal growth and freedom.

But it takes confidence. GE will lead the U.S. efforts to double exports over the next five years. GE has nearly \$20 billion in exports and sells in 120 countries around the world. By working hard, American business can win anywhere in the world.

President Reagan was determined. Today, we must be realistic about our problems and about finding and implementing their solutions. We must be the country the world looks to as problem solvers, not problem creators. It is time for our generation to accept the responsibility of every American generation: to create a more prosperous America than we inherited by solving the problems that became acute on our watch — the deficit, affordable healthcare, and energy security.

People are willing to follow an aspirational vision for problem solving. For instance, I am convinced that we can solve our need for energy security and lead energy innovation in this next decade.

Unfortunately, the most vital of commodities, like oil, has been largely left to the control of others. The price for these commodities will rise due to increased consumption. We’re in for terrible risks if we follow this path of increased dependency. It’s essential that we create a position of affordable, clean and secure energy for America.

We can lead this energy technology renaissance. We should rebuild our nuclear power infrastructure; be a leader in natural gas exploration and usage; find ways to produce energy with clean coal; develop more cost efficient renewables; deliver the next generation of transportation, using hybrid technology. Leadership in energy will ensure our global competitiveness and security, and create jobs.

Similarly, the challenges of affordable healthcare and our budget deficit must be addressed. While the government may lead in these efforts, it is important that private enterprise lends a constructive voice. In healthcare, I know that innovation and market incentives will be required to improve cost, quality and access.

Americans are resourceful, problem-solving people. I am confident we can overcome our challenges if America's leaders have the will to act and the determination to succeed.

We must have a passion for growth; driven by private enterprise, but shared by all. A vibrant economy can cure most of our society's problems.

President Reagan was a very popular figure on the GE factory floor. He listened to our workers, and he understood them. He understood their problems, and most of all, he believed in their dreams. All our workers should have an important stake as we grow our company around the world. Today, we are investing in our manufacturing capability to restore a more productive middle class inside GE. Our workers won't settle for learning how to live with fear; they want to live their dreams. They don't want to be consoled; they want to be encouraged.

Earlier this week, I visited our facility in Erie, one of Ronald Reagan's most frequent stops. This is a 100-year-old factory where we make locomotives. This plant has been hard hit by the downturn. Yet we have increased our investment in technology. We will exit the recession way ahead of our competition. And, we are aggressively selling our products in every corner of the world ... from Brazil to Kazakhstan to South Africa.

Growth also requires hard work. Nothing will be given to us. Today, more than ever, we need a long-term view. Some long-term investments — like those in infrastructure and education — are required to restore our national competitiveness.

Lastly, Ronald Reagan was the manifestation of persistence, personal accountability and leadership. Let's face it, leadership has been severely criticized as we have come through the economic crisis. The future is about building bigger and diverse teams; teams that accomplish tough missions while retaining a culture of respect.

We are committed to renewing leadership inside GE. We are developing better listeners. We are driving speed and competency. We are exciting people with vision and action. And we plan to bring everyone with us.

We believe that successful leaders can be tough-minded and competitive, while remaining respectful and humble. Today, Americans are angry. But anger is not leadership. I know GE can make a difference to the American economy, and by the example we set. We want to be a company that understands where it fits in markets and society.

We learned that from Ronald Reagan. In every initiative he undertook, every legislative debate, every negotiation and discussion, he remained a model of courtesy and civility as well as determination. His Democratic successors publicly acknowledged his welcome and tempering influence on political discourse, an influence we could surely benefit from today. He knew however deeply felt and strongly argued our differences were, we had something more important in common. We were all Americans.

This is what I tell my GE colleagues: If you go to bed each night, confident that the sun will rise on another chance to make of your talents a better day than the one just passed, you're going to be happy and productive. But if you go to bed pining for the past, you're going to wake up disappointed.

I'm not saying memories aren't important. They can show us the path ahead. But optimism, hope, faith and self-confidence are the qualities that will get us there. Those are the qualities President Reagan evoked when he summoned us to our appointment with history.

Today, those qualities, of tough-minded optimism and confidence, will help our country continue on its path of renewal. Like President Reagan, we must believe in ourselves, take courage from our ideals, and stand tall again.

GE wants to help this effort and will. The \$5 million contribution for the GE/Reagan Scholarship Fund will support high school seniors whose industry, initiative and achievements recall the qualities of the self made man who became the 40th President of the United States. Reagan Scholars will have proven inside and outside the classroom, as Ronald Reagan did, a dedicated work ethic, respect for the values and responsibilities of free people, a determination to succeed, and the promise of leadership in the professions they eventually enter. We hope many of them will become leaders in occupations that are critical to the future success of our country. We hope some of them become GE employees.

1954 to 1962 were special years at GE. According to his memoirs, President Reagan considered his time at GE the second most-important, eight-year job he ever had. GE is honored by the association. But I suspect we learned from him more than he learned from us. And the most important thing President Reagan taught all Americans, is in this remarkable country, you can succeed as many times as you have the courage and initiative and vision to try.

GE is, in every way, a global company; 60 percent of our revenue is outside the U.S. We are determined to achieve even greater global growth in the future. We can, at the same time, invest in the competitiveness of this country and its workers. A competitive country is a confident country. A confident America plays an important role in global prosperity.

Ronald Reagan set an example for the country. I try to manage my life, and my company, to do the same. Always listen. Always try to learn. Always try to improve. Stay humble. Make those around you better. Appreciate your responsibility to perform with integrity and to make things better.

Nearly 60 years after GE and Ronald Reagan first worked together, we are honored to renew the association. I am very proud GE can play a small role in celebrating the extraordinary life, character, service and legacy of Ronald Reagan.

And, may I add, GE still believes progress is our most important product. No business created and operating in America should ever believe anything less. And should we ever forget it, we have the example of the great man whom we pay tribute to today to recall us to our senses and our obligations.

Thank you.



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