

Eximbank Hearings Open Fight For U.S. Export Expansion

Congressional hearings scheduled for February on the renewal of the U.S. Export-Import Bank's charter have developed into a national fight to expand the bank into a major support system for stepped-up U.S. exports, as the only economic way to turn the battered U.S. dollar into a hard-commodity currency. Pro-bank hearings have been scheduled by U.S. Senator Adlai Stevenson III (D-Ill.) beginning Feb. 6, and will cover the entire range of issues pertinent to launching a drive for, in particular, high-technology exports. These hearings will offer a public forum for widespread agitation in the U.S. industrial and banking community in favor of the Eximbank — much of which is based on the U.S. Labor Party's proposal for large-scale expansion of the bank's credit-lending facilities.

America's European and Japanese allies, meanwhile, have begun to demand that the U.S. move on the Eximbank export issue, at the same time renewing their demands made at the Bank for International Settlements this week that the U.S. dollar be supported at all costs.

Stevenson Hearings Breakthrough

Senator Stevenson's proposed hearings, described in the press release from his office reprinted below, go far beyond routine hearings due to be held at the time of the expiration of the bank's charter next September, for which Senator Stevenson's Subcommittee on International Finance of the Senate Banking Committee has jurisdiction. No less than six sets of hearings are planned on the following topics:

*Feb. 6: The first hearing will focus on the destructive effects of the dollar crisis on world trade, discussing effective defense of the dollar via aggressive export programs.

*Feb. 23: The second hearing will examine U.S. export market composition and the deleterious effect of the U.S. export decline on U.S. jobs.

*The Feb. 27 hearing will compare U.S. government support for exports to those of our European and Japanese allies, and likely call for the vast gap to be bridged.

*Further hearings on March 13, 14, 20, 21, and possibly more, will focus on the functions of the U.S. Eximbank in particular and how well it is promoting U.S. exports.

*A fifth set of hearings, as yet unscheduled, will examine the effect of energy, fiscal, monetary, etc. policies on U.S. exports.

*A sixth unscheduled set of hearings will focus on how to increase U.S. high-technology exports in particular.

The Rundown

The Stevenson hearings are only the tip of the iceberg of U.S. industrial corporations' strong support for an

export drive. Fortune 500 corporations and banks in Chicago and other areas of Stevenson's constituency, especially politically conscious firms in organized trade associations, have had direct input in defining the scope of Stevenson's hearings — many after seeing U.S. Labor Party material on the potential role of the Eximbank in such a drive.

Major corporations and banks nationally are mobilizing their Washington political offices especially for the hearings. They are concerned in particular to halt the dangerous efforts of zero-growthers in Congress and in the AFL-CIO who are trying to cut back even the present ground-zero level of U.S. Eximbank operations. Indications are that counter hearings to Stevenson's will be held Feb. 9 by Congressman Neal, who is in charge of the House Subcommittee on International Finance of the House Banking Committee, the authorizing committee on the House side. The Neal hearings will bring in a full range of anti-Eximbank testimony, including the following possibilities:

*Congressman Clarence Long will call for a strict ceiling on Eximbank financing of all nuclear-related exports;

*Congressman Harkin will demand addition of numerous restrictive "human rights" riders to the Eximbank charter, which would dangerously exclude countries most in need of U.S. technology;

*AFL-CIO chief Washington legal aide Andrew Bie-miller will insist on full cutoff of government funding to the Eximbank, which is supposed to be self-supporting, on the grounds that U.S. companies export jobs when they export technology.

*Neal himself intends, according to congressional sources, to open a full debate on the "contradictions" in the current wording of the Eximbank charter, which stipulates that while the bank must help U.S. companies compete with foreign exporters, all of whom receive government assistance, the bank must work toward financial self-sufficiency. Neal insists the U.S. must not give assistance. That is, a major attempt will be made to limit expansion of the bank by threatening U.S. corporations with a Watergating on the spurious "government handouts" charge if they attempt to fight for an aggressive extension of Eximbank lending.

Obviously the Stevenson hearings have been arranged to deal with this. Moreover, U.S. industrial lobbyists in Washington interviewed this week have indicated they are ready to fight at Neal's hearings as well for more than just maintenance of the Eximbank's current functions. One representative of a major electrical corporation said today, "Look, we led the fight back in 1974 when Senator Jackson and the other authors of the

Jackson-Vanick (which truncated the Eximbank's ability to finance East-West trade—ed) tried to shut down the bank. We saved the bank." The same circles last November organized a meeting of over 50 top U.S. manufacturing corporations to let Congressman Neal know exactly how U.S. industry feels about the Eximbank's important role. They demanded the U.S. support lower interest rates, higher credit ceilings, and a faster response to requests for credits, without which many contracts would be lost to foreign companies.

Significantly, U.S. Labor Party proposals for qualitative expansion of the bank are sparking a new drive for quadrupling or more of the Eximbank's current lending, which last year reached, adding all amounts of exports financed, only a measly \$9 billion. Two corporations contacted so far have, on the basis of U.S. Labor Party proposals, begun active consideration of such a shift, while one major industry association in Washington is lobbying for expansion of the Eximbank's utilization of Eurodollar deposits, Eurobonds, and other methods of raising large amounts of capital quickly for major expansion efforts for the bank.

The bank itself, in fact, issued a report to Congress Jan. 10 which expressed great dismay with its own performance relative to institutions in Europe and Japan. The report complained that the U.S. "lags behind" our allies, citing figures that France is doing close to \$40 billion annually in government-backed exports; Japan \$35 billion; and so on. The U.S. is only in fifth or sixth place.

Sen. Stevenson Calls Export Hearings

The following is the statement issued on Jan. 10 by Illinois Senator Adlai Stevenson III, announcing his scheduling of a series of Senate subcommittee hearings on the future of the Eximbank and U.S. export policy.

U.S. trade has been buffeted by swift and powerful shifts in the international economy: oil prices have quadrupled; international debt has increased five-fold; currency values have fluctuated wildly; and aggressive and sometimes unfair trade competition has distorted markets and called forth the specter of protectionism.

U.S. exporting industries and U.S. government policy have yet to adapt to these structural changes. Burgeoning imports have rapidly outpaced U.S. exports, resulting in a sudden explosion in our trade deficit, which for the past year was approximately \$27 billion. Following this trend, the dollar has depreciated significantly against other major trading currencies — during 1977, the dollar fell 12 percent against the German mark, 13 percent against the British pound, 18 percent against the Japanese yen, and 21 percent against the Swiss franc. Recently, the dollar came under speculative attack resulting in U.S. intervention on a scale unprecedented since the float of the dollar.

The purpose of the hearings is to examine the competitiveness of U.S. exports and explore ways to close the trade gap through better U.S. export performance. There is a growing concern that our trade imbalance may stubbornly persist, that many of our key industries are losing their competitive edge in world markets, and that U.S. policies and programs designed to further exports are woefully inadequate. Neglect of these problems will lead to serious consequences for domestic production and employment. One out of seven jobs nationally, and one out of six in Illinois, the nation's leading export state, result directly or indirectly from the production of goods and services for export. While U.S. dependence upon exports is apparent and growing, the answers to U.S. export problems are neither obvious nor easy. Thorough oversight hearings can provide the groundwork for needed improvements in U.S. export policies.

NAACP: Nuclear Power Required To Meet The Nation's Future Needs

On Jan. 8, the National Association for the Advancement of Colored People (NAACP) opened its campaign to pressure the Carter Administration to abandon its plan for energy cutbacks and proceed with the development of nuclear and coal resources as the first step in solving the nation's economic problems.

In an interview with the Detroit News, Dr. Margaret Bush Wilson, chairman of the NAACP's Board of Directors, was emphatic: "For many years, we have been encouraged to believe that a significant percentage of our total energy requirements of the future would be supplied from nuclear power. (The Carter Administration's) National Energy Plan, however, seems to call for a retreat from nuclear energy on the basis that the environmental and safety costs may be too high... The fact is that nuclear power will be required to meet our future needs... If we do not move ahead now," she con-

cluded, "...the next generation is likely to be sitting around in the dark blaming the utilities for not doing something this generation's officials would not let them do."

Wilson's statement is based on the Report of the NAACP National Energy Conference (excerpted below), held in November in Washington, D.C. and is a strong statement to U.S. industrialists and trade unionists that the black population is not a sewn-up constituency for the "liberal" policies of Senator Hubert Humphrey and Vice-President Walter Mondale, despite the public utterances to the contrary.

At the NAACP National Conference on Energy, where the U.S. Labor Party circulated its energy resolution and telegrams urging the association to break from Carter's energy and jobs program, the participants concluded that any conservation policy would condemn black and