

created sharp problems, but we don't feel at this point that they will ever be solved by a wholesale crackdown on Japanese imports. To us that sounds all too much like the philosophy of the early 1930s. That brought the world straight to disaster.

*Journal of Commerce editorial, "What Is To Be Done," Dec. 16:*

"Treasury Secretary W. Michael Blumenthal has succeeded far too well in talking down the dollar...Virtually everyone agrees that there is nothing to be gained for the U.S. to have an even weaker dollar.

"It is recognized, moreover, that the appreciation of European currencies and even the yen can be very detrimental to confidence in Europe and Japan and will be counterproductive in any effort to increase industrial activity...

"The administration is convinced that confidence — and confidence is the answer — will only be restored when it becomes clear to the world that the U.S. is following sensible policies...

"These sensible policies include the willingness to control domestic monetary growth, the passage of a strong energy policy, meaningful tax proposals and progress towards agreement with the Japanese on increasing imports and limiting exports...

"But while we wait for the sensible policies to emerge, if emerge they will, there are pronounced dangers in appearing to follow a policy of 'benign,' if not outright 'malign,' neglect...

"It is essential that the U.S. be seen to be acting in concert and sympathy with its major trading partner..."

## U.S. Leaders View Exim Bank Expansion As Way To Halt \$\$ Crash

*The dollar's plunge to record lows over the last few weeks has excited intense concern about the fate of the American economy among industrialists and politicians. With the Carter Administration on the record as wanting to collapse the U.S. currency, significant numbers of top-level business and banking leaders are looking elsewhere for an alternative policy.*

*What is increasingly attracting their attention is the U.S. Labor Party's proposal for using the U.S. Export-Import Bank as a vehicle for diverting "hot" dollars from Europe into funding a massive step-up in U.S. high-technology exports. Since its issuance last month, the Labor Party proposal has been debated at the board meetings of top corporations and trade associations: several papers, including the Chicago Daily News, have requested editorial page commentary on it, and it is circulating widely in Congress — where the Eximbank charter comes up for renewal next year. What follows is a sample of responses to the Labor Party's Eximbank recommendations.*

### Industry

*A research director for an Illinois statewide trade and industry association:*

"Illinois is a leading export state....This proposal is right up our alley."

*The Chairman of the board of a large Georgia-based manufacturing company:*

"We've got to increase Exim ten times over....I'll help you with your proposal in any way I can."

### Business

*A representative of the U.S. Chamber of Commerce:*

"Are you sure this proposal is legal? It sounds so simple...Your Eximbank proposal and criticisms of George Meany are precisely what we've been looking for. Let's get down to specifics as to how to make the plan work..."

*A senior officer of a major agribusiness company:*

"The way the government has handled the Mexican pipeline is tragic. It started off great guns, and now it sits there, despite our energy needs. This is typical of the way the government is handling U.S. trade. Your Export-Import bank proposal seems a good way to get those exports moving. Send me copies so I can examine the proposal."

*The chief foreign trade officer at a huge Texas-based off-shore oil drilling and pipeline construction company:*

"There's some things in your proposal which are pipe-dreams, but overall I'd have to say we're moving in the same direction. Getting these exports moving is critical. Tell me some things about your organization...how large are you, where have you run campaigns, who do you work with in Washington?"

*A senior banker in Cleveland:*

"The current energy program is a disaster. We're losing nuclear energy deals to the Japanese and Germans worth billions of dollars, because of our nuclear policy. It's pathetic...I don't know that I agree with what you say about the dollar, but your Eximbank proposal would get things going."

*An officer at one of the nation's top three electrical companies:*

"On first hearing, your proposal sounds very good. It has the essentials to do necessary things."

### Congress

*A Democratic Senator on the Banking Committee:*

"I hadn't realized until I read this proposal that Exim had the power to act as an institution of deposit. This is an intriguing suggestion and I will study it seriously. You may be sure I share your concerns about the dollar."

*An aide to a Republican leader in the Senate:*

"I know that a lot of people have a great concern about

the things you're saying. I'd like to see a comprehensive policy such as yours enacted."

*An aide to a Republican member of the Senate Finance Committee:*

"It looks like the time for some hard decisions has come. We believe that the Eximbank and OPIC (Overseas Private Investment Corporation) are two of the most viable institutions to promote U.S. exports. We're very interested in studying your proposal."

*An aide to a leading member of the Senate Appropriations Committee:*

"If you could just sit here and look at the trade figures from day to day — we're on the verge of a major catastrophe. Your proposal sounds like the kind of policy we need to get out of this mess."

### The Other Side: Long Says "Eximbank Should Be Dissolved"

*While support for a beefed-up Eximbank continues to grow, others are preparing to launch a major attack on*

*the Export-Import bank when its charter comes up for renewal early next year. In Congress, the chief ring-leaders of the attack on the Exim bank include Senators William Proxmire (D-Wisc.), and Reps. Clarence Long (D-Md), Andy Maguire (D-N.J.), and Stephen Neal (D-N.C.). Here are excerpts from a recent interview with Clarence Long, whose House Appropriations subcommittee on foreign operations will be holding hearings on the Eximbank's charter in February:*

I think the whole idea that you have to have the Eximbank is specious....The only reason it exists is that certain industries want a subsidy for their exports. Without it, the nuclear industry, for example, would never be able to sell its products abroad....I favor dissolution of the bank, and I'm not alone in this....

I don't think we'll be able to kill Exim....most export industries want to go on giving it money. The farmers, too. But we intend to make life very difficult for it. In particular we intend to prohibit the bank from underwriting exports of nuclear technology, of steel manufacturing equipment, or of food to the Russians....