

discussing the need for arms agreements, Vance also prefaced his remarks about the U.S. SALT position with an attack on Soviet troop buildups in Eastern Europe and the Indian Ocean. He then outlined a negotiating posture that claimed the U.S. sought to reduce Soviet but not U.S. strategic weapons, and to impose technological restraints on the Soviets primarily, while the U.S. modernized its arsenal, specifically the cruise, the Trident and MX missiles. These proposals led to the collapse of Vance's SALT negotiating trip to the USSR last year.

Izvestia Goes After Kissinger's Dirty Role

The leading foreign policy observer for the Soviet government newspaper Izvestia, V. Matveev, published an article on April 7 under the title "When All Sense of Moderation is Lost."

For the second time in recent days, former U.S. Secretary of State H. Kissinger has turned to Africa in a public speech, trying to portray recent events there in a grossly distorted fashion. What has provoked him to speak out in such an unrestrained fashion?...

From Kissinger's statements, it follows that the U.S. should more actively support Somalia in actions against Ethiopia. The social and political changes which have taken place in Ethiopia in recent years, marking the end of the feudal-monarchical order, have met with hostility in those U.S. circles for whom Africa is either a raw materials continent, or a strategic bridgehead, or both.

Explaining the goals of U.S. Africa policy in June 1976, Kissinger referred to the importance of "preventing its radicalization." This statement was condemned by many countries on the continent: on what grounds was this politician assigning himself the role of abitrer and ordergiver, telling other countries how to act?... It may also be recalled that in his time he was one of the instigators of subversion operations against the legal

government of S. Allende, which led to the fascist coup in Chile.

In a word,... this politician has not hesitated to resort to the most dubious means and devices. Not every representative of influential U.S. political circles shared in such lack of scruple.

TASS: "J. Carter's Decision on the Neutron Weapon"

From an April 8 Tass wire:

U.S. President J. Carter has announced that he has taken a decision "to postpone production" of the neutron weapon. "The final decision on using enhanced radiation properties in our modernization of tactical weapons will be taken later," stressed the President's statement, published by the White House.

Judging from the content of J. Carter's announcement, however, the present decision by no means signifies a renunciation of preparations to produce and deploy the neutron weapon. The President reported that he had given "a directive to the Department of the Defense to begin work on modernizing nuclear warheads for the "Lance missiles and enhanced radiation weapons system" in anticipation of subsequent utilization of the neutron weapon with them.

"We will continue," he said, "together with our allies, to take measures for the modernization and strengthening of our military capability, both nuclear and conventional."

At the same time the President, with the obvious purpose of obtaining concessions from the Soviet Union on other, unrelated matters, tried to link the final decision on U.S. production of the neutron weapon with measures for strengthening the defense capability of the Soviet Union, which are completely unrelated to the neutron weapon. But J. Carter did not mention at all the clear proposal of the USSR to agree on a mutual basis not to produce, stockpile, or deploy the neutron weapons in any place whatsoever.

Support For Export Policy Grows

Last week, several prominent private industry and government spokesman added their support to programs for an expansion of U.S. exports — programs which cohere with the U.S. Labor Party-initiated campaign for expansion of the Export-Import Bank of the United States.

Exim Bank Chief: What U.S. Does Best— Trade and Technology

United States Export-Import Bank chairman, John Moore, continued his well-known support for export growth in a speech before a conference on U.S.-Arab trade held April 6-7 in Georgetown, sponsored by the Georgetown Center for Contemporary Arab Studies.

American labor costs have not increased that much, not as much as out competitors. The interests of the United States are served by free trade, not by protecting labor-intensive industry, but by doing what we do best...

by developing new technologies and not being afraid to sell them abroad. The answer is trade and technology...

There is little concern in Congress for... exports... Until this is gotten across to the country, we will have a weakening dollar and a trade deficit...

Fulbright Calls for U.S.-Arab Deals

Former U.S. Senator William Fulbright also addressed the same conference in Georgetown.

The U.S. should facilitate oil-for-technology deals with the Saudis... we're not the ones risking anything when they invest... they are taking the risks... We need joint ventures elsewhere... They're (the Saudis — ed.) interested in the Third World...

The Saudis know this Administration welcomes their investments, but they see that the U.S. Administration does not want to face opposition...

I would think it appropriate for the Carter Ad-

ministration to make it clear that the United States government wants to make deals with the Arabs as the best assurance for preventing economic, political and social problems...

U.S. Needs Clear, Comprehensive, Policy

John Babson, on behalf of Ingersoll-Rand's newly formed Special Committee for U.S. exports, made the following statements before the Senate subcommittee on International Trade.

The trade deficit should be a matter of special attention because of the growing export problem which underlies it. Although it has been suggested over the last year that the rapid deterioration of the U.S. trade position was substantially caused by our heavy importation of oil, oil imports increased slightly less than \$10 billion during 1977, while the overall trade deficit climbed more than \$21 billion... An even larger part of the increase in the 1977 trade deficit can be directly attributed to inadequate U.S. export trade. The manufactured goods surplus declined in 1977 by more than 60 percent. The U.S. share of world exports fell from 13.2 percent in 1976 to 12.7 percent in 1977... This inadequacy in U.S. exports is particularly unfortunate in light of the growing importance of exports to the U.S. economy, as cited, for example, in a recent speech by Cyrus Vance before the National Governors Association... Given these considerations, it would seem imperative that the U.S. government would seek to develop a clear, comprehensive, and positive export policy. Quite the contrary, as Sen. Bentson has said:

"Foreign economic policy in the U.S. is a least common denominator, worked out by a kind of guerilla warfare among the Department of State, Treasury, Agriculture, the Fed and a whole host of other executive branch agencies!"

Caterpillar Tractor: Expand Exim Credits

James Wogsland, treasurer of Caterpillar Tractor Co., called for expansion of Eximbank credits to the underdeveloped world before the Senate subcommittee hearings.

...We believe that a signal of congressional support for more aggressive export promotion policies on the part of the Bank (Exim) is desirable... We are not looking for change in the basic self-supporting posture of the Bank, only for a modest course correction. Such a change is especially needed with respect to the developing countries which must import oil. Commercial banks are reaching their limits in terms of ability to lend to certain developing countries, and the self-financing capability of business is limited... Consideration should be given to earmarking a portion of the Bank's lending authority for non-OPEC developing countries. This is the area of the world where Eximbank is most needed and where foreign competition and other countries' export-financing agencies are most aggressive. If Eximbank's overall lending authority is increased to \$40 billion, then perhaps \$5 billion could be earmarked for developing countries with special terms and conditions on these loans...

**'If Can't Beat'em,
Then Learn'**

Savannah Morning News, editorial, April 6:

SAVANNAH—Those who want tariffs and trade barriers often point to the lower wage scales in countries that compete against us. Is it right or advisable, they ask, to let their low standards of living pull down the living standards of American workers?

There is some merit in this argument, but it overlooks the fact that cheap foreign labor is only one of many reasons that we are having trouble competing.

These are evident in industries where technology and innovation are far more crucial to success than wage levels. A prime example is the steel industry with its many plants that are virtually obsolete. When they are compared to the up-to-date and highly efficient facilities of West Germany and Japan, our failure in competition needs no further explanation

But tight protection is the last thing these industries need. Without the spur of at least some foreign competition they will become even more sluggish and backward than ever.

Our companies generally do not lack the ingenuity to compete, but in all too many instances misguided federal policies deny them the means. Modernizing steel plants requires a huge amount of capital. It, however, is not available because the taxation and inflation of reckless federal spending cut deep into the store of funds to the private sector.

German and Japanese industries are not so restrained because their governments practice relatively sound fiscal policies. In many respects they are also less encumbered by the bureaucratic control and meddling that hampers our industry.

Instead of hiding from them behind a wall of protection, our government and industry should strive to learn from these competitors.

**Maryland Legislator:
'Economic Development
The Issue In Elections'**

Delegate David Shapiro (D-Balt.) of the Maryland state legislature issued the following press release, commenting on the Maryland State Senate's April 6 passage of House Joint Resolution 95 — memorializing the President and the U.S. Congress to adopt policies for the expansion of the federal Export-Import Bank, the development of nuclear power, and the competent defense of the dollar.

Shapiro concluded his release with a prediction that

acting Governor Blair Lee will quickly sign the memorial resolution and send it on to Washington.

Legislation similar to the Maryland memorial has already passed the Georgia legislature as well as the New York State Senate by a unanimous vote. On April 18, both Houses of the Delaware legislature will consider similar levels introduced by Assemblyman Ronald Darling (D) and Senator Berndt, a Republican. That same day Exim memorials will be introduced into the Pennsylvania State Assembly by Rep. Cohen (D-Philadelphia) and Parker (R.-Pittsburgh).

Economic development has already become the dominant issue in this year's State election. The media have widely publicized the recent Johns Hopkins Metro Center report that examines the deterioration of the Maryland economy. As the report notes, the problem is not peculiar to Maryland, but one which is affecting a significant number of states.

I have co-sponsored House Joint Resolution 95, "Tech-

nology, Production, Energy, Growth and Trade" with Delegate Casper Taylor, to indicate to both the President and Congress what type of policies are in the national interests and will provide all states with conditions appropriate for economic development. House Joint Resolution 95 requests that Congress enact a comprehensive energy program based on advanced technologies for fossil fuels, including coal, oil and natural gas, and the increased utilization of nuclear technologies, both fission and fusion. Supportive of a program to reverse our increasing trade deficit, HJR 95 calls on Congress to recharter and increase the funding base of the Export-Import Bank of the United States.

Another bill, House Bill 1164 sponsored by Delegate Casper Taylor that will lower the Maryland air quality standards to the Federal levels has passed both houses indicating the widespread support of the Legislature in its belief that Maryland must recognize the counterproductive effect of excessive environmental restrictions.

Exclusive:

Suspected Israeli Spy Under FBI Investigation: First Casualty For Zionist Lobby?

The Federal Bureau of Investigation this month initiated an official inquiry into the activities of Steven Bryen, Middle East aide for the Senate Foreign Relations Committee and a diehard supporter of Israel. According to Senate sources, Bryen has been accused, in a sworn affidavit submitted by former National Association of

informed source, Saba coordinated his filing of an affidavit with aides to Senator James Abourezk, a vocal critic of Israel's invasion of Lebanon. The affidavit, which was filed with both the Justice Department and FBI, was then widely circulated within the state bureaucracy by the Arab press, and created a considerable stir.

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Arab-Americans head Michael Saba, of having given "secret Pentagon maps" of Saudi Arabia to Israel, thereby violating U.S. national security regulations.

Senate sources close to Bryen — who is himself now "on leave," supposedly because he is getting married — charge that the Bryen case is "the first in a series" of attacks against supporters of Israel in the U.S. Senate and elsewhere in the Washington policymaking apparatus.

These sources insist that a "McCarthyite smear campaign" has been initiated by State and Defense Department officials and by "officials from the Ford Administration National Security Council," specifically targeting aides to Senators Jackson and Case, whose offices are the two nerve centers of the Zionist Lobby in the Senate. Bryen was formerly an aide in Case's office.

The facts of the Bryen case certainly point to a determination on the part of the pro-peace traditionalists at the State and Defense Departments to crack down on Zionist dirty tricks operations. According to one highly

For months, the source continued, Bryen had been a favored target for investigation by key State Department liaison officers with Congress, and by Defense people irate over Bryen's long-standing insistence that "whatever Israel wants, Israel gets" for its military stockpiles.

Independent investigation by the *Executive Intelligence Review* has turned up repeated incidents of Bryen pinpointing State and Defense professionals for Watergating scandals by the press. Key policymakers in Washington have in turn identified Bryen as the source of rumor campaigns to discredit Arab peace overtures and those Washington officials who are seriously committed to achieving overall peace in the Middle East region.

"Neutralizing Steve," a Zionist Senatorial aide complained last week, "would knock out our top capacity for defending Israeli arms sales. Steve is our single most knowledgeable man on arms purchases and on Israel's defense needs. There's high stakes involved, and dirty pool. It's vicious, and it's not the end of it."

Indeed, this is not the end of it. Henry Kissinger, according to Capitol Hill sources, may be the next to be targeted as an agent of a foreign power, for his role as advisor to the Israeli government; and the National Association of Arab Americans has filed an injunction with a federal court against further U.S. arms shipments to Israel on the grounds that Israel's invasion of Lebanon violated the Arms Export Control Act.