Administration Aimless On Exports

Six weeks have elapsed since the conclusion of the Bremen economic conference of the European Economic Community and five weeks since the Bonn Summit, and still the U.S. Administration has failed to come up with a coherent policy orientation toward the

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"Grand Design" world reindustrialization program that was launched at those conferences by the West Germans, French, and the Japanese. And while President Carter, Secretary of State Vance, and Special Trade Negotiator Robert Strauss have all stated publicly that they agree with these nations on the necessity for expanded exports, a development policy for the Third World, and elimination of the trade barriers that presently hinder this process, they have not addressed themselves to export policy — or any other economic question — in any serious way.

The Wreck of the Export Task Force

What happened to the policy statement on exports drawn up by the inter-agency Export Task Force is a typical case. President Carter personally set up the Export Task Force several months ago as the group responsible for drawing up a complete export policy. It was headed by Frank Weil of the Commerce Department who has been one of the Administration's most intelligent spokesmen on the use of technology exports-for-development. However, instead of giving Weil the freedom to design the kind of package he was fighting for, Carter capitulated to the demand that all the 15 agencies participating in the Task Force be given "equal voice."

As a result, there was a long factional struggle between the Commerce and Eximbank and the Treasury, National Security Council, and Office of Management and the Budget, at least five rewrites of the draft report, the elimination of Weil's recommendations on abolishing the Jackson-Vanik Amendment to the 1974 Trade Act, and a concluding report now on the President's desk "for his final decision" which, from all the unofficial reports to date, is "not a coherent policy statement." (The report has not yet been made public.)

The most that Weil's office is hoping for now, according to one of their staff officers, is that "the President accepts some of the recommendations as a foot-in-the-door to a better trade policy." Strauss's office says he "doesn't think too highly of the report," Senator Stevenson said that "it's not very strong and won't really boost exports that much" and Commerce is angry "over all the budget-chopping by the Office of Management and Budget and the Treasury." Solomon has been mentioned as probably responsible for striking out all the policy recommendations on busting the barriers to expanded East-West trade.

The initial draft also contained strong language on the necessity for maintaining tax incentives for multinational corporations. This would include keeping the present DISC system and even going beyond that to help companies, especially smaller companies, who want to gear up their exports and international operations. The final language on this is now reported to be "very mild." As for export financing, the report now contains a request that the annual authorization from the OMB be increased by a mere $200 million — hardly enough to even manage a foot-in-the-door for an export takeoff.

Export Sabotage

Meanwhile, the State Department's Human Rights Bureau, headed by Pat Derian and his assistant, former Kennedy aide Mark Schneider, and the National Security Council, headed by Zbigniew Brzezinski, are busy sabotaging U.S. trade. What follows is a partial grid of U.S. trade deals canceled by these agencies over the past months:

— In late July there was an abrupt cancellation of the Sperry Rand Corporation's contract to sell a Univac computer to the Soviet Union for use by its press agency, Tass.

—On approximately July 20 the State Department's Human Rights Bureau informed Allis Chalmers, one of the nation's leading producers of farm and construction equipment, that a $450 million deal with Argentina would not be approved. This was to include turbines and other hydroelectric equipment for a large project. The deal was quashed on the basis of Argentina's violations of "human rights."

—In May, the State Department Human Rights Bureau and the National Security Council forced the cancellation of a $61 million trade deal between the Oshkosh Motor and Truck Company and the government of Libya, Oshkosh was to sell 400 heavy-duty tractors to Libya for use in major construction projects. The company cleared the deal with the Department of Commerce and began an ambitious expansion program to provide the tractors. On May 9 it was informed by the Commerce Department that revised export regulations had gone into effect requiring a validated license for exporting the tractors and that the license would "probably be denied." The official denial came one month later. Stanley Marcus, Senior Deputy Assistant Secretary for Industry and Trade Administration at the Commerce Department stated that he had evidence that these heavy-duty tracks were "to be used by the Libyan Army to transport Libya's large inventory of Soviet-built tanks."

— *Maureen Manning*