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## TRADE

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### Administration plans no legislative easing for East-West trade

The Carter Administration's China card, and the attendant dangling of vast development contracts with the People's Republic of China in front of export-hungry American corporations, might lead one to believe that the prospects for certain long-stalled legislative assistance to U.S. exporters have improved. On the contrary, enabling legislation that would significantly ease the obstacles to expanded exports faces stiff opposition.

Senator Stevenson's bill amending the Jackson-Vanik preclusion of Eximbank credits and Most Favored Nation (MFN) status to the East bloc countries which refuse to give assurances of a free emigration policy (see U.S. Report), has been stalled through at least one session of Congress. Along with other measures dealing with controls on the export of technologies to non-market economies, it will be taken up by Congress when it considers the Export Administration Act this session.

However, high-technology American corporations should entertain no illusions that the blockade of their exports to the East bloc — a crucial feature of potential U.S. involvement with the vast trade and development opportunities opening up with the European Monetary System — will be eliminated. The Carter administration appears determined to continue to fuel the China trade bubble without addressing the central questions that are hampering American exports: monetary stability, restrictions on

East bloc trade and credits, environmental review of third world technology transfers, and antitrust restrictions.

Instead, the PRC will ensure that the necessary maneuvers are carried out to bait the China trade trap without affecting the Administration's insistence upon an appearance of *legislative* evenhandedness towards the Soviet Union and China. A case in point is the willingness of the PRC to provide the Jackson-Vanik-required assurances of a free emigration policy to the Administration, which will then permit President Carter to offer Eximbank credits and most-favored nation status to the PRC. According to Senator Javits's office, this will permit Congress to delay any consideration of Jackson-Vanik and the Export Administration Act as a whole until after debate on the SALT treaty — itself an already shaky prospect.

As well, the failure of the National Commission to Review Antitrust Law and Procedure to take up any of the significant problems U.S. antitrust law poses for international trade — as well as the limited recommendations made by that committee concerning amendment of the Webb-Pomerene antitrust exemptions — points to the conclusion that the Administration is prepared to straightjacket American exporters to insure minimum participation in European Monetary System spawned high technology development projects and expanded East-West trading opportunities.

In fact, the Commission recommended that Webb-Pomerene be amended to require that for any export association to win immunity from antitrust prosecution it must show particularized need for that shelter. This would increase the difficulties faced by American corporations trying to compete for the large scale development projects now being proposed in Europe and the LDCs. This effectively subjects those associations to the same kind of review which has already threatened high-technology corporations and multinationals exporting with U.S. government-provided or guaranteed credits. A recent executive order based on Council on Environmental Quality recommendations provides that such export contracts must be reviewed for their potential environmental impact on the importing nation.

No one should mistake either the environmental review or the proposed Webb-Pomerene antitrust review for time-consuming but relatively well-intentioned bureaucratic interference. The overall report of the Antitrust Review Commission — whose recommendations would target every large U.S. company for government antitrust prosecution and innumerable private treble damage suits — provide the context in which these reviews must be understood.

The *policy* which is being proposed here is aimed at preventing the market conditions, capital concentration and government encouragement necessary to develop and sell high technology products, both here and abroad. It is a policy proposal of equal or greater importance than that embodied in the National Environmental Protection Act — whose advocates, when that bill was passed stated, "NEPA implies a major modification and even a reversal of long-established priorities in the political economy of the Nation. The disruptive effects on the business as usual economy do not appear to have been foreseen by the Congress or those interests most likely to have been affected."

— Felice Gelman