



Exclusive

Henry Reuss talks to EIR

Rep. Henry Reuss granted the following interview to Executive Intelligence Review on April 2.

Q: Congressman you have proposed a Department of Industry and Trade that will deal both with the domestic economy and exporting. I understand its function is a restructuring of the economy. How would that work?

A: The Department of Commerce as a result of last fall's reorganization has a much more expanded export power. What currently needs to be done is a Department of Industry for here at home, so that we can recoup U.S. industry, such as the steel industry and auto. Our auto industry, in conjunction with government and Labor has to recapture the American-built compact. We have to enable the steel industry to develop its casting capability. We have to reindustrialize America, increase productivity, competitiveness.

Q: I see you proposed the Fed staff the new department.

A: I introduced a bill yesterday to reorganize the Federal Reserve in that regard. It's beautifully decentralized. I would use the Federal Reserve for staffing and solving these problems. It would work. The Federal Reserve has personnel devoted to monetary policy, but I want it to work also on structural policy.

My total proposals for restructuring are: 1) a strong White House which is central to this, 2) a revived and revised Department of Commerce, 3) help on this restructuring by the Federal Reserve; and 4) establishment of business, government and labor teams.

Q: What response have you had from the administration?

A: I have talked to Commerce Secretary Klutznick and Assistant Secretary Hodges. They're sympathetic.

Q: Can you go into more detail about your proposal?

A: The bill will have hearings right after the congressional recess. I have called for the Federal Reserve to have an advisory role, serving as the economic staffing, for all the departments of government and to industry and labor.

The Federal Reserve has all these economists, real estate, computers and they don't have enough to do. I

want them to put it at the disposal of the President and the Department of Trade and Industry and teams of labor and industry under the White House. These teams have the task to make plans for a troubled economy. For example, the Federal Reserve would advise the different agencies. An example is that the railroad situation is very bad. The Department of Transportation needs some staff help. The Chicago Federal Reserve is the homebase of the Milwaukee Railroad. The Federal Reserve could have given help on that. They could have proposed the abolition of the ICC which I think should be done.

If we had this then, for example, Detroit would not be such a mess. Four years ago we would have told Chrysler to stop focusing on gas-guzzler cars and we would have had whatever regulatory measures were needed to do that. Instead Chrysler kept up with their silly ways and they and Ford and GM are in deep trouble.

Q: What has been the response of labor?

A: They are favorable. I know this by my discussions late at night with labor leaders.

Q: Your bill deals with export questions. The Europeans have been subsidizing exports and there is much discussion in Congress about either stopping this in Europe or beginning such a policy here.

A: There is too much subsidizing of exports there. But we can't call our dogs off until they do.

Q: You are going to Europe next week to discuss some of your proposals with them. Where are you speaking and what will you tell them is Europe's role?

A: I will speak to government leaders at the OECD in Paris, the Ebert Foundation in Bonn and the Metale Gesellschaft in Frankfurt, before a group of industry, government and labor leaders. I will discuss my proposals and how it relates to Europe.

Q: How does it relate to Europe?

A: Let me pass on that one.