

A: I don't know where you got the idea that would be in the speech.

*Q: From what Blumenthal and Miller are saying publicly.*

A: I can tell you that such a proposal will not be in the President's speech. The President is concentrating on the energy bill before Congress which we are now trying to pry out of committee. This is what will be said about conservation. . . nothing else will be said.

*Q: Is the President going to stress jawboning as the way to fight inflation?*

A: Yes, but we would prefer, if we didn't have to, to not jawbone anyone. The President is not going to say anything new on inflation.

*Q: Will the President say anything about exports? I heard he would talk about the Export Task Force, which (syndicated columnist) Hobart Rowen reported on last week?*

A: That may be. I haven't seen any extant proposal.

### "Inflation Is For Real"

*Here is what a senior economist on budget matters at the Brookings Institution had to say.*

*Q: The Tax Incentives Program (TIP) will not go through Congress this year, and it seems you don't favor a "Phase I, Phase II" approach to inflation. What can you use to fight inflation?*

A: Jawboning, guideposting, and prenotification.

*Q: What happens if this isn't enough to stop labor and industry from asking for higher wages and higher prices?*

A: Then we'll have to have public tongue-lashings, like COWPS (The Council on Wage and Price Stability) criticism of the Farm Relief Bill.

*Q: However, it looks like Congress will pass the Farm Relief Bill. . .*

A: Yes, but the President is going to veto it.

*Q: The House Ways and Means Committee Chairman Al Ullman (D-Or.) said April 2 that he would like to see part of the Crude Oil Equalization Tax (COET) go to fund the Social Security System. But an aide to Speaker of the House Tip O'Neill said that the COET hasn't a chance in hell of passing the Congress. What do you think?*

A: If you're trying to say that the COET is in big trouble, you're right.

*Q: Citibank, in its monthly economics newsletter said that after the first quarter, inflation will taper off. Is Citibank right?*

A: Food prices may decline. However, the inflation is for real, and not psychological.

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## Chicago Call For Positive Exports Policy

*Exclusive from Chicago*

The 41st annual Chicago World Trade Conference ended two days of meetings and speeches by passing a resolution telling the Carter Administration that the U.S. needs a positive, consistent and determined policy on exports. The conference held April 5-6, was sponsored by the Chicago Association of Commerce which is one of the largest Chambers of Commerce in the country, and the International Trade Club. The 400 representatives of business, labor and industry heard, among others, Robert Malott, chairman of the Farm Machinery Corporation; Frank Weil, Undersecretary of Commerce; and Earl Butz, former Secretary of Agriculture.

Stressing the need for public information, a labor-industry alliance and government intervention in promoting exports, Robert Malott said, "We have to sell the public on the absolute necessity to expand exports, we must show how that will strengthen the dollar, reduce inflation, and create more jobs for American workers." He called for "publicly understandable statistics" to demonstrate the interdependence of the world economy, and "economic and defense reasons to accelerate the development in the Third World."

Malott also recommended a "substantial increase" in Export-Import Bank lending capability, but gave no figure for increased lending, and urged that the Eximbank focus on "more difficult credit risks," letting private credit take care of the others.

The Farm Machinery Corporation official proposed to the conference that it pass a resolution directed at government officials indicating the need for a comprehensive trade policy. Malott was quite specific, calling for a cabinet-level "Department of International Trade" which should be immediately preceded by "setting up an interim body, composed of the Commerce Department, the Treasury, the State Department and the Eximbank."

Frank Weil called the U.S. balance of trade deficit "not a balance of payments deficit, but an export problem. We must increase exports," he said, "we're not committed to limiting imports or imposing import tariffs, which cause inflation. I'm speaking for the Commerce Department, not the President, but increasingly this is the position of the President."

Weil told the conference, "although the Administration's proposal to expand the Export-Import Bank of the United States will undoubtedly help the American exporting community, I believe we can and should go further. We need to consider Eximbank credits for plant and equipment investments that are geared to exporting. We need to involve private financial institutions in export finance to a greater extent than at present."

In addition to recommending an expansion of the Eximbank, Weil said, "national export policy should be built on one of America's historic strengths: leadership

in science and technology." Therefore he recommended that the federal government invest in research and development programs designed for export.

In the question and answer period, Malott questioned Weil on how to involve labor in export expansion. Significantly, Weil responded that Special Trade Negotiator Robert Strauss, often identified as the leader of the Administration's "export faction," is working on the problem by rallying labor to the export-expansion perspective.

During a dinner keynote speech, former Secretary of Agriculture Earl Butz said that the U.S. has the potential for vastly expanded agricultural exports and hit the Administration's cutback policy. The national challenge, said Butz, is to develop the means to feed as many new people in the next 25 years as the human race has learned to feed in its entire history. If we fail, the entire framework of world peace will be upset and could lead to man's final act of self-destruction.

#### *Text of the Resolution*

The final resolution of the conference was a modified reflection of Robert Malott's proposal, and reads in part:

"In view of the declining value of the U.S. dollar, America's record 1977 and worsening 1978 trade deficits, the country's deteriorating international competitive position, rapidly rising protectionist sentiments, an increasingly competitive global marketplace, and the myriad of export subsidies granted foreign companies by their governments which are denied to U.S. exporters. . . .

And since the U.S. is the only major industrialized

country without a cabinet-level department for international trade and the only trading nation where international economic policy is subordinated and diffused through a dozen government agencies. . . .

Therefore, be it resolved that we, the participants of this 41st Chicago World Trade Conference, do by voice vote recognize the need for a positive, consistent and determined policy on U.S. exports, with clearly defined goals, and so applaud recent actions and efforts in this direction by our Special Trade representative. . . .

Be it further resolved that the following policy recommendations be considered as essential to realizing this country's full export potential:

First, America must aim for tax parity with foreign competitors.

Second, America must aim for credit parity with foreign competitors.

Third, America must achieve a reduction of non-tariff barriers to U.S. exports.

Fourth, America must build positive economic relations with other nations.

Fifth, America must negotiate non-discriminatory treatment of international investment. . . .

Sixth, America must expand U.S. government export promotion programs.

This is the challenge before our country. Such a policy, fully implemented, would enable U.S. companies to compete favorably and effectively in the international marketplace. It is a policy long overdue and sorely needed. The gravity of America's deteriorating export posture and the competitive challenges ahead demand no less than a national export policy."

## Kissinger Tour— A Web Of Lies, Provocations

Henry Kissinger, the British Secret Intelligence Service agent of influence posing as an "elder statesman" of the United States foreign policy establishment, is currently spreading poison throughout U.S. political life through an open channel provided by the Republican National Committee. On April 6, Kissinger will address Republican Party fundraising dinners in 12 locations via a coast-to-coast radio hookup.

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### FOREIGN POLICY

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Kissinger is expected to whip up maximum hysteria on the issue of Soviet influence around the globe and will portray the Carter Administration as unable to deal effectively with expanding Soviet power. Kissinger intends this to strengthen the hand of National Security Advisor Zbigniew Brzezinski and others inside the Administration urging a series of geopolitical "confrontations" with the USSR.

The preview of the Kissinger line was delivered to a crowd of 2,000 people in Richmond, Va. April 1. The event was the Richmond Public Forum to which former

President Gerald Ford had been invited to speak; Ford cancelled his appearance, pleading an illness in the family.

Kissinger was questioned by a panel of three NBC reporters. A limited number of questions from the audience was subsequently submitted in writing, and following a screening process, Kissinger responded to several.

Kissinger's remarks emphasized Soviet and Cuban presence in Africa, with extended references to the Middle East, terrorism and communism. He explicitly rejected questions about economics, pleading ignorance.

Here are Kissinger's remarks, paraphrased except where direct quotations are indicated.

### U.S.-Soviet Relations

#### *Shoot First And Ask Questions Later*

France could have stopped the Nazis if she had crossed the Rhineland with one division in 1939. France didn't act because the leadership wanted absolute "certainty" of the situation. The result of this inaction was the catastrophe of World War II.

A parallel situation exists in Africa today. "In 1975, we could have stopped the Cubans and Russians in Angola