

# Beefed-Up Exim Bank Touted As Dollar Crisis Solution

Widespread discussions are currently underway throughout U.S. business, banking, and government circles on expanded funding of the Export-Import Bank. A revival of the ExIm Bank — which has been in the doldrums since the passage of the Trade Act of 1974 — is being seen as a way to ensure the survival of the collapsing dollar through increased government credits and guarantees for U.S. exports. That view represents a first approximation of U.S. Labor Party Chairman Lyndon H. LaRouche's proposal for national and international "Hamiltonian" banks functioning as sources of low-interest credit for large-scale expansion of U.S. industry and high technology.

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## BUSINESS OUTLOOK

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Early last week, *Handelsblatt*, the newspaper of West German industry, reported that President Carter wants to increase Exim Bank funding by \$5 billion to \$10 billion, a decision *Handelsblatt* heartily applauded. Ranking officials at the State Department division of Monetary Affairs, the Treasury, and the Federal Reserve have confirmed that such considerations are being discussed. One former Treasury official under the Ford Administration suggested that the Saudis might use their petrodollar surplus to invest in long-term ExIm Bank bonds, both providing funding for U.S. exports and strengthening their own dollar holdings. While most Administration officials do not think such action is likely, the chief economist of a leading New York commercial bank remarked, "I don't see why it couldn't be done, and why the Saudis would not fund the ExIm Bank. After all, they work with other institutions like the International Monetary Fund and World bank."

The National Foreign Trade Council, meeting in New York last week, similarly endorsed the ExIm proposal, and said at a press briefing, "The commercial banks have been pushing ExIm to make a turnaround. We've also had indications from the Administration that they will pursue a more aggressive policy regarding the ExIm Bank. It's languished for a while, and in fact, in the past few years there's been a contraction."

Expressing the widespread hatred of business and banking for Treasury Secretary Blumenthal's policy of letting the dollar collapse to levels of Third World currencies, a senior spokesman at Bear Stearns angrily stated, "ExIm funding should not only be doubled, but

tripled and quadrupled. If we continue with Blumenthal's stupidity, in ten years the technological leadership of the U.S. will be lost, for two reasons: the drastic decline in both R and D funding and capital investment, because U.S. corporations are getting hit from all sides."

Despite the general interest and agreement in expanding the ExIm Bank, no one has yet *publicly* proposed concrete measures to do so. Corporate officials openly express their lack of accessibility to top Administration officials and are at least temporarily resigned to half-hearted policy proposals that make concessions to President Carter's insistence on energy conservation and austerity. One corporate chairman at the National Foreign Trade Council frankly acknowledged his demoralization. "The Administration is thoroughly confused. I don't think they have any idea what they are doing, so it's hard to know what impact we will have on them."

### *Latin America The First Step*

Reports from Latin America, however, indicate a renewed push by the ExIm Bank in that sector. In Colombia, the ExIm Bank has cut its interest rates within recent weeks. It has made its first loan commitments to that country in two years, and expressed interest in funding projects to develop such resources as nickel, copper, and coal.

John Moore, the president of the bank, is currently on a two and a half week trip to Venezuela and Brazil to discuss increasing exports. In Venezuela, he was followed by a group of businessmen from the National Association of Contractors, under the auspices of the Commerce Department. President Perez addressed the delegation, stressing the regrettable absence of U.S. corporations from bidding in Venezuela's development projects.

Moore's organizing tour is being met with concerted opposition. An inflammatory article in the *Washington Post* — known to back Blumenthal — described Brazilian torture and then said that "the heating up of the political prisoners issue here coincides with the visit of Moore..." While one ExIm official reports that a fight is raging within the Administration over export policy, the Institute for Policy Studies is leading the attack against any ExIm Bank revival. Through its Center for International Policy, it has published an elaborate study on "Human Rights and the U.S. Foreign Assistance Program," arguing that Congress has insufficient veto power over ExIm and other foreign aid.