

Jackson-Vanick (which truncated the Eximbank's ability to finance East-West trade—ed) tried to shut down the bank. We saved the bank." The same circles last November organized a meeting of over 50 top U.S. manufacturing corporations to let Congressman Neal know exactly how U.S. industry feels about the Eximbank's important role. They demanded the U.S. support lower interest rates, higher credit ceilings, and a faster response to requests for credits, without which many contracts would be lost to foreign companies.

Significantly, U.S. Labor Party proposals for qualitative expansion of the bank are sparking a new drive for quadrupling or more of the Eximbank's current lending, which last year reached, adding all amounts of exports financed, only a measly \$9 billion. Two corporations contacted so far have, on the basis of U.S. Labor Party proposals, begun active consideration of such a shift, while one major industry association in Washington is lobbying for expansion of the Eximbank's utilization of Eurodollar deposits, Eurobonds, and other methods of raising large amounts of capital quickly for major expansion efforts for the bank.

The bank itself, in fact, issued a report to Congress Jan. 10 which expressed great dismay with its own performance relative to institutions in Europe and Japan. The report complained that the U.S. "lags behind" our allies, citing figures that France is doing close to \$40 billion annually in government-backed exports; Japan \$35 billion; and so on. The U.S. is only in fifth or sixth place.

Sen. Stevenson Calls Export Hearings

The following is the statement issued on Jan. 10 by Illinois Senator Adlai Stevenson III, announcing his scheduling of a series of Senate subcommittee hearings on the future of the Eximbank and U.S. export policy.

U.S. trade has been buffeted by swift and powerful shifts in the international economy: oil prices have quadrupled; international debt has increased five-fold; currency values have fluctuated wildly; and aggressive and sometimes unfair trade competition has distorted markets and called forth the specter of protectionism.

U.S. exporting industries and U.S. government policy have yet to adapt to these structural changes. Burgeoning imports have rapidly outpaced U.S. exports, resulting in a sudden explosion in our trade deficit, which for the past year was approximately \$27 billion. Following this trend, the dollar has depreciated significantly against other major trading currencies — during 1977, the dollar fell 12 percent against the German mark, 13 percent against the British pound, 18 percent against the Japanese yen, and 21 percent against the Swiss franc. Recently, the dollar came under speculative attack resulting in U.S. intervention on a scale unprecedented since the float of the dollar.

The purpose of the hearings is to examine the competitiveness of U.S. exports and explore ways to close the trade gap through better U.S. export performance. There is a growing concern that our trade imbalance may stubbornly persist, that many of our key industries are losing their competitive edge in world markets, and that U.S. policies and programs designed to further exports are woefully inadequate. Neglect of these problems will lead to serious consequences for domestic production and employment. One out of seven jobs nationally, and one out of six in Illinois, the nation's leading export state, result directly or indirectly from the production of goods and services for export. While U.S. dependence upon exports is apparent and growing, the answers to U.S. export problems are neither obvious nor easy. Thorough oversight hearings can provide the groundwork for needed improvements in U.S. export policies.

NAACP: Nuclear Power Required To Meet The Nation's Future Needs

On Jan. 8, the National Association for the Advancement of Colored People (NAACP) opened its campaign to pressure the Carter Administration to abandon its plan for energy cutbacks and proceed with the development of nuclear and coal resources as the first step in solving the nation's economic problems.

In an interview with the Detroit News, Dr. Margaret Bush Wilson, chairman of the NAACP's Board of Directors, was emphatic: "For many years, we have been encouraged to believe that a significant percentage of our total energy requirements of the future would be supplied from nuclear power. (The Carter Administration's) National Energy Plan, however, seems to call for a retreat from nuclear energy on the basis that the environmental and safety costs may be too high... The fact is that nuclear power will be required to meet our future needs... If we do not move ahead now," she con-

cluded, "...the next generation is likely to be sitting around in the dark blaming the utilities for not doing something this generation's officials would not let them do."

Wilson's statement is based on the Report of the NAACP National Energy Conference (excerpted below), held in November in Washington, D.C. and is a strong statement to U.S. industrialists and trade unionists that the black population is not a sewn-up constituency for the "liberal" policies of Senator Hubert Humphrey and Vice-President Walter Mondale, despite the public utterances to the contrary.

At the NAACP National Conference on Energy, where the U.S. Labor Party circulated its energy resolution and telegrams urging the association to break from Carter's energy and jobs program, the participants concluded that any conservation policy would condemn black and

working populations to increasing unemployment and poverty.

The NAACP sent its alternative energy plan to the White House which, according to the Detroit News, handed it over to Energy Secretary James Schlesinger and was never heard of again. This week, the NAACP released its report to Congress.

Capitol Hill reaction has been mixed. One top industry spokesman was ecstatic: "This could put the breeder (nuclear fission reactor—ed.) over the top." Aides to key Republican Senate leaders were "impressed" by the statement while members of the Republican National Committee were embarrassed. Their embarrassment results from the fact that party chairman William Brock promulgated the line that the way for the Republican Party to appeal to blacks is through the heart of Chicago poverty pimp Jesse Jackson, whom Brock invited to address the party's national committee meeting next month.

To challenge Brock's misinformation, a number of NAACP spokesmen and leaders have evidenced strong

support for expanding industrial growth. The Jan. 11 Washington Post covers the release and circulation of the NAACP's energy policy by quoting NAACP board member James Stewart. Stewart, formerly an assistant to the vice-president of the Oklahoma National Gas Company said, "It is confusing to people to say we are supporting the aims of industry...It (the statement) is pro-jobs for black people...We can't get any more jobs through conservation." Stewart made it clear that NAACP executive director Benjamin Hooks, once appointed to the Federal Communications Commission by Richard Nixon, had shared major input in outlining the organization's energy policy with Andrew Brimmer, a former member of the Federal Reserve Board.

The Wall Street Journal welcomed the statement, reprinting in full the document on their editorial page accompanied by their own editorial "The NAACP Turns A Corner" calling it a "document of major political and social significance." The New York Times headlined otherwise accurate coverage of the statement, "NAACP Takes Side of the Oil Industry in Energy Struggle."

Report Of The NAACP National Energy Conference

The National Association for the Advancement of Colored People has for many years been dedicated to the task of defending the economic, social and political rights and interests of Black Americans. The growing national debate about energy has led us to examine this question to ascertain the implications for Black Americans. In an effort to gain a better understanding of the energy problem, the National Board of the NAACP convened a Conference on Energy in Washington, D.C., November 18 and 19, 1977. Leaders of our organization at all levels from every area of the country came together, exchanged ideas among themselves and listened to experts on the subject from government, industry and public interest groups.

We are convinced that the nation faces a serious energy problem. The evidence is overwhelming that the primary fuels that supply our homes, factories, farms, transportation systems and commercial establishments are rising in cost at an alarming rate. It is also clear that our ability to supply the demand for oil and natural gas from domestic sources is diminishing while the level of imports of these fuels continues to grow. At the same time there appears to be a myriad of governmental constraints on the production and use of coal, our most abundant domestic fuel resource, and nuclear power. Efforts to develop alternative sources of energy are confronted with severe problems of raising the necessary capital in light of the many uncertainties regarding governmental policies.

Since the early 1960's gains have been made toward bringing the nation's Black Citizens into the mainstream of American Economic Life. This has occurred largely during a period of expansion in the economy which created new opportunities for jobs. However, a great

deal more remains to be done. We still have tremendous unmet social and economic needs. The unemployment rate in the Black community is still twice the national rate. Perhaps more importantly, unemployment among Black teenagers ranges up to 50 percent. Over the next 15 years we must undertake to rebuild and revitalize our cities and urban areas where a very high percentage of Black people live. We need to revamp urban and inter-urban transportation systems to facilitate urban dwellers' access to places of employment. An abundant energy supply will be necessary if we are to have any chance to meet these challenges.

We note the historic direct correlation between the level of economic activity and energy availability and consumption. Energy supply development throughout our nation's history has been critically important to economic growth. We find it very disturbing to contemplate a future in which energy supply would become a constraint upon our ability to solve these critically important social and economic problems which confront Black Citizens.

We have examined the Administration's National Energy Plan in the light of the agenda for economic growth and development for America's Black people. What we see in the plan is an emphasis on conservation, and a reduction in the growth of total energy demand and consumption. The Plan basically takes a pessimistic attitude toward energy supplies for the future. It seems to make the basic assumptions that (1) we will run out of all primary fuels, except coal, relatively soon and (2) essentially nothing can be done to substantially increase or even to maintain existing production rates for oil and natural gas. This emphasis cannot satisfy the fundamental requirements of a society of expanding economic opportunities.

We think there must be a more vigorous approach to supply expansion and to the development of new supply technologies so that energy itself will not become a long-term constraint, but instead can continue to expedite economic growth and development in the future. All alternative energy sources should be developed and utilized. Nuclear power, including the breeder, must be vigorously pursued because it will be an essential part of the total fuel mix necessary to sustain an expanding economy. Other alternative sources, such as solar, geothermal, biomass, tidal, oil shale and synthetic fuels from coal must also be developed and made commercially available at the earliest possible time. A more positive attitude by the Administration toward supply development is extremely important because future developments will be largely determined by the policy choices being made now by the Administration and the Congress.

While we endorse the Plan's objectives of eliminating energy waste and to improve utilization efficiency, we cannot accept the notion that our people are best served by a policy based upon the inevitability of energy shortage and the need for government to allocate an ever diminishing supply among competing interests. Those aspects of the Plan which would perpetuate price controls on newly discovered oil and natural gas and extend those controls to new areas appear to us to be incompatible with the need for new supply development. We also believe that many of the prohibitions proposed with respect to the industrial use of oil and natural gas will force the closing of many job-producing industries in urban areas and cause a massive shift of industries away from areas where most Black people live and work.

We recognize there is disagreement as to whether the Plan does in fact offer more incentives for new supply development. However, we are impressed with the conclusion reached by the Comptroller General of the United States in his evaluation of the NEP:

"... (T)he plan's incentives are not greater than those which would be available if existing policy were continued through 1985...."

"Also, the Plan will reduce revenues to producers for most oil already discovered and may adversely affect oil companies' financial ability to support additional exploration. By not increasing the financial incentives for additional exploration and by reducing companies' financial strength, the Plan fails to come to grips with the problem of increasing domestic crude oil production."

For many years we have been encouraged to believe that a significant percentage of our total energy requirements of the future would be supplied from nuclear power. The National Energy Plan, however, seems to call for a retreat from nuclear energy on the basis that the environmental and safety costs may be too high. The NAACP too is concerned about environmental and safety matters. But as long as fourteen percent of our people are unemployed, as long as the earnings gap between Black and White Americans continues to widen and as long as a majority of Black Americans continue to face a constant struggle to attain even the basic necessities of life, our first priority must be the attainment of economic parity for Black Americans. We are fearful that an energy policy with an overriding concern for the protection of the environment may cause governmental

policy-makers in this area to lose sight of other more compelling economic and social objectives that are more important to Black Americans. The basic approach of the Plan as relates to energy supply reflects the absence of a Black Perspective in its development.

We recognize that nuclear power does present certain problems. But we think these problems can be solved through dedicated efforts by government, the scientific community and industry working cooperatively together. Notwithstanding the claims of opponents of this source of energy, the fact is that nuclear power will be required to meet our future needs for electricity. If we do not move ahead now with nuclear, the next generation is likely to be sitting around in the dark blaming the utilities for not doing something this generation's officials would not let them do.

The National Energy Plan proposes sharp increases in the cost of oil, natural gas and gasoline through a complex system of new taxes. Domestically produced crude oil would be taxed an amount equal to the difference (in 1980) between the federally controlled price and the world oil price. In addition a tax on the industrial use of oil and natural gas would be imposed that could reach \$3.00 per barrel by 1985. Over the next five years these taxes have been estimated to produce new government revenues of over \$50 billion, which make the "Energy Plan" of the largest tax increase bills in history. A major portion of these new taxes would be passed on to consumers in the form of higher prices not only for energy products but also for other goods and services. To mitigate the adverse effects on the economy, the Plan does provide for tax rebates to the public and other tax credits. It is estimated that the per capita tax rebates flowing from the crude oil equalization tax in 1978 would range somewhere between \$15 and \$22.

As we understand it the new energy taxes are proposed for new purposes of (1) encouraging energy conservation by making energy more expensive (2) creating incentives for industry to shift from so-called scarce fuels to coal and (3) making oil and natural gas prices roughly equal to their current value in world markets.

For the great majority of people the NAACP represents, the cost of energy today is sufficiently high to discourage any unnecessary use. They have borne the brunt of the four-fold increase in the price of natural gas and skyrocketing increases in electric utility bills since 1973. Even without new energy taxes, we have every reason to believe energy prices will continue to rise at a faster rate than prices for other goods and services for the foreseeable future. This will certainly come about as the percentage of total energy supplies from newer, more expensive sources increases.

If energy prices are to be raised artificially through the mechanism of taxes, a major portion of the new revenues should be used to develop new energy supply, particularly from nonconventional sources such as coal gasification and liquefaction, oil shale, solar etc. Putting the funds to such uses appear to us to be much more desirable in terms of the objective of reducing dependence on imported energy than distributing token payments to the general public.

The NAACP, therefore, concludes that there are serious deficiencies in the National Energy Plan as

proposed. We recognize that the Congress is now in the process of making certain changes and that the final energy policy that evolves must reflect an accommodation of differing views. This statement of our views will be communicated to the Members of Congress and others who may have an impact on the final outcome of this extremely important policy issue.

Finally, we view with alarm the fact that nowhere in the President's proposals on energy; the joint House and Senate conferees deliberations; nor the action of Energy Secretary James Schlesinger himself does there exist evidence of input from America's minority community in both policy-making and employment opportunities.

To avoid the deleterious impacts of our emerging energy policy on future generations of Americans whom we of the NAACP represent, we call on President Carter, the Congress, Secretary Schlesinger, various regulatory governmental units, industry, and where need be those persons in the private sector, to encourage and seek out increased minority participation on all levels in our emerging energy policy.

Wall Street Journal:

NAACP Turns A Corner

The *Wall Street Journal* had this to say about the NAACP's energy policy:

In nearby columns we reprint a document of major political and social significance, the report of the NAACP's National Energy Conference. The report withdraws any semblance of NAACP support for President Carter's energy policy and instead calls for the deregulation of oil and gas prices and more emphasis on nuclear power.

Announcement of this policy shift by the leading black organization is important if only because it adds another cloud of doom for the President's energy approach, which is hanging by its fingernails on Capitol Hill. But far more significant is that for the first time in memory the NAACP has sided emphatically with the free-marketers

instead of the interventionists on a major question of public policy.

The energy report could of course amount to a once-and-only diversion into market capitalism, but we suspect it is a symptom of a new stage in the NAACP's fight for racial equality....

This report has apparently been traveling around Washington for several weeks, passing around the administration like a hot potato before it finally surfaced last Sunday in the *Detroit News*....

It is hardly remarkable that the NAACP is eager for economic expansion, having identified the last real expansion of the early 1960s as the period of the most marked gains to the nation's blacks. But until this energy report, the organization has been systematically biased in favor of government solutions to economic stagnation. The thinking of at least those now in control of the organization seems clearly to have drifted from the usual tax-and-spend answers embodied in, for example, the Humphrey-Hawkins jobs bill.

Which is not to say that the NAACP can now be expected to turn systematically away from government solutions. There is no indication the organization has diminished its enthusiasm for redistribution programs by the government. But the tenor of the energy report is unabashed in its embrace of the private sector as the engine of economic growth. Even the endorsement of nuclear power emphasizes not government subsidies but government de-emphasis of environmental and safety barriers to nuclear development, and a more positive approach to solving genuine environmental problems.

The time is about right for the NAACP to turn this corner into the free market. Until very recently, the chief problem it faced in "the advancement of colored people" was official and private racial prejudice that blocked economic advance for blacks even during periods of prosperity. It had no choice but to follow government interventionist policies to break down institutionalized barriers and at the same time it supported income redistribution plans to help those whose progress had been blocked....

The NAACP has put itself out in front...with its energy report, and we can virtually feel the tremors shaking the old political coalitions.

Fence Mending — Won't Do It

President Carter made clear where he stands on energy in his Jan. 12 press conference where he not only reiterated the worn-out fairy tale that the dollar crisis can be solved only through slashing U.S. oil imports but also flatly rejected the NAACP's energy policy recommendations (see report above). Said Carter: "I disagree

sums of money....into the pockets of those who own the major oil companies."

Carter's statement was but one aspect of an international armtwisting campaign launched this week by the British agents of influence in the Administration to force through their no-energy program in the face of steadily mounting opposition. Spearheading this campaign are Energy Secretary James Schlesinger and Vice President Walter Mondale.

For his part, Schlesinger emerged from a meeting with Carter Jan. 8, where they discussed the President's just-completed global tour, ominously warning that the Administration was considering slapping down import quotas on petroleum if Congress failed to adopt the energy program.

THE ADMINISTRATION

with the conclusions the NAACP reached (i.e., that economic development can only be achieved through an aggressive, pro-nuclear energy production perspective — ed.), that the way to do that was to channel enormous