recent past — naturally suggests itself if one thinks of the florid and contradictory statements recently issuing from Washington, including from the White House.

On the one hand, the American and the world's public says that the strategic arms limitation talks are making good progress, that, they say, only some strictly technical questions remain to be solved; hopes are expressed for the possible conclusion of an agreement in the very near future.

On the other hand, some sort of link is continually suggested between the prospects for reaching an agreement and other unrelated questions, for example the events in the Horn of Africa. Can it already be forgotten how a couple of years ago the USA tried to resort to the exact same tactic, to make a strategic arms limitation agreement into change in a political bargain, and how negatively this affected the negotiations?

Some American officials have been forced to recognize the untenability of such a line, reasonably stating that the working out of an agreement is not some kind of "reward" to the Soviet Union, but a means for insuring the USA's own interests. However, judging from everything, such admissions are not determining the present mood in Washington.

This is also shown by the way questions of the content of an agreement are being treated. Characterizing the remaining problems as purely technical, representatives of the Administration at the same time assert that supposedly their resolution demands some sort of act of "political will" on the part of the Soviet Union, while the United States, they say, has no need to make the slightest concessions. Not coincidentally, even the American press has not been ready to swallow that. As various observers have remarked, the indicated statements show that rather than defending an agreement extremely important for the USA itself, representatives of the Administration are playing into the hands of the opponents of an accord with the USSR. It could hardly be put any more clearly.

If, behind such lines from American officials, there stands a desire to acquire one-sided advantages for the USA to the detriment of the interests of the USSR, then it is high time they realized that this is simply a waste of time. If they are simply making it seem that the USA is for an agreement, while in reality it is for something quite different, then such a position cannot long be maintained — the truth will come to light in any case.

There must be no place for falsehood here. The Soviet side has always patiently conducted the negotiations so as to keep the essence of the strategic arms limitation problem free of any estraneous features and to find mutually acceptable solutions; it has the patience for this. However such patience is not at all unlimited. It is time that the questions arising in connection with strategic arms limitation be pondered more seriously in Washington, and that it be genuinely realized how much is at stake.

Campaign For Exports Underway In And Out Of White House

With Special Trade Negotiator Robert Strauss in the lead, a core grouping in the Carter Administration is about to embark on a major trade-and-export expansion strategy. This puts them in direct defiance of plans by Treasury Secretary W. Michael Blumenthal, Council of Economic Advisor chieftain Charlie Schulze, and energy czar James Schlesinger to put the U.S. economy through a deflationary wringer under the guise of "fighting inflation."

ADMINISTRATION

News of Strauss's intensions first surfaced in a March 22 article by *Washington Post* columnist Hobart Rowen describing the full-fledged battle now underway in the White House over the direction of U.S. economic policy. Placing the fight in the context of the declining value of the U.S. dollar, Rowen reported that, counterposed to those presidential advisers who favored a strong "anti-inflation" approach (i.e., wage-price controls, restrictions on oil imports, etc.), was the Strauss faction, which sees beefed-up U.S. exports as the key to getting the U.S. dollar and economy back on its feet. In an interview with Rowen, Strauss said bluntly: "The answer to this nation's problems is not in restricting imports, and making the buying public pay more money when they're already choked by inflation, but the answer is a tremendous thrust from an export program." (For the full text of Rowen's article, see below.)

According to various sources, Strauss has already succeeded in setting up an interdepartmental task force, with representatives of the State Department, Commerce, the Export-Import Bank, et al., to plan a strategy for boosting American export trade. An aide to Frank Weill, head of the Commerce Department's International Business Section and a collaborator of Strauss, told a reporter that the task force is intended to be part of "a major new international economic thrust which will be announced in the next few days."

A major feature of that thrust, the aide indicated, will be a move to judo British protectionist perspectives for the GATT agreement by pushing for an early consolidation of that agreement based on the expanded trade policy. Furthermore, he reported, Strauss will move to set the stage for the GATT offensive in talks scheduled to open in Geneva in April, aiming for agreement on political perspective no later than July.

The Strauss initiative is receiving important backup from other forces, both within and outside the Administration. In an address to a Houston seminar on trade, W.D. Eberle, who was Special Trade Negotiator in the Ford Administration and currently president of the U.S. Council of the International Chamber of Commerce, declared that the present economic crisis requires a policy of expanding the total volume of world trade — a direct counter to British-fostered "trade war" scenarios.

—Kate Murphy

The State Department, The Mideast, and Export

The major theme of a meeting of the Mid-American Arab-American Chamber of Commerce, held in Chicago March 21, was the need for a strong U.S. effort to shore up U.S. exports, especially to the Mideast, and a bitter attack against those who are seeking to sabotage such a campaign. State Department representative John Palmer told the meeting, "Increasing U.S. exports to the Mideast is our policy. This is the program we want." However, he continued, "We are pessimistic about the prospects for the Saudi arms deal. Certain forces want to cut the Saudis out." Palmer then reported that "Several Congressmen have recently been approached on a regional Mideast economic development program which is now being worked on. The problem that we and people at State are having is that the OMB (Office of Management and the Budget — ed.) is cutting back on various groups involved in setting up U.S.-Mideast trade deals."

The head of the Mid-America group, Mr. Bassiouni, was even more straightforward. Blasting the Israeli lobby for deliberately sabotaging U.S.-Arab trade via the "Arab boycott" operation, Bassiouni warned that if these forces succeeded in defeating the U.S.-proposed sale of American F-15 jet fighters to Saudi Arabia, then the Saudis "will dump the dollar, pull money out of the U.S., and decrease oil, production, and U.S. exports to the Mideast will decrease overall."

Basiouni singled out Stanley Marcus, formerly an aide to Senator Adlai Stevenson (D.-Ill.) and now head of the Administration's Arab boycott compliance section, as the key saboteur of U.S.-Arab commerce.

In response to a question from this news service, regarding the role of Treasury Secretary Blumenthal and Energy Secretary Schlesinger in coordinating the attack on U.S. trade expansions, Bassiouni replied: "Most Europeans I have spoken to feel that Blumenthal is incompetent. The real problem is the stupidity of the Administration and the policy vacuum in Washington."

Support For Exim Expansion

In the three months since the U.S. Labor Party first proposed expansion of the financing capabilities of the Export-Import Bank of the United States to bolster lagging U.S. exports, that idea has gained the support of legislators, trade unionists, and the business community in several states. Already a resolution memorializing Congress and the President to "go bullish" on America by supporting the dollar has been passed by the Georgia state legislature. Similar measures have been introduced both in the New York and Maryland legislatures.

The U.S. Labor Party has mobilized business leaders, trade unionists, and others to play the critical role in catalyzing legislative action. In Washington state, the 5,000-member boilermakers Local 104 passed such a resolution March 18. In Delaware, successful lobbying efforts have led several state representatives to become committed to the idea of a memorial bill.

State legislative interest in expansion of the Export-Import Bank coincides with hearings by both the House and Senate Banking Committees on the topic. Several supporters of the Eximbank at these Washington hearings, in fact, went to Maryland to speak before that state's legislature, where a bill similar to the Georgia one is now being considered.

Will Congress Get the Hint?

That Congress might do well to take a cue from state legislatures was the theme of an editorial in the *Sunday Chronicle-Herald* of Augusta Ga. Here is that editorial as it appeared March 12, 1978.

Bill 'Must' Reading

During the closing hours of the Georgia General Assembly Tuesday night, the House passed a bill which should be "must" reading for President Carter and the Democratic leadership in Congress.

Cosponsored by Rep. Robert Beckham (R-Augusta) and Rep. Dorsey Matthews (D-Moultrie), it is labelled "A resolution urging the government of the United States to take certain actions to support the dollar and to adopt policies and programs to insure industrial, agricultural, technological and economic progress..."

What are the "certain actions" that the government should take? They are actions based on a philosophy long advocated by the Sunday Chronicle-Herald and other media segments and politicians concerned about the nation's economic well-being.

The Beckham-Matthews bill underscores that: "1) the dollar is falling daily to record lows; 2) this weakness is a concern for all concerned about the security and well-being of the United States...3) the current crisis is the result of the ambiguous and contradictory statements of the administration, in particular the Treasury Department."

Reflect on what Messrs. Beckham and Matthews mean by "contradictory" — especially with regard to the Treasury Department and the Export-Import Bank (Exim).

The Exim Bank goes to the Congress soon to virtually justify its existence, since its present congressional mandate runs out in September. Liberals in the Administration, however, are fighting the Administration's fiscal conservatives in opposing any increase in the bank's $25 million ceiling. And, at first blush, we would oppose such an increase too. But we don't believe one has to look far to view the Exim's role in a more sympathetic light.

The head of the Exim bank, John L. Moore, has earned the enmity of some liberals in the Treasury Department because he is considering, among other probusiness steps, insuring private lenders against losses due to changes in interest rates.

This option must be examined because longer-term fixed-rate financing must be made available if the United States is to compete for billion dollar projects against the British, French, Russians and Japanese. So this is why the Beckham-Matthews resolution calls for "the early rechartering of the Exim bank" and for the adoption of "economic and credit policies which convert the outstanding dollar liquidity into capital investment in hard commodity, high technology exports which will insure high levels of capital formation in the private sector."

Ever since Georgia Rep. Vinson Wall introduced his anti-Panama Canal treaties bill early in the just-concluded legislative session, some capital wags have joked about the General Assembly having a "foreign affairs concern." Yet, in the instance of the Beckham-Matthews bill, we wish the economic principles the two legislators enunciate were the guiding basis for the U.S. foreign and domestic policy.

Would it be asking too much if the U.S. Congress were to adopt similar legislation?

Strauss: "The Answer Is A Tremendous Export Thrust"

Washington Post, "Saudis Link Oil Prices To a Stable Dollar," by Hobart Rowen, March 22:

King Khalid of Saudi Arabia has told President Carter that oil prices may have to be raised if the U.S. dollar continues its decline in world markets....

The declining dollar, which contributes to inflationary pressures here by boosting the cost of imported goods, also has had an adverse impact on the oil cartel. For OPEC, which sells its oil for dollars around the world, a cheaper dollar amounts to a cut in their prices, and a loss of real revenues....

Carter has been urged to take stronger anti-inflation steps by Federal Reserve Chairman G. William Miller, and by both Republican and Democratic members of the Joint Economic Committee. Additional anti-inflation measures have also been urged by the Government's own wage-price watch-dog, Barry Bosworth, director of the Council on Wage and Price Stability.

As part of a new basket of actions dealing with inflation, the Administration reportedly is considering a Government task force to see how American exports might be stimulated....

An intensified export drive, some Administration officials believe, would cut down the U.S. trade deficit, which is one of the sources of pressure on the dollar....

White House officials have been working on various anti-inflation options with the hope of making something public by Thursday. But officials cautioned yesterday that that date might "slip," because final decisions have not been made by the President.

The idea of an export task force has been pushed by the Commerce Department, and endorsed by Special Trade Representative Robert S. Strauss.

"The answer to this nation's problems," Strauss said in an interview, "is not in restricting imports, and making the buying public pay more money when they're already choked by inflation, but the answer is a tremendous thrust from an export program."

But other officials, who concede that it would be useful to sweep away any artificial impediments to exports, caution that any benefits would not be gained in the short run, and certainly not quickly enough to ease current pressure on the dollar.

High on the list of potential actions to stimulate exports, according to informed sources, are tax incentives, even though the Carter Administration has rejected continuation of one form of export tax incentive, the DISC program, in its own tax bill now before Congress.

Other possible steps include beefed-up export financing, bolstered export promotion drive, and an effort to persuade private businessmen that great export opportunities exist if they would put more effort into it. "We may have to act more like the Japanese do," one official said.

Not all Administration officials are sold on this approach, especially if it includes a politically embarassing reversal on tax-incentives for exports. "Besides," says one unconvinced official, "if the United States tries to pay its oil bills by pushing exports into the less developed countries with the help of subsidies, that's hardly a contribution to global strategy."

Less Is Not Moore

In the February issue of Finance, The Magazine of Money and Business, *William J. Anthony, Executive Vice-President of Philadelphia's Fidelity Bank reported on the dramatic reversal which President Carter has made with the selection of John L. Moore as chairman and president of the Export-Import Bank of the United States. The cover article featured a drawing of the United States pictured as a cornucopia, spilling forth nuclear power, agriculture, steel, forest products, and tourists. The following are excerpts from the article:*

...The counter-revolution is a positive development, not only for the United States, but also for the world economy. For Mr. Moore has made clear that Eximbank no longer would be merely a "lender of last resort," but would take an aggressive posture in promoting U.S. exports...

Mr. Moore, a close associate of President Carter, and a lawyer with no experience in international finance, brings a totally different philosophy to Eximbank. To him, it is one of the weapons available to the Administration to achieve overall policy objectives. But while he began last year by speaking out strongly for policies ranging from "human rights" to support of minority-owned small enterprises — as guides to