World Trade by Richard Schulman

The Jesuits' export drive

The Center for Strategic and International Studies at Georgetown wants to make America's exports more "competitive." If they succeed, American industry is in trouble.

"A major obstacle to export expansion [in the U.S.] has been the lack of understanding about the roots of the problem. Consequently, CSIS has begun a major study of U.S. Export Competitiveness under our direction." So wrote Michael Samuels and Robert A. Kilmarx some two months ago, by way of introduction to the "U.S. Export Competitiveness Project" of Georgetown's Center for Strategic and International Studies (CSIS). Samuels is CSIS's Executive Director of Third World Studies and Kilmarx is its Director of Business and Defense Studies.

Foreign policy insiders will appreciate the irony of Georgetown attempting to lead a fight to expand U.S. exports. It was Georgetown's dean of geopolitics Father Walsh, S.J. and Georgetown professor Carroll Quigley who, respectively, launched the Cold War and then the Joe McCarthy movement. In the process, the 1944 Roosevelt-Stalin project for decolonizing the postwar world and industrializing it was dropped. That project would have created the greatest export boom in U.S. history.

So what is it that Georgetown and the academics of the "U.S. Export Competitiveness Project" are now up to? For one thing, *austerity*. Penelope Hartland-Thunberg writes in *The political and strategic importance of exports*: "Because U.S. export performance has deteriorated to such a degree relative to U.S. imports and world exports, recovery will require sacrifices for this country. Recovery could be achieved by balancing downward, by a reduction of U.S. imports to the level of exports." True, "balancing upward ... is vastly to be preferred." But even this "will require draconian measures."

Robert A. Flamming corroborates this outlook in his *U.S. programs that impede U.S. export competitiveness: the regulatory environment*. In the section "Efficiency vs. Stability," "Efficiency" is identified with an allegedly outmoded growth process of earlier decades and "stability" becomes a euphemism for zero-growth stagnation. Flamming writes: "Until the last decade or so, America's chief economic goals were reasonably apparent to most observers: greater efficiency, greater productivity per man-hour, a higher standard of living for all." But now "Growing interdependence has changed the way we behave. American vulnerability to all sorts of shocks was laid bare with the oil embargo of 1973-1974 ... 'Project Independence' was one piece of evidence." Flamming then follows with a catalogue of reforms—including a call for a U.S. value-added tax and for a Department of International Trade. Value-added taxes favor speculation and services at the expense of commodity production. The Department of International Trade would be another superagency strangling exports.

The trade war aspects of CSIS's activities are manifest in two other CSIS Export Project publications. Jack Behrman and Raymond Mikesell's *The impact of U.S. foreign direct investment on U.S. export competitiveness in Third World markets* stresses that U.S. direct investments abroad usually enhance U.S. exports and certainly harm the exports of other countries—and hence are to be recommended. Leonard Weiss's *Trade liberalization and the national interest* is euphoric over the "Tokyo Round" as representing "a significant net benefit for the United States" through limitations of dirigist industrial measures by foreign countries.

Nowhere in any of the cited pamphlets does the notion enter in of global economic development or that a U.S. export drive could be a positive development, rather than a prelude to trade war, austerity, and autarchy—the guaranteed outcome of the Georgetown CSIS approach.