P.S. to the NEWS
by PHYLLIS SCHLAFLY

Box 618, Alton, Illinois 62002
Phone: 618-462-5415

RELEASE: June 21

EXPORTING U.S. JOBS

Jobs are created when private industry and individuals make a capital investment. The reason why American citizens enjoy such a high standard of living is that the free enterprise system has resulted in a higher capital investment per worker than in any other nation.

One of the strange quirks of liberal politicians, however, is the way they have deliberately caused the exporting of thousands of American jobs to foreign countries by writing provisions into Federal laws which make it more profitable for industry to make capital investments in other countries than in the United States. They do this in a variety of ways: by government guarantees of foreign investments, by government loans for foreign factories, by lending money overseas at less than the going interest rates at home, and by permitting expenditures for research and development to be written off against high U.S. taxes and then income earned under low foreign taxes.

The net result is that the laws of our country discriminate against citizens who invest money to provide American jobs, and discriminate in favor of those who invest money to provide foreign jobs.

Look at the Overseas Private Investment Corporation. It uses $7\frac{1}{2}$ billion of U.S. taxpayers' money to insure American investors in foreign countries against expropriation, and $750 million to guarantee against other losses. There is no such guarantee against losses in U.S. investments, as those who lost their savings in Equity Funding and Penn Central found out.

(more)

The U.S. Treasury provides $550 million to guarantee those who invest in Latin American housing against investment losses. Investors in housing in other parts of the world may obtain similar guarantees against losses from a Federal fund of $305 million.

Then there is the DISC subsidy. Although this was slipped into Federal law, it does not refer to back injuries, but to Domestic International Sales Corporations which get tax-deferral benefits on their foreign sales -- privileges U.S. corporations do not receive.

Finally, of course, there is the Export-Import Bank which lends U.S. taxpayers' money at six percent to those who invest in the Soviet Union, and at seven percent to those who invest in other foreign countries, while those who invest in the United States must pay more than eleven percent.

One day after the Export-Import Bank announced its six percent loan to build a fertilizer complex in Russia, the Ex-Im Bank complained to Congress that its loan limit for this fiscal year had been reached and that it had no money left to finance the sales of American transport airplanes to friendly countries. If Congress appropriates additional funds for next year, Ex-Im has said it will charge interest of 9.8 percent to American airplane sellers instead of the low 6 percent it charges the Russians.

It is no wonder that support is growing for Congressman Richard Ichord's bill which provides that "no credit shall be extended by the Export-Import Bank to any nonmarket country." A "nonmarket country" is one which, like the Soviet Union, uses slave labor instead of free labor.

The best thing the Government can do today to reduce unemployment is to end the rigging of our lending and tax laws which make it more profitable for industry to create jobs overseas.

(end)