P.S. to the NEWS
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THE EXPORT-IMPORT BANK

On August 14 the U.S. Export-Import Bank sold $300 million worth of five-year Government debentures. The banks and corporations which bought them received the very attractive interest rate of 8.35 percent, plus certain tax privileges; and they are guaranteed that these debentures are "backed by the full faith and credit of the Government of the United States."

Why does the Export-Import Bank need so much money so urgently that it is willing to pay such a high rate of interest and give the buyers special tax privileges? It needs the money to finance our so-called "trade" with the Soviet Union.

On June 2, U.S. Secretary of Commerce Dent and Soviet Deputy Foreign Trade Minister Alkhimov signed identical letters giving their governments' endorsement to a previously-announced deal by which Occidental Petroleum Corporation will build an $8 billion fertilizer-producing complex in Russia to help overcome continuing crop shortages. That was when the news leaked out about how the fertilizer plant is being financed: the Soviets are putting up only 10 percent of the capital, and the other 90 percent will be financed by American loans, the keystone of which is an initial $180 million from the Export-Import Bank.

One of the biggest propaganda achievements of the decade is the use of the word "trade" to describe our shipments to the Soviet Union. The dictionary defines "trade" as the act of buying or sell-

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ing, and defines buying or selling as acquiring or giving up something for a price, especially a money price. By no stretch of the imagination can this traffic with the Soviet bloc be accurately described as trade, or buying, or selling, because the Soviets don't pay money for the items they "buy."

Such traffic with the Soviet bloc is a racket by which the U.S. taxpayers are forced -- without their consent, and usually without their knowledge -- to put up the money to finance Communist "purchases."

Last year, the Soviets conned the U.S. Department of Agriculture into lending them $500 million in order to buy U.S. grain at cutrate prices, far cheaper than Americans have to pay. Our tax dollars were funnelled through a "middleman" called the Commodity Credit Corporation.

This year, the Soviets are working the same gimmick through a different "middleman," the Export-Import Bank. The authorization for the present Eximbank actions was granted in August 1971 when the Administration persuaded Congress to reverse its previous policy and pass a new Export-Import Act expanding the lending power of the Bank from $13.5 billion to $20 billion and making this money available to all Communist countries, including Red China. The then Secretary of Commerce Maurice Stans confirmed that "expanded trade with Russia" depends on Export-Import Bank "facilities."

Henry Kearns, who recently announced his intention to resign as Eximbank president, is a good example of why those on the inside

are constantly promoting U.S. Government-financed "trade." In 1965, he founded the Siam Kraft Paper Company in Thailand with a $14 million loan from the Eximbank. President Nixon appointed Kearns president of the Eximbank in 1969. After Maurice Stans became Secretary of Commerce, he also acquired an interest in Siam Kraft.

In the fall of 1971, Siam Kraft's financial situation was so shaky that the Eximbank extended its deadline for repayment of the $14 million loan from 1976 to 1993 -- beyond the life expectancy of Kearns or Stans. The Eximbank also reduced the interest rates on the loan and lent Siam Kraft an additional $80,000 to pay the salary of a new American manager for two years.

It is a fiction to call the $14 million a "loan." It is a gift paid out of the pockets of the U.S. taxpayers who put up the money for the Eximbank. Siam Kraft could not have borrowed the money from any regular bank which expected to be repaid.

When you see the income tax deduction on your wage checks, remember that you are paying for fertilizer plants, truck factories, refineries, computers, and grain as gifts for the Communists, as well as for shaky financial deals in other countries around the world.