

Would New Controls Help Industry?

THE TREND toward government control of exports and imports gets a strong boost in a special issue of Business Week magazine, titled "The Reindustrialization of America" (June 30, 1980).

The presentation of related articles deals with many aspects of this nation's fading leadership. Its summaries of contributing causes appear to be factual, but its proposal for more government control of business could lead to the end of free enterprise.

"The most urgent piece of business facing the nation is to reverse the economic and social attitudes that have generated its industrial decline," the article states, adding that "it requires nothing less than a new social consensus." This "social consensus," the writers say, must be based upon "clear recognition of the new world economic realities." This calls for government planning that is "indicative rather than specific," agreement among leadership groups and "it must be fair."

"What is required is an environment that encourages growth rather

than a swarm of new laws that strait-jacket initiative," it is explained. Then it is suggested that the United States adopt a plan like that of Japan, which "is to identify and promote industries with the best prospects for developing new technologies and exploiting world opportunities."

Evidently, such decisions would be made by federal agencies. Yet, the writers do not appear to be favorably impressed by decisions on foreign trade presently being made by political offices.

"The government's insistence on exporting U.S. morality limits exports of goods," it is stated. As examples of "exporting morality," the article cites trade sanctions for human rights violations, limits on nuclear and conventional arms sales, outlawing of payoffs to foreign government officials, and blocking exports of products considered environmentally hazardous in this country but not abroad.

"Rebuilding U.S. industry will therefore require a total repro-

gramming of the way in which Americans think about their economy," the article asserts. "The effects of the obsolescence of economic psychology in the U.S. have been devastating."

Reports that other nations have moved ahead of the United States in standard of living while we have surpassed others in rate of inflation are submitted as evidence our system should be replaced.

Mistakes have been made, but that hardly seems to be sufficient reason to abandon the free enterprise system.

"If the United States, like Germany, adopts a firm, non-inflationary approach to managing its economy instead of persisting in futile attempts at fine-tuning," the article concludes, "it should be able to give businessmen the confidence to invest more while assuring workers that their wage gains will be real, not illusory."

Would businessmen have confidence if government is given power to decide whether an industry should be enlarged or diminished?