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Reagan & Bush

Reagan Bush Committee

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NEWS RELEASE

FOR P.M. RELEASE:

Tuesday, October 7, 1980

CONTACT: Lyn Nofziger or
Ken Towery
703-685-3630

STATEMENT BY GOVERNOR RONALD REAGAN

We have a national emergency in Michigan today and there are steps our government should be taking.

It is impossible to campaign across this great country without being angered that hundreds of thousands of Americans are out of work in our automobile and supplier-related industries. To say these industries are in recession is to greatly understate the situation. These industries and the areas of the country where they are represented are in a depression of national-emergency level. The policies of the Carter administration have brought about this chaos and Jimmy Carter is unwilling or unable to remedy it.

On October 1 in Flint, Michigan, Mr. Carter told unemployed auto workers that his administration has been trying to negotiate trade import agreements with the Japanese. After three and a half years of trying, Japanese-built cars and trucks still are flooding the American market while our auto workers stand in the unemployment line.

When Mr. Carter claims his administration is dealing with the problems of the ailing auto industry, he proudly points to congressional action--extension of special unemployment benefits for out-of-work auto industry employees--as an administration accomplishment.

This congressional action was both humane and proper. But I have talked with men and women who work on the assembly lines. What they want is a chance to work, to work at what they do best--produce the finest automobiles, buses and trucks made anywhere in the world.

Special unemployment benefits are no substitute for solving the real problem. We must get our people back to work. We must pull our auto industry out of its slump and get the assembly lines back into full-time operation.

- more -

Each year, the General Services Administration purchases large numbers of American automobiles and trucks for millions of dollars. Traditionally, these purchases are spread out over the year.

It would be of significant help to the auto industry if the federal government placed advance orders for its foreseeable needs now.

I am not suggesting the federal administration should order equipment which would not otherwise be purchased--only that the time period of purchases be adjusted to support American industry in this time of crisis.

There are crucial reasons for getting the auto industry up to speed again. This industry and related industries employ and provide for the training of tool and die makers and otherwise hire and train the talent crucial to the revitalization of America.

We must keep the auto industry alive and healthy because the vitality of so many other businesses in the chain are dependent on it. The auto supplier industries, steel, auto dealers and other businesses in a long chain reaction are suffering today because of the crisis in the automobile industry.

Today American industry is producing the small cars the world wants at a time when the dollar is priced favorably against the German mark and the Japanese yen. Our government should be burning the midnight oil to determine every way we can increase the export of American cars, trucks and buses.

The potential for American industry cannot be overestimated. For example, in the single month of July, Japanese automobile manufacturers alone sold over 30,000 buses, cars and trucks to Saudi Arabia alone.

The Export-Import Bank of the United States has authorized a financial program to help U.S. exporters make additional sales through foreign dealers and distributors. But the program requires cumbersome mechanics and paperwork which fail to fit into normal trade practices. I am told this program has been used only four times. In short, it has failed.

An effective Export-Import Bank financing program should be designed to help overseas dealers purchase and stock American automobiles and to facilitate subsequent sales.

A program to stimulate U.S. exports should:

--insure non-U.S. dollar denominated promissory notes;

- remove rigid local security requirements;
- permit flexibility in deadlines for sales out of inventory;
- cover dealer mark-ups as if sales were made directly from the U.S. to the end user, and
- cover individual transactions of less than \$25,000.

Obviously, prudent banking requirements should be maintained, including those which require the exporter and commercial banks to participate in the risk sharing. And the new program must maintain the current requirements that the Export-Import Bank's exposure on the initial exports sale is replaced, and not augmented, by its exposure on the resale to the end user.

Overregulation and overtaxation of American industry has slashed deeply into the economy and put millions of Americans out of work. It is time for the Carter administration to take some corrective action.

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from Casey
- 1 -

*Sent to aircraft via
KRH 10/5/80
Daug.
5 Oct
730
pm*

We have a national emergency in Michigan today and there are steps our government should be taking.

It is impossible to campaign across this great country without being angered that nearly one million Americans are out of work in our automobile and supplier-related industries. To say these industries are in recession is to greatly understate the situation. These industries and the areas of the country where they are represented are in a depression of national-emergency level. The policies of the Carter administration have brought about this chaos and Jimmy Carter is unwilling or unable to remedy it.

On October 1 in Flint, Michigan, Mr. Carter told unemployed auto workers that his administration successfully has negotiated trade import limitations with the Japanese. In fact, nothing of the kind has happened. Japanese-built cars and trucks still are flooding the American market while our auto workers stand in the unemployment lines.

I find it incredible that at a time when Mr. Carter erroneously says his administration has moved to limit foreign automobile imports, it actively has been helping the Soviet Union market its LADA car in the United States.

For the last three years, with U.S. tax dollars and for the Soviets, the EPA has been conducting auto emissions and mileage tests on the LADA to help it comply with U.S. standards and gain entry into the U.S. market.

When Mr. Carter claims his administration is dealing with the problems of the ailing auto industry, he proudly points to

congressional action -- extension of special unemployment benefits for out-of-work auto industry employees -- as an administration accomplishment.

This congressional action was both humane and proper. But I have talked with men and women from the assembly lines. What they want is a chance to work, to work at what they do best -- produce the finest automobiles, buses and trucks made anywhere in the world.

Special unemployment benefits are no substitute for solving the real problem. We must get our people back to work. We must pull our auto industry out of its slump and get the assembly lines back into full-time operation.

Each year the General Services Administration purchases large numbers of American automobiles and trucks in the millions of dollars. Traditionally, these purchases are spread out over the year.

It will be of enormous help if the federal government will place advance orders for its foreseeable needs now.

I am not suggesting the federal administration should order equipment which would not otherwise be purchased -- only that the time period of purchases be ~~adjusted~~^{accelerated} to boost American industry in this time of crisis.

There are crucial reasons for getting the auto industry up to speed again. This industry and related industries employ and provide for the training of tool and die makers and otherwise hires and trains the talent crucial to the ~~reindustrialization~~ ^{revitalization} of America.

Further, we must keep the auto industry alive and healthy because the vitality of so many other businesses in the chain are dependent on it. The auto supplier industries, steel, auto dealers and other businesses in a long chain reaction are suffering today because of the crisis in the automobile industry.

~~The crisis is so acute and the effects so far-reaching, we must go far beyond the short-term shot-in-the-arm solution I have recommended.~~

Today the American industry is producing the small cars the world wants at a time when the dollar is priced favorably against the mark and the yen. Our government should be burning the midnight oil to determine every way we can increase the exportation of American cars, trucks and buses.

The potential for American industry cannot be overestimated. For example, in the single month of July, Japanese automobile manufacturers alone sold over 50,000 cars to Saudi Arabia and India alone.

The Export-Import Bank has authorized a financial program to help U.S. exporters make additional sales through foreign dealers and distributors. But the program requires cumbersome mechanics and paperwork which fail to fit into normal trade practices.

I am told this program has been used only four times. In short, it has failed.

An effective Export-Import Bank financing program should be designed to help overseas dealers purchase and stock American automobiles and to facilitate subsequent sales.

A program to stimulate U.S. exports should:

- insure non-U.S. dollar denominated promissory notes;
- remove rigid local security requirements;
- permit flexibility in deadlines for sales out of inventory;
- cover dealer markups as if sales were made directly from the U.S. to the end user, and
- cover individual transactions of less than \$25,000.

Obviously, prudent banking requirements should be maintained, including those which require the exporter and commercial banks to participate in the risk sharing. And the new program must maintain the current requirements that Ex-Im's exposure on the initial exports sale is replaced, and not augmented, by its exposure on the resale to the end user.

Overregulation and overtaxation of American industry has slashed deeply into the economy and put millions of Americans out of work. It is time for the Carter government to give such help as it can to bring order out of the chaos it has created.

We have a national emergency in Michigan today and there are steps our government should be taking.

It is impossible to campaign across this great country without being angered that hundreds of thousands of Americans are out of work in our automobile and supplier-related industries. To say these industries are in recession is to greatly understate the situation. These industries and the areas of the country where they are represented are in a depression of national-emergency level. The policies of the Carter administration have brought about this chaos and Jimmy Carter is unwilling or unable to remedy it.

On October 1 in Flint, Michigan, Mr. Carter told unemployed auto workers that his administration has been trying to negotiate trade import limitations with the Japanese. After three-and-a-half years of such trying, Japanese-built cars and trucks still are flooding the American market while our auto workers stand in the unemployment lines.

I find it incredible that at a time when Mr. Carter erroneously says his administration has moved to limit foreign automobile imports, it actively has been helping the Soviet Union market its LADA car in the United States.

For the last three years, with U.S. tax dollars and for the Soviets, the EPA conducted auto emissions and mileage tests on the LADA to help it comply with U.S. standards and gain entry into the U.S. market.

Each year the General Services Administration purchases large numbers of American automobiles and trucks in the millions of dollars. Traditionally, these purchases are spread out over the year.

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Today the American industry is producing the small cars the world wants at a time when the dollar is priced favorably against the mark and the yen. Our government should be burning the midnight oil to determine every way we can increase the exportation of American cars, trucks and buses.

The Export-Import Bank has a financial program to help U.S. exporters make additional sales through foreign dealers and distributors. But it requires such cumbersome mechanics and paperwork that it has been used only four times in two years. In short, it has failed.

A sound and effective Export-Import Bank financing program should and can be designed to help overseas dealers purchase and stock American automobiles and to facilitate subsequent sales. The elements of such a program are outlined in the attached statement.

The potential for American industry cannot be overestimated. For example, in the single month of July, Japanese automobile manufacturers alone sold over 30,000 cars, buses and trucks to Saudi Arabia alone.

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