

NEWS

from
**Paul
Tsongas**

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Contact: Mary Helen Thompson, 224-2742

U.S. SENATOR FROM MASSACHUSETTS

TSONGAS SAYS THAT EXPORT TRADING COMPANY LEGISLATION IS NEEDED TO MAKE U.S. MORE COMPETITIVE WITH JAPAN

Senator Paul Tsongas told members of the House Banking Committee today that "there is nothing that Japanese business would like better than to watch endless U.S. debate on the merits of export trading companies."

"While we debate, Japan's giant trading companies, Mitsubishi and Mitsui, will continue to sell billions of dollars worth of goods, expanding their gigantic world-wide trading network -- at our expense," Tsongas added.

Tsongas presented testimony this morning before the Financial Institutions Subcommittee of the House Banking Committee in support of H.R. 6016, the Bank Export Services Act. The Massachusetts Senator is an original cosponsor of S. 2718, the Export Trading Company Act, which passed the Senate overwhelmingly in April of 1981. (The legislation would allow for the creation of general export trading companies as intermediaries for both small and large manufacturers of goods and services, linking them to international markets and providing financing through banks. Currently banks are not allowed to invest in commercial export enterprises.)

"Export trading companies can be a tremendous boon to U.S. competitiveness," Tsongas stressed. "Chase Econometrics estimates that U.S. exports could increase by \$100 billion over the next eight years should this bill become law. In other words, we may increase our export sales by almost 10% by giving ourselves the same authority to engage in export trading practices already enjoyed by our competitors."

On Friday of this week, Tsongas will give a major address on U.S./Japanese trade relations entitled "Meeting the Japanese Challenge." He will be available for questions at a press briefing to be held on Thursday, May 20th, at 2:30 p.m. in his office, 362 Russell Senate Office Building.