

Abstracts

Supplier Reliability: A Prerequisite for Export Expansion

S.R. Abrahamson. "Supplier Reliability: A Prerequisite for Export Expansion." 1980 MTT-S International Microwave Symposium Digest 80.1 (1980 [MWSYM]): 47-49.

Many years ago, the United States found that efforts of governments to manipulate international economic relations in the hope of achieving political objectives not only strangled world economic progress but also helped cause world wars. Despite this finding, congress passed the Export Control Act in 1949. Although it has been modified slightly and its title has been changed to the Export Administration Act, it continues to provide the President with virtually unlimited discretionary power to intervene in private business transactions involving widely available commercial products between U.S. firms and their overseas customers. Since passage of the statute, its authority to intervene has not been used judiciously. Instead, it has been used capriciously and vindictively. The result has been the loss of untold billions of dollars of export sales. The losses have come about in several different ways. First by refusing to issue export licenses, the Commerce Department has caused orders to be cancelled. Second, overseas buyers experiencing cancellations or protracted delays in shipments have refused to reorder from U. S. suppliers. Third, U. S. firms have dropped out of exporting because they were unwilling to incur the additional and frequently unpredictable costs associated with export licensing. Fourth, the demonstration effect of the dropouts has discouraged nonexporting firms from getting involved in exporting. Finally, some U.S. firms have gone abroad with their technology to avoid or minimize the effects of U.S. export control regulations. Export expansion programs can be effective only if there is a radical shift in U.S. export policy to one that is unambiguously supportive of market-determined trade in commercial goods. Stop-go export licensing of commercial transactions must be discontinued -- the sooner the better. This could, of course, be done with a revised statute. It also could be achieved by a new Executive Order. Healthy and sustained export expansion cannot be attained without one or the other.

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