

VETO OF H.R. 1562

MESSAGE

FROM

THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

HIS VETO OF H.R. 1562, A BILL TO ACHIEVE THE OBJECTIVES OF THE MULTI-FIBER ARRANGEMENT AND TO PROMOTE THE ECONOMIC RECOVERY OF THE UNITED STATES TEXTILE AND APPAREL INDUSTRY AND ITS WORKERS



DECEMBER 17, 1985.—Message and accompanying papers ordered to be printed

U.S. GOVERNMENT PRINTING OFFICE

To the House of Representatives:

I am returning herewith without my approval H.R. 1562. It is my firm conviction that the economic and human costs of such a bill run far too high—costs in foreign retaliation against U.S. exports, loss of American jobs, losses to American businesses, and damage to the world trading system upon which our prosperity depends.

At the same time, I am well aware of the difficulties of the apparel, textile, copper, and shoe industries, and deeply sympathetic about the job layoffs and plant closings that have affected many workers in these industries.

As I stated in my trade speech in September, I will not stand by and watch American businesses fail because of unfair trading practices abroad. I will not stand by and watch American workers lose their jobs because other nations do not play by the rules.

I am directing Secretary of the Treasury Baker, as Chairman Pro Tempore of the Economic Policy Council, to investigate the import levels of textiles and apparel to determine if these imports have exceeded those limits agreed upon in international negotiations. I have directed that he report back to me within 60 days and recommend changes in existing administrative and enforcement procedures, if necessary, so that corrective action is taken.

Also, I am directing the Office of the United States Trade Representative to most aggressively renegotiate the Multi-Fiber Arrangement (MFA) on terms no less favorable than present. Our trading partners must be put on notice that we will not allow unfair trading practices to continue. I am further directing Ambassador Yeutter to closely consult with the U.S. textile and apparel industry to ensure that their views will be fully represented during the negotiations.

Finally, I have directed Secretary of Labor Brock to work with the Congress to provide an additional \$100 million increase in funds appropriated to help retrain and relocate displaced workers under the Job Training Partnership Act. The Job Training Partnership Act is a more effective way than Trade Adjustment Assistance for the Secretary of Labor to target those American workers and geographic areas most affected. This is the way we can best help dislocated workers—and without pitting one American worker against another.

Free and fair trade policies have helped create nearly 9 million new jobs in the last 3 years and given us the highest rate of employment in our Nation's history. Still, for some workers in troubled industries, these are difficult times. The personal distress of those who lose their jobs is very real. None of us wants to see American workers lose their jobs or American businesses suffer. I pledge to you to do everything possible to combat unfair trade practices. But in so doing we must take wise and positive steps to redress wrongs. To do otherwise would be counterproductive.

Unfortunately, H.R. 1562 would invite immediate retaliation against our exports resulting in a loss of American jobs in other areas. Because this bill is so sweeping in its provisions, we could expect that retaliation to be extensive. The United States exported tens of billions of dollars worth of goods to the countries which would be most affected by this measure, including approximately a third of our farm exports. Workers in agriculture, aerospace, high-tech electronics, chemicals, and pharmaceuticals would be the first to feel the retaliatory backlash, but the damaging effects would soon be felt by every American in the form of lost jobs, higher prices, and shrinking economic growth.

We are pursuing an aggressive trade policy, based on the knowledge that American know-how is still number one and that American industry thrives on fair competition. Where U.S. industries are hurt by unfair practices, we will continue to take vigorous actions. Where foreign trade barriers lock out U.S. exports, we will do everything in our power to knock those barriers down. Our philosophy will always be to increase trade, increase economic growth, and increase jobs. We want to open markets abroad, not close them at home. In a fair and open world market, we know that America can out-produce and out-compete anybody.

RONALD REAGAN.

THE WHITE HOUSE, *December 17, 1985.*