

Week Ending Friday, October 15, 1982

Export Trading Company Act of 1982

*Remarks on Signing S. 734 Into Law.
October 8, 1982*

President Jesse Calhoun, Mr. Mayor, our Congressmen who are here—I'm sorry that your Congressman, Dan Lungren, couldn't be here with us today—and the other distinguished gentlemen who are here, and particularly Captain Boehm, who has 40 years of crossing the ocean with American products all over the world:

It's a great pleasure for me to be here in the only harbor in the United States that has the Presidential E Star Award for excellence in encouraging exports.

These ships and the goods they deliver have traveled great journeys, often, as we know, through stormy seas, to bring commerce, jobs, and well-being to our country and our people. Today in America all of us are participating in a similar journey that began 21 months ago. When we took charge of our Ship of State it was in dangerous disrepair, struggling through quite a raging economic storm. We faced double-digit inflation, high unemployment, 21½-percent interest rates, a trillion-dollar debt, and the highest peacetime tax burden in our history, all at the same time. We knew we couldn't solve in 20 months economic problems that had been building up over the decades, but we remain a hundred percent committed to a healthy, expanding economy for all.

And let me tell you something. No matter what the doomcriers say, we're much closer to that goal today than we were. One by one, we have faced up to the problems created by mistakes of the past—problems which threatened all our hopes and dreams for the future. Runaway spending has been brought under control; double-digit inflation, the single greatest enemy of jobs, growth, and stability, has been defeated—for the first 8 months of this year, down from 12.4 [percent] to 5.1 [percent] and last

month, on an annualized basis, it was running at 3.3 [percent]. The cruel, punishing tax burden has been reduced for every American taxpayer, and interest rates have dropped sharply. And yesterday morning, a long list of major banks in the country announced that they'd dropped it another half point down to 13 percent, from that original 21½ [percent] that we'd known.

Now, these fundamental reforms had to be made, and they must and will be continued. But we still have one major hurdle ahead. The toughest, most urgent priority that we now face is to create more jobs. We must not be satisfied until every single American who wants a job has a job.

This morning we received the bad news, of course, that the 9.8-percent unemployment rate in our country had gone to 10.1 percent. What we must guard against are those who will make, or try to make, a political football out of this cruel fate for so many of our people and this bad news. It is an election year. Already some would—in this political footballing—would try to load the entire blame for the 11—for the 10.1, I should say, let's not make it worse than it is—10.1 on the backs of our administration.

Well, I want to be fair about this. It was 7.4 [percent] when we started. Going to 10.1 makes it 2.7 that has occurred since we've been there. And I am willing to accept responsibility for the 2.7, if those others will accept responsibility for the 7.4.

But to make it really fair, I'll tell you this. I guarantee you we're going to accept responsibility in this administration for finding jobs for all of the 10.1. Our progress in reducing inflation is a major step toward achieving that goal, and another is to start increasing American exports and stop exporting American jobs. And that's what we're here to do today.

Greater export power means a better balance of payments for our country—as you've been told—more trade for American firms, and more jobs for our people.

One out of eight jobs in manufacturing, one out of every three jobs in agriculture relate directly to exports. So, I've come to ask your support in a new challenge for American exports. I believe that what we've done is good. I know what we can do is even better.

The legislation that we're signing today, the Export Trading Company Act, will provide thousands of small- and medium-sized businesses new opportunities in foreign trade. It can create several hundred thousand jobs at a minimum expense.

With aggressive steps to open up the overseas markets to American goods, with determination to ensure our business community a fair shake with their competitors, and with an all-out commitment by American business and business leaders to seize the new opportunities in this legislation, we can improve the well-being of all Americans.

This bill removes impediments to trade and permits companies to sell American products overseas more efficiently and effectively. It simplifies access to financing for small- and medium-sized export companies, and it encourages new involvement in exports by the American banking community.

We believe the bill could increase our exports by up to \$11 billion in the next 1 to 3 years. This bill has been a high priority for our administration. The previous administration had tried to get the bill passed but failed to make it through the Legislature. We're deeply indebted to Senators John Heinz and Jack Danforth and many other Members of the House and Senate for their help and leadership in this legislation.

Let me just add that by increasing exports and trade, those of you working at the ports and on the ships will see more jobs created. Jesse Calhoun, this is just one more way we hope to continue being of help to you and your membership. And I thank you for your kind words.

You know, Jesse is also showing us how civilians can man some Navy ships and at less cost. And we hope to make even more progress in that area, too, because it means more jobs.

In the last century, Yankee clippers carried American products abroad, returned with exports from distant lands. Americans still have the know-how and the vitality to

sail the oceans in pursuit of trade. We're encouraging them to do just that.

Along with the job training act that I'll sign next week, this bill marks a departure from previous, expensive, make-work job programs. Those were programs that were a kind of quick-fix in all the seven recessions that we've had since World War II, up to this one. They benefited politicians, but they didn't provide the real, lasting, private-sector jobs that unemployed Americans need. We're not going to start down that inflationary dead-end route; we must go forward with new, efficient, and lasting efforts to expand employment and create genuine opportunities.

We're witnessing a solid vote of confidence in America's economy and her future. The strength of our currency—now the strongest in the world. I can remember when you kind of had to think twice about spending dollars abroad, because they didn't buy as much. But the surge of investment in our bond and equity markets are telling us something very important. America's economy is ready to lead the world out of recession and into recovery. And we must remember that this recession is not ours alone; it is worldwide. And we are in and have been in the longest period of sustained worldwide inflation in the history of mankind. And I think our country is taking the lead in reducing that, and we can export that also—that reduction in inflation.

Our job isn't over, and it won't be easy. But with patience, resolve, and faith, we can and we will make this great land all that we've ever dreamed she can be. And now, I'm going to stop talking and start writing and sign this bill.

Government pens—they'll only write one name. [Laughter] You have to use more than one.

[At this point, the President signed the bill.]

It is now signed into law.

Note: The President spoke at 9:05 a.m. at the Sea-Land Service, Inc., in Long Beach Harbor, Long Beach, Calif. The site of the signing ceremony was adjacent to the Sea-Land Explorer, a D-9 vessel container ship and the most modern in the American merchant marine. In his opening remarks, the

President referred to Jesse Calhoun, president of the Marine Engineers Beneficial Association, and Captain Harold Boehm, who is retiring from the merchant marine after 48 years of service.

As enacted, S. 734 is Public Law 97-290, approved October 8. After signing the bill into law, the President went to Tijuana, Mexico, to meet President-elect Miguel de la Madrid.

The transcript of the President's remarks at the signing ceremony was not received in time for inclusion in last week's issue.

Meeting With President-elect Miguel de la Madrid of Mexico

Toasts at a Luncheon Honoring the President-elect. October 8, 1982

The President. *Buenos tardes* and welcome. I'm aware, Mr. President, that today instead of welcoming you, I should be saying welcome back. My country is most honored that the Mexican people have selected as their new President a man who studied for a time at one of our universities. And this should be no surprise to any of us. The citizens of our two countries are inextricably linked. In commerce and in culture, we're both proud and independent; yet, at the same time, each of our societies is enriched and strengthened by its relationship with the other.

Here in the Southwest, and especially California, we're keenly aware of our debt to Mexico—the fountainhead of so much of our heritage. It's fitting that we began our day by placing a wreath at the statue of Benito Juarez—a man who also visited the United States before emerging as a great Mexican leader. Juarez, a contemporary of Lincoln, a man acclaimed in the highest levels of our diplomatic community, once said that respect for the rights of others, between individuals as between nations, is the basis of peace.

Today, his words still ring true. With the mutual respect of which he spoke, we will continue the peaceful, amicable, and mutually beneficial relations that are the pride of our two nations.

Juarez led your country in a period of great uncertainty. Both Mexico and the United States were engulfed in civil strife. And today, again, both of our people suffer—this time from serious economic problems, a malady which is worldwide in scope.

You and your country, Mr. President-elect, as we in the United States, are dedicated to restoring health to a troubled economy. Each nation must confront the crisis in its own way. But as your friend we stand ready to work with you, recognizing that in times such as these friendships are put to the test.

Let there be no doubt that our affection will not only withstand these difficulties, but triumph over them. Indeed, out of economic adversity may spring new incentives to expand the vast economic potential that exists on this proud continent.

Our meetings today continue a tradition which began in the first decade of this century. My meetings as President-elect with the incumbent President of Mexico opened lines of communication and established a personal relationship that proved indispensable. And after getting acquainted today, I am certain that the same cordiality and trust that have played such a significant role in Mexican-American cooperation during these last 21 months will continue and, hopefully, expand.

Mr. President-elect, I know of your admiration for José Maria Morales, a leader in your country's fight for independence and a man who championed constitutional government. We must never forget that the United States and Mexico represent more than friendly neighbors—something to be proud of in itself—but also two peoples who are dedicated to certain ideals of freedom, found in only a few countries.

Over these last 21 months, my administration has worked closely with its counterpart in Mexico City in many areas of concern, with particular attention to the stability and independence of Western Hemisphere nations. Your generous contributions to the Caribbean Basin have been much appreciated. And while we've not always agreed on everything, we've developed a firm respect for your opinions and for the