

Korea OKs textile pact — Reagan veto override seen by House leaders

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WASHINGTON — South Korea has agreed to a virtual freeze on textile shipments to the United States, the Reagan administration announced yesterday as it prepared for a crucial vote in Congress on a protectionist bill that would cut all textile imports by 30 percent.

The United States now has "tougher comprehensive" agreements with the "Big Three" textile suppliers, Taiwan, Hong Kong and South Korea, Clayton Yeutter, U.S. Special Trade Representative, told a news conference. Each country has agreed to an annual growth rate of less than 1 percent in shipments to the United States.

Blaming imports for wiping out 300,000 jobs in the last five years, Congress approved legislation to cut imports of textiles and apparel by 30 percent. But President Reagan vetoed the bill, warning it could ignite a global trade war against U.S. products. The House will vote tomorrow on whether to override his veto.

The issue has economic and political ramifications far beyond the textile business. Other domestic industries hurt by imports will be watching to see if they too should seek help from Congress. The administration, meanwhile, fears relations with various fast-growing nations could be jeopardized by new U.S. barriers against imports.

The outcome of tomorrow's vote is "probably too close to call at this point," Yeutter said. Administration strategists hope that yesterday's announcement will help persuade some wavering members of Congress that the government is taking a tough posture on trade.

But House leaders said they now have enough votes to override on the textile bill veto. Senate vote-counters say the outcome there is still in ques-

"The votes are there for the override," House Speaker Thomas O'Neill said yesterday in predicting the necessary two-third vote needed to reverse the president.

But Sen. Phil Gramm, R-Texas, who opposes the legislation on the grounds it will cause a trade war with America's allies, said he expects Reagan will win in the Senate.

The Senate adopted the legislation on a 60-39 vote last December, but it requires a two-thirds vote of the Senate — 67 votes — to override the president's veto.

The textile industry quickly replied to Yeutter, accusing him of keeping American firms in the dark when talks with South Korea were under way.

"Clayton Yeutter and his fly-by-night negotiating team has once again taken the back-alley route . . . excluding industry representatives from trade negotiations and U.S. job-saving provisions from the agreement," said John Gregg, chairman of the Fiber, Fabric & Apparel Coalition for Trade, an industry and union group.

"Korea gets to export an additional 91 million square yards, and the U.S. gets to export 9,000 American jobs to Korea over the next four years," Gregg said.