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Statement Deploring the Expenditure of Large Sums of Money to Purchase Textile Machinery to be Sent Abroad so as to Foster Unfair Competition with American Textile Industries

Strom Thurmond

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STATEMENT BY J. STROM THURMOND, GOVERNOR OF SOUTH CAROLINA, DEPLORING THE EXPENDITURE OF LARGE SUMS OF MONEY TO PURCHASE TEXTILE MACHINERY TO BE SENT ABROAD SO AS TO FOSTER UNFAIR COMPETITION WITH AMERICAN TEXTILE INDUSTRIES. JULY 12, 1949.

No one believes more strongly than I do in reasonable assistance to friendly foreign nations in the interest of world peace, but from information I have received, I am convinced that the American textile industry and its hundreds of thousands of workers are dangerously threatened by one phase of the recovery program.

I have evidence of the fact that the Federal government is spending large sums of the taxpayers money to purchase textile machinery to be sent to foreign nations for the production of materials to be sold in unfair competition with American textile goods.

If the textile industry were continuing to boom as it did for several years after the war, the situation might be different. But times have changed. Instead of booming, the textile industry is in the throes of a recession which has resulted in widespread production curtailments, unemployment, and shorter work-weeks. Many plants have cut back to three or four days of operation, as against the previous six days; others have eliminated third shifts. And unfortunately unemployment is steadily increasing in the textile plants of this and other states.

The best estimates, based on Security Employment Commission figures, show that nearly 10,000 of the state's approximately 125,000 textile workers are out of jobs, despite the fact that a number of large new plants have begun operations in the last two years and many of the old plants have expanded their capacities.
I am informed that virtually every textile company in the state has its warehouses overflowing with materials which are moving very slowly.

I can see no reason at all for the United States government to finance foreign competition for an American industry which is struggling desperately to get back on an even keel, and to maintain employment at least at normal levels. The money of American taxpayers certainly should not be used to help bring on conditions which result in unemployment and reduced work-weeks for our textile employes.

Anything that tends to handicap the textile industry, handicaps South Carolina as a whole. Textiles represent approximately 65 per cent of the state's industrial jobs and 70 per cent of our industrial payrolls.

It is already indicated that the state treasury in 1949 will lose between $7,000,000 and $8,000,000 in corporation income tax revenue as a result of the financial losses of our textile mills. How much more will be lost in state revenue is problematical. Workers, due to curtailments and unemployment, will receive well below the estimated $300,000,000 paid out by the textile industry in wages in South Carolina last year. This inevitably means a heavy drop in state revenues from personal income taxes, levies on tobacco, soft drinks, alcoholic beverages and other such taxes.

A drop in textile payrolls reduces the income of practically every type of business in South Carolina. Schools, churches and other institutions suffer. Few of us, as a matter of fact, fully appreciate just how vital the textile industry has become in the state's economy.

The purposes of the Marshall Plan, or any other international cooperative program, can be fully served without requiring the tax payers of the United States to build up foreign industries whose exports will restrict American manufacture and endanger the jobs of American workingmen.