MR. COAR: Senator Thurmond, the Congress this week put the final touches on HR 1, better known to many as the Reciprocal Trade Agreements bill, and sent it on to the President for his signature. Am I correct in saying that you were pleased with final congressional action on this important legislation?

SEN. THURMOND: That's right, Bob. I am glad that HR 1, as amended, has finally been approved by the Congress because it affords a measure of protection badly needed by the cotton textile and other industries. Passage of the bill takes from the President authority to cut tariffs already reduced by the GATT Conference at Geneva, in instances where reductions were more than 15 per cent. For the next three years, under provisions of HR 1, the President would have the authority to approve up to a maximum of five per cent tariff reductions annually on items which were not reduced at Geneva. Under the old law and under HR 1 as passed by the House, there was virtually no protection against tariff reductions.

I think it should also be pointed out at this time, Bob, that HR 1 not only provides more adequate protection for industry but it also gives greater assurance that the farmer will not suffer from the loss of foreign markets which now consume much of our farm surpluses.

MR. COAR: Well, Senator, what would have happened if the Congress had failed to pass the trade bill?
SEN. THURMOND: Failure to enact HR 1 could result in chaotic conditions which existed prior to 1934, when each country took the view that its tariff barriers had to be high enough to protect itself against imports. Without HR 1 the President would have no authority to enter into ANY trade agreements.

If he were no longer able to negotiate trade agreements, we could certainly expect that foreign nations would fearfully erect new tariff barriers against the products of our farmers as well as against manufactured products.

MR. COAR: What about these recent tariff reductions announced last week by the State Department? I believe they were made at the GATT Conference in Geneva.

SEN. THURMOND: I was greatly disturbed and disappointed to learn of the agreements entered into in the GATT Conference. The State Department officially announced that "among the concessions granted by the United States were moderate reductions of rates on some carefully selected cotton textile items."

As a matter of fact, I have learned reliably that these reductions on such basic cotton goods as print cloths, broadcloths, poplins, oxfords, twills, etc., run as high as 27 to 48 per cent of the present tariff rate. A spokesman for the textile industry has stated that these cuts represent "more than the current profit margin of the industry from the production of standard goods."

While I am astounded that State Department negotiators would agree to such severe reductions in products manufactured by this basic industry, I do want to point out that the possibility of just
such action/caused me to urge amendments to HR 1/for the purpose of providing more adequate protection against future cuts. The amendments I advocated were adopted/and they do prevent any further tariff cuts for three years/on the items which suffered so greatly in the Geneva negotiation.

MR. COAR: Senator, didn't you appear before the Senate Finance Committee earlier in the year and warn of the dangers of possible cuts at Geneva under existing law?

SEN. THURMOND: Yes, Bob. On March 17 of this year/I appeared before the Senate Finance Committee and warned of the necessity of amending HR 1/to protect the textile industry and its million employees who annually receive 3 billion dollars in wages and salaries.

At that time I pointed out that the industry and its employees/ were "exposed more than any other major industry/to possible sacrifice on the altar of so-called reciprocal trade."

I told the Committee: "...They should not be subjected to the risks immediately threatened by HR 1 and the current negotiations at Geneva."

Also, I told the Committee that, "HR 1 in its present form contains provisions which would do injustice/not only to the textile industry/but also to many other types of American enterprise. For that reason I would be unable to cast my vote in favor of it unless it is amended."
MR. COAR: I believe that's when you came out with the Thurmond amendments to HR 1, isn't that correct?

SEN. THURMOND: Yes, sixteen Senators joined me in asking the Committee to amend the bill and when the report on HR 1 was made, it contained the amendments and the effectiveness of these changes in the original bill has been preserved in the conference report. I hope that future negotiations affecting any of our industries will be conducted on a more realistic basis than the recent GATT Conference. In any case, this legislation provides protection for three years against further such damaging blows to industries such as textile manufacturing.

THE END